



Stock Code : 2612 TT

Investor Presentation

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Summary of Presentation

- Capesize Market Outlook
- Dry Bulk Shipping Market Trends
- The Company Overview
- Appendices

Outlook



Capesize Market Outlook

Freight Rates Rises in Q1 2021

- 5TC average reached highest level this year at US\$26,489 this quarter and average spot rate surpassed that of last year to US\$17,021 in Q1
- Iron ore price hit 10-year high and averages US\$ 168/ton in Q1

PRC' s Strong Demand for Iron Ore

- PRC import volume in January and February increased by 3% y-o-y while major port stockpile remains at relatively low levels
- The country imported 1.146 billion tons in 2020 with growth expected for this year

Net Fleet Growth Will Decelerate from 2021

- Approximately another 100 new ships will join the fleet in 2021, while demolition is set to continue this year
- Capesize fleet' s net DWT growth is 0.96% in Q1 2021

Short-term Outlook

- In post Covid-19 era, mining and port operations returns to normal while demand and supply balance will improve from this year
- Spot rates have been firm so far in Q1 and FFA is showing signs of confidence for remaining 2021



PRC Key Economy Indicators

- PRC' s crude steel production in 2020 reached 1.053 billion tons, up by 5.2% y-o-y; in January and February, iron ore import volume totaled 180 million tons while coal import volume was 41 million tons
- PRC' s gross domestic product reached about 14.7 trillion U.S. dollars or equivalent to growth of 2.3% y-o-y. It is the world' s only major economy to report positive economic growth for 2020
- PRC' s industrial production soared by 35.1% in January and February while national investment in real estate development increased by 38.3% y-o-y, and 15.7% higher than same period in 2019
- The country has seen fixed asset investment surged by 35.0% in the same period this year, while electricity consumption totaled 1.26 trillion kWh, an increase of 22% y-o-y

Focal Points of 2021



1

Global Economy to Recover This Year

Global economy is expected to grow by 5% this year as Covid-19 vaccine develops rapidly and PRC economy continues to improve going forward

2

Tension Between PRC and Australia

PRC's boycott of Australian coal continues and market is paying close attention to improvement of bilateral relationships, while looking for signs of PRC to continue importing more coal from other exporters such as Indonesia

3

Brazilian Iron Ore Exports

Brazil's iron ore mining operation and transportation is returning to normal which will have positive impact on long haul shipping volumes

4

Performance of Sub-cape Bulkers

Sub-cape bulkers have performed well since Q4 2020 due to stronger grain export volumes from Western Hemisphere. Market is anticipating spill-over effect to take place through all ship segments

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to increase slightly in 2021 while Brazilian export volume is expected to raise by 6% and Australian export volume increases by 2%; global iron ore demand is projected to grow by 3% in 2021

Coal



Clarksons Platou forecasts Chinese coal imports to drop by 4% in 2021 while Australian export volume is expected to increase by 4% and Indonesian export volume raises by 6%; global coal demand is projected to grow by 5% in 2021

Shipping Market Outlook - Supply

Newbuildings



According to IHS Markit, 102 newbuildings (100-400k DWT) are projected to be delivered in 2021 while fleet net growth is estimated at 3.8% for this year; 28 large bulkers (100-400k dwt) are expected to be delivered in 2022

Ship Scrapping



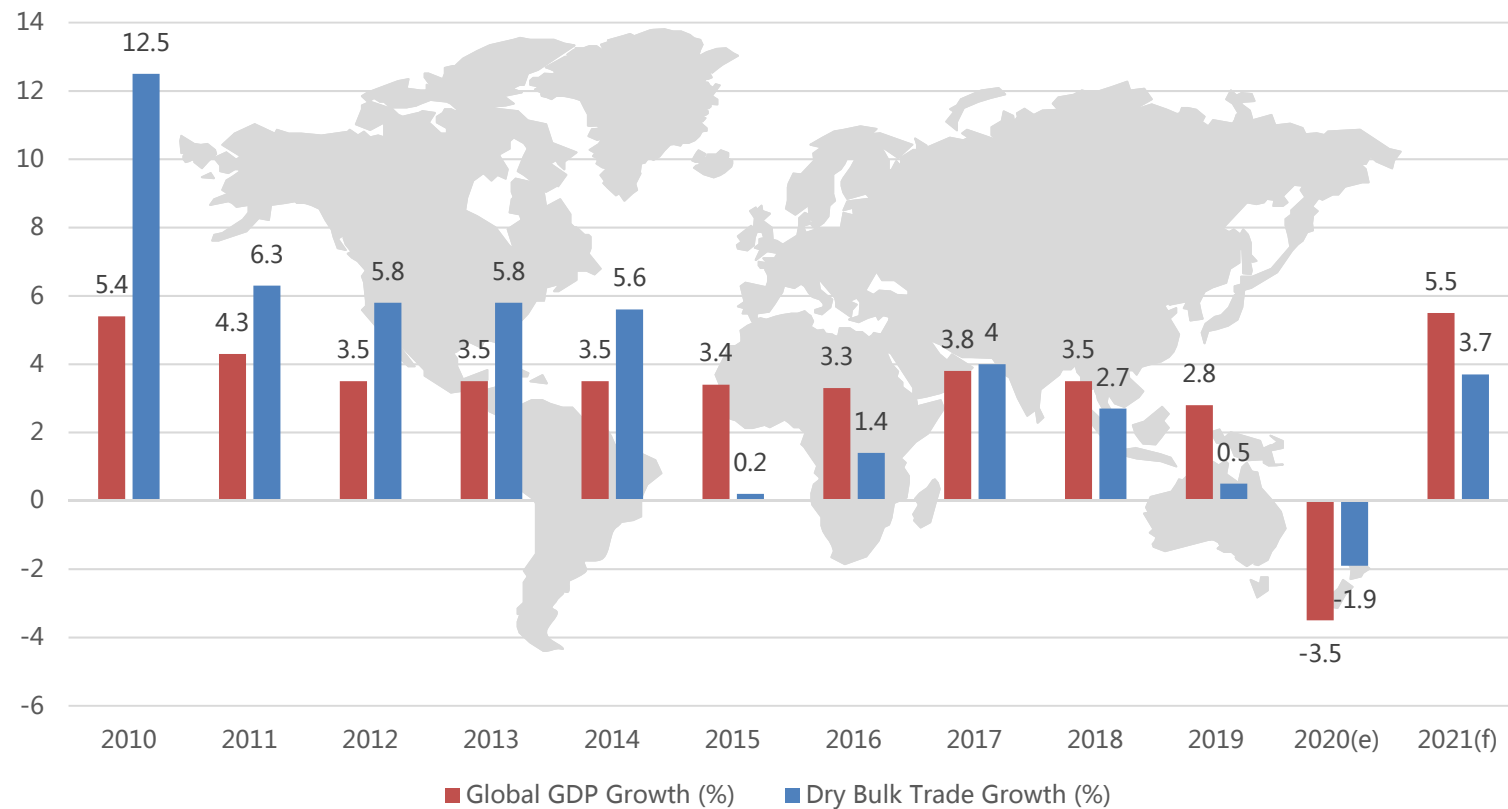
Demolition quantity of large bulkers (100-400k DWT) reached 56 in 2020 while more vintage bulkers are to be recycled this year- 30 to 40 units are expected to be scrapped in 2021

Dry Bulk Shipping Market Trends



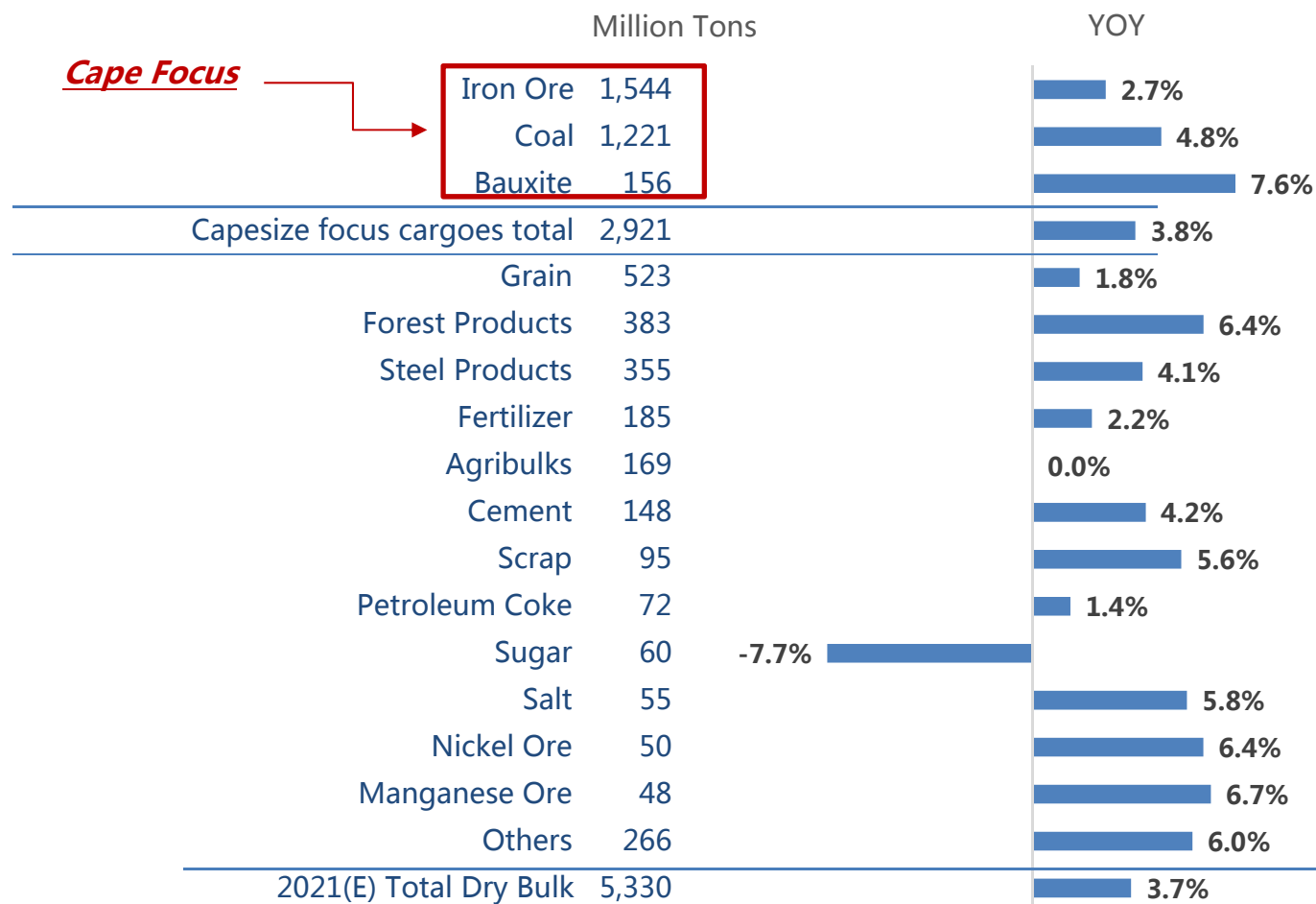
Global Economy Recovers from 2020

- IMF projects global GDP to grow by 5.5% in 2021
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 3.7% in 2021



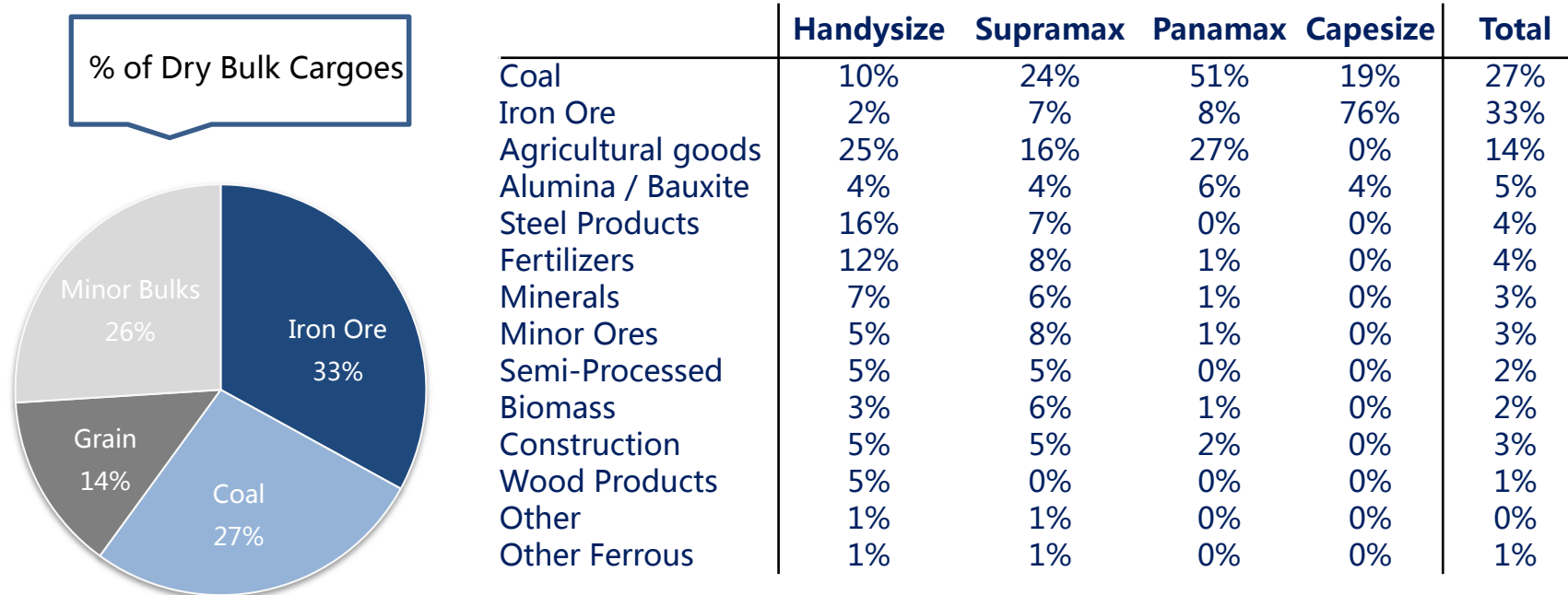
Source: IMF / Clarksons Platou

Dry Bulk Seaborne Trade Expects to Grow by 3.7%



Source: Clarksons Platou

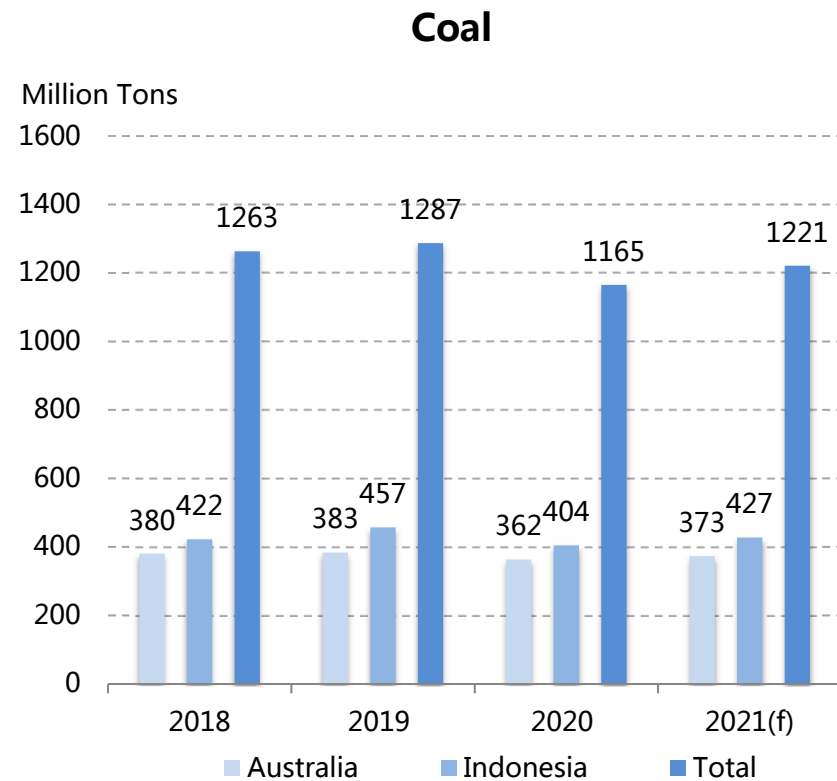
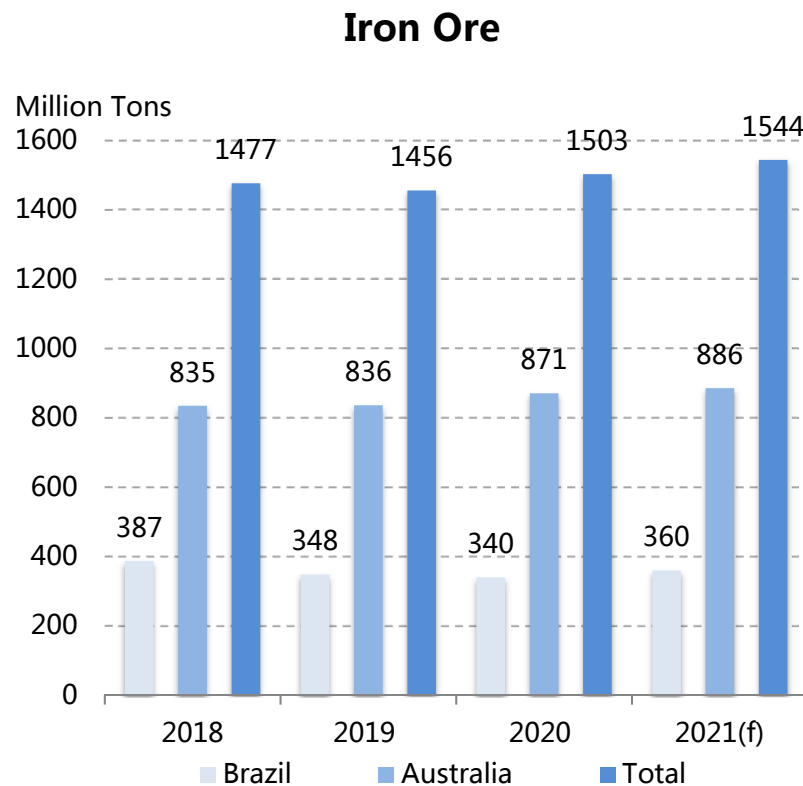
Commodity Shares Based Vessel Types



Source: Clarksons Platou & Maersk Broker

Global Iron Ore/Coal Exports

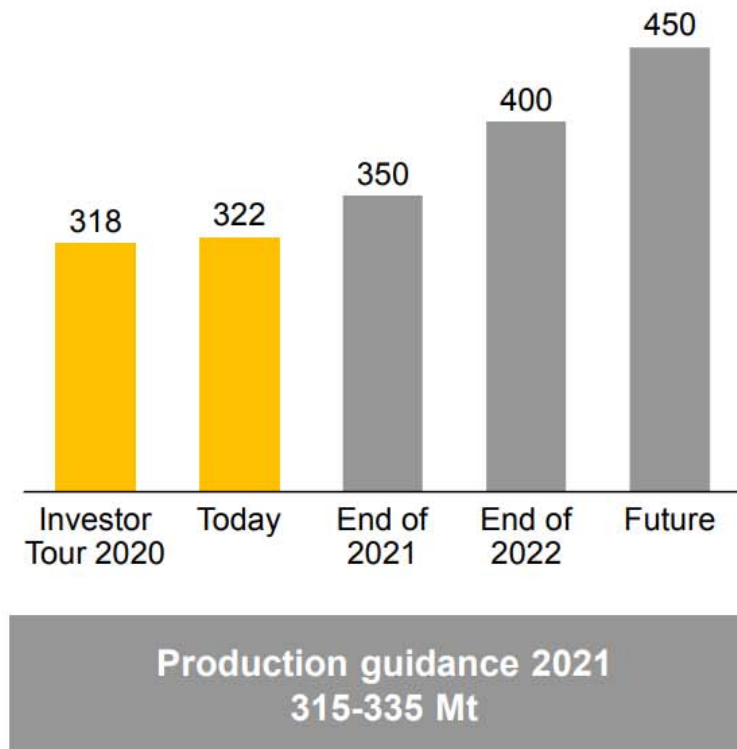
Clarksons Platou forecasts global iron ore exports to increase by 3% while coal exports to increase by 5% in 2021



Source: Clarksons Platou

Vale's Iron Ore Production Outlook

Iron ore capacity (Mtpy)



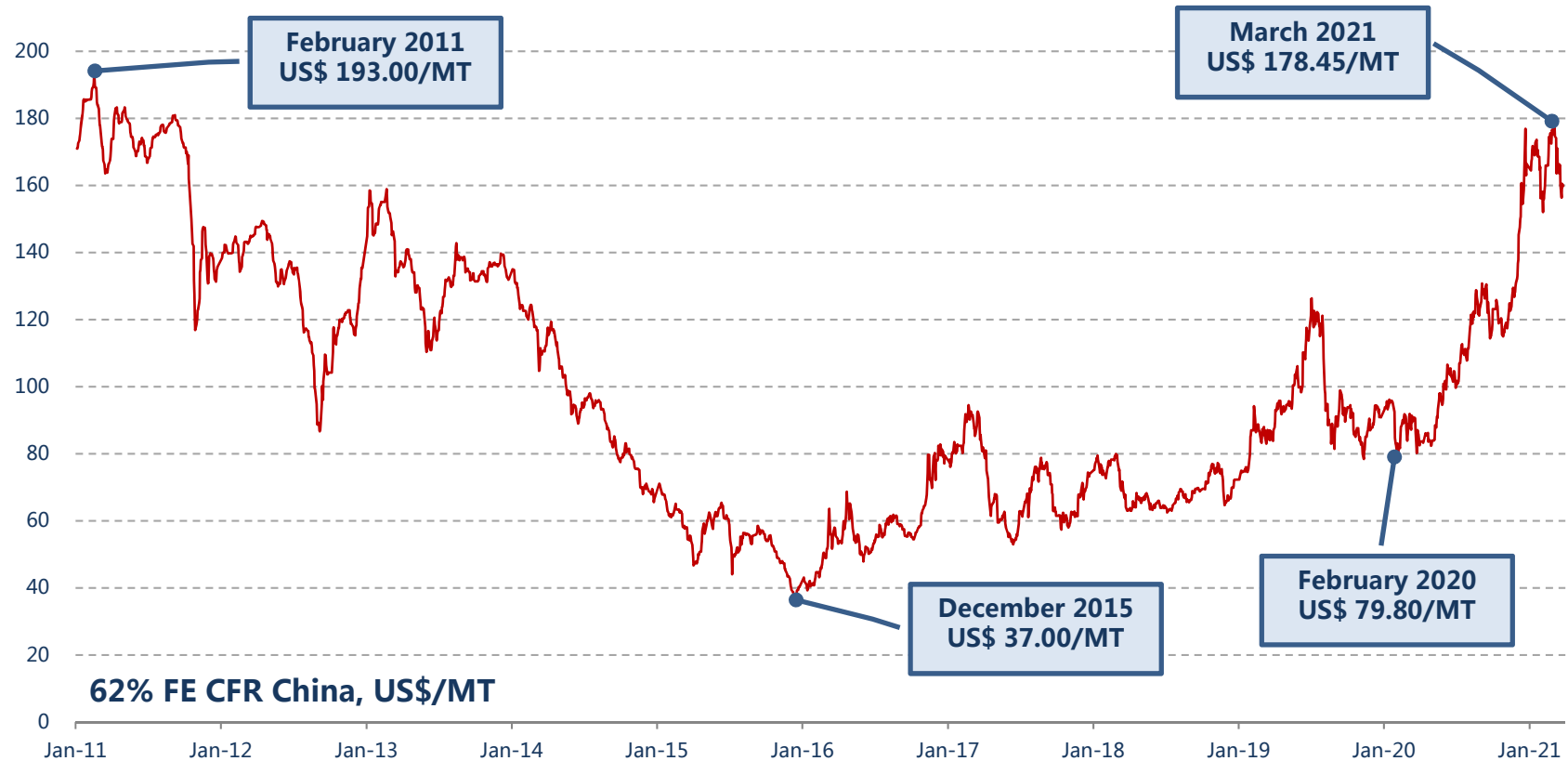
Recent achievements

Northern System
Southeastern System
Southern System

December 2020	<ul style="list-style-type: none"> • Serra Leste: resumption of operations, adding 4 Mtpy capacity • Capanema: project approval with 18 Mtpy capacity (start-up in 2023) • Fábrica: resumption of dry processing operations, adding 2 Mtpy capacity
January 2021	<ul style="list-style-type: none"> • Vargem Grande pellet plant: resumption of operations, adding 7 Mtpy of pellet capacity • Vargem Grande: approval received to start VGR's conveyor belt tests • Fábrica: approval received to start tests at beneficiation plant facilities
February 2021	<ul style="list-style-type: none"> • Serra Norte: Board approval of N3 mining front development (start-up in 2022) • Itabira: removal of Itabiruçu dam emergency level¹
March 2021	<ul style="list-style-type: none"> • Timbopeba: Plant's adaptation for tailings disposal at Timbopeba pit, adding 7 Mtpy capacity

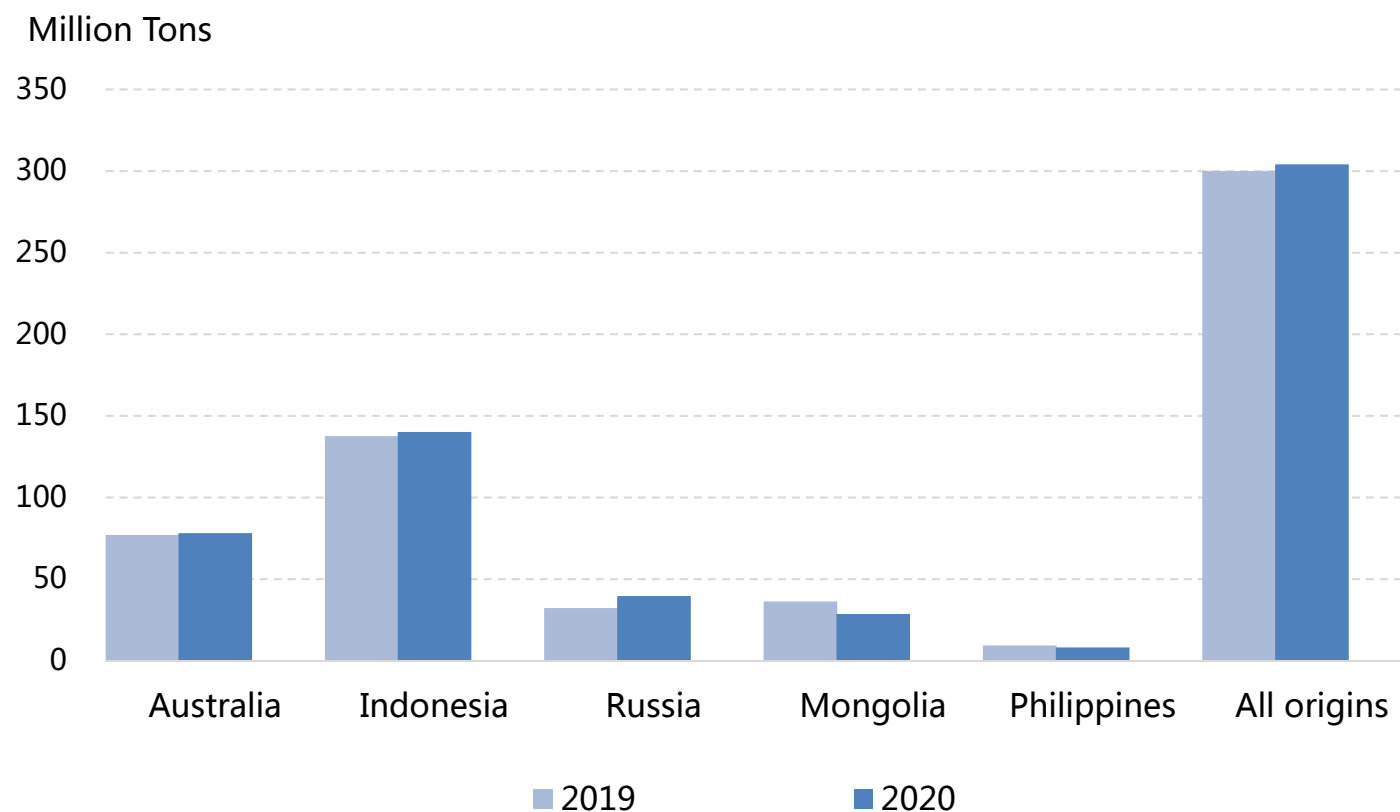
Source: Vale

Iron Ore Price Remains at High Level



Source: SSY

PRC Coal Imports

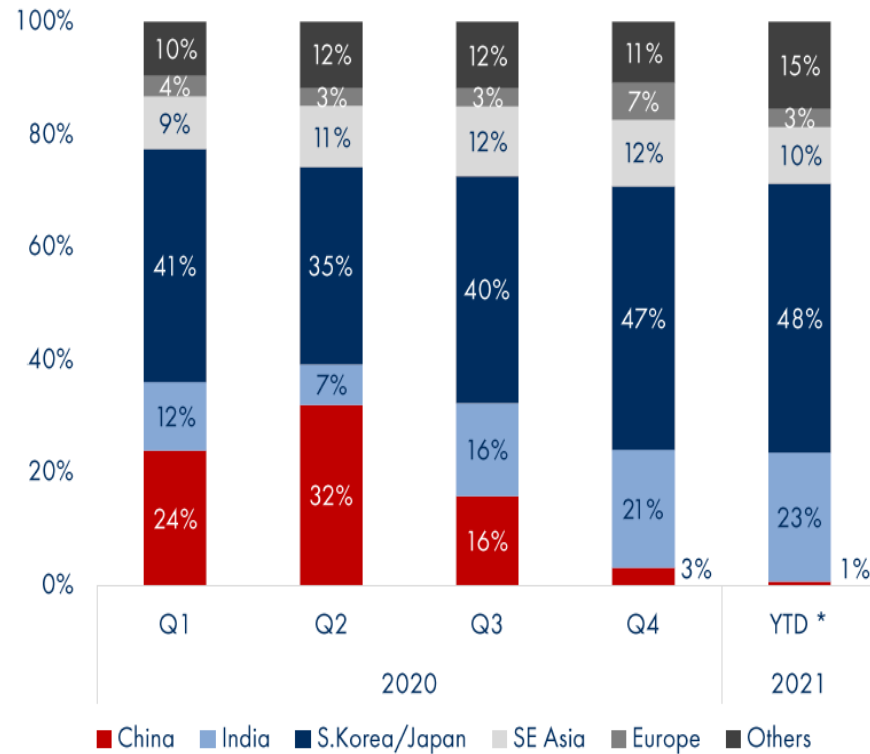


Source: PRC Customs

Coal Trades of PRC and Australia

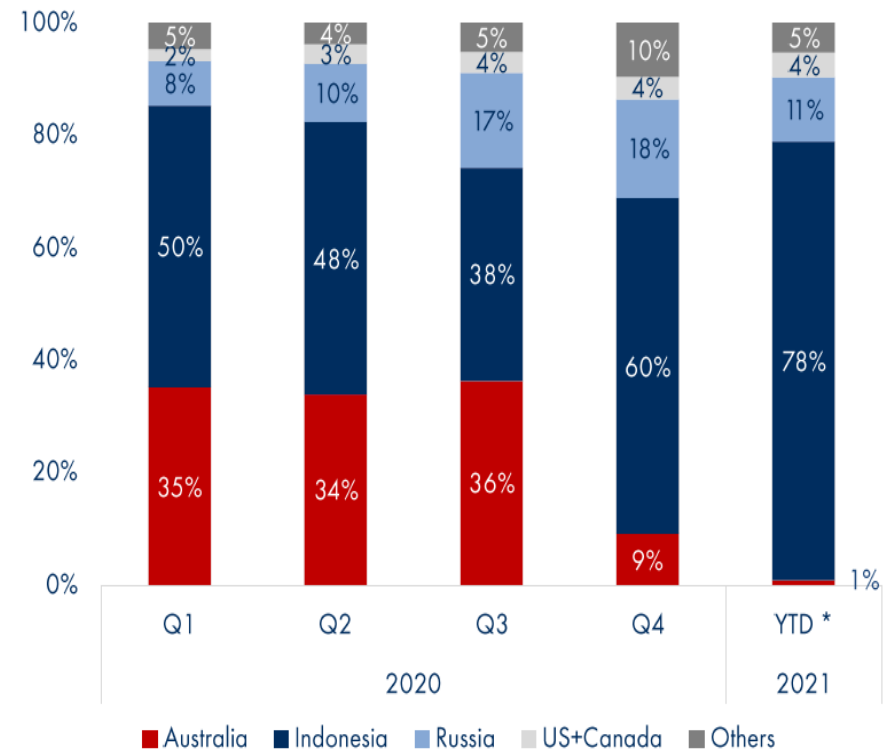
Australia coal shipments by destination

% of total



China coal arrivals by origin

% of total

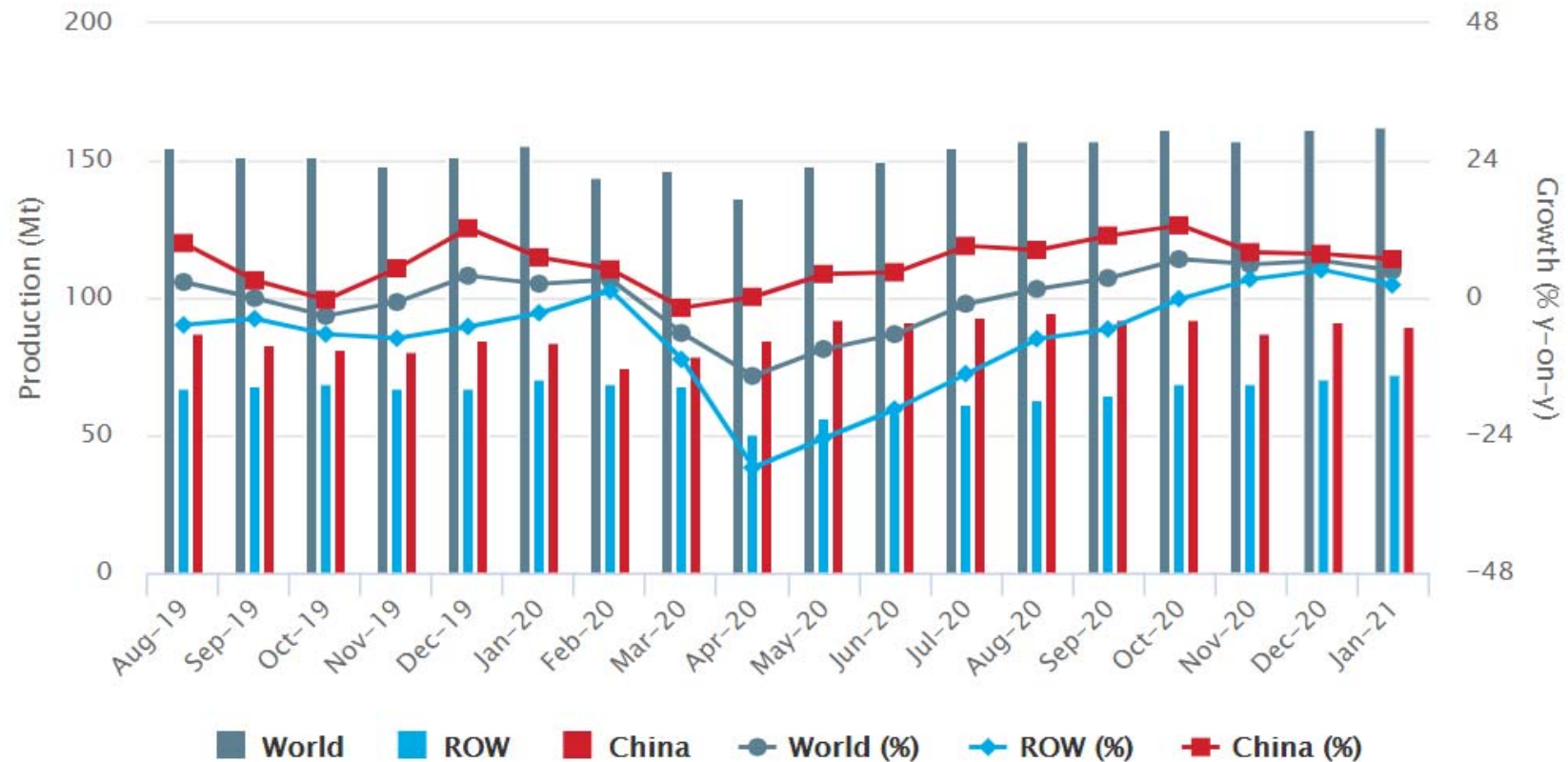


*as of 11 February

Source: Arrow Shipbroking

Global Steel Production Recovers

PRC's y-o-y growth rate in 2020 is 5.2%;
Full year y-o-y projection for 2021 is 2.8%

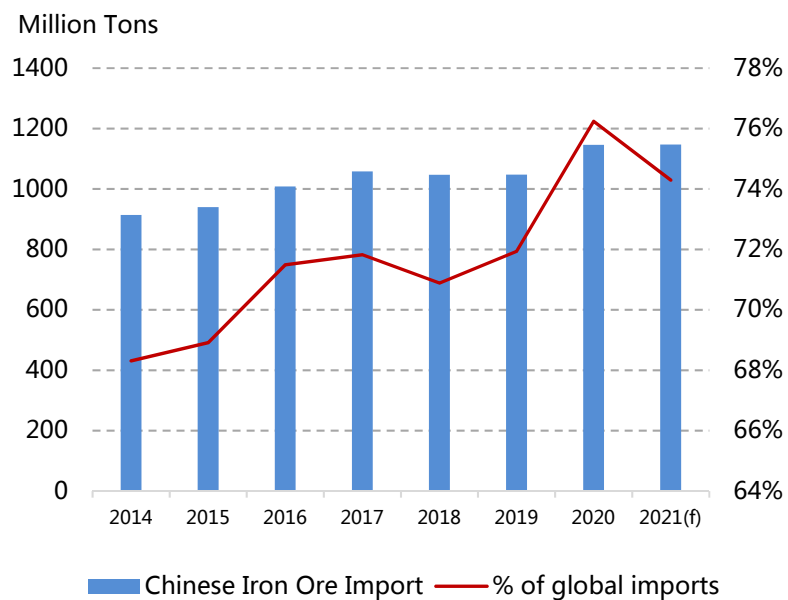


Source: World Steel Association

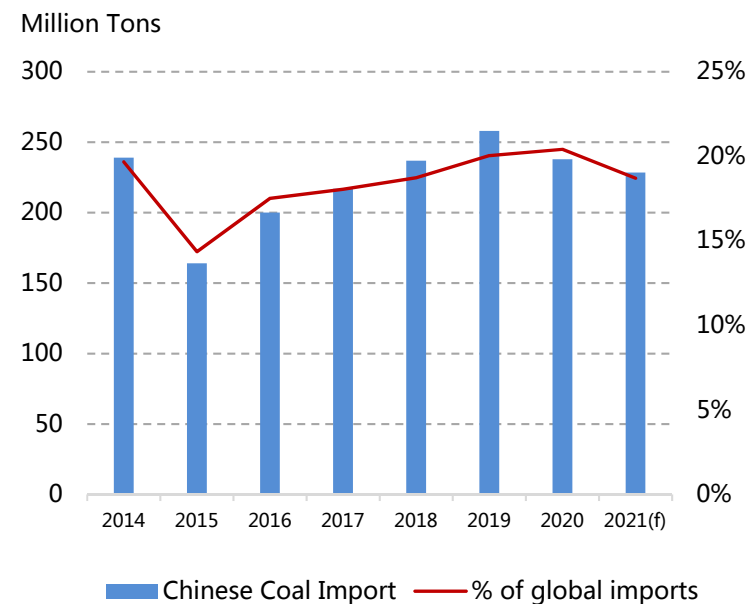
PRC Commodity Imports

- PRC' s demand for iron ore is estimated to increase in 2021 to 1.150 billion tons
- PRC' s demand for coal imports is projected to decrease by 4% in 2021 to 230 million tons
- PRC' s demand for bauxite imports will grow by 8% in 2021 to 130 million tons

Iron Ore

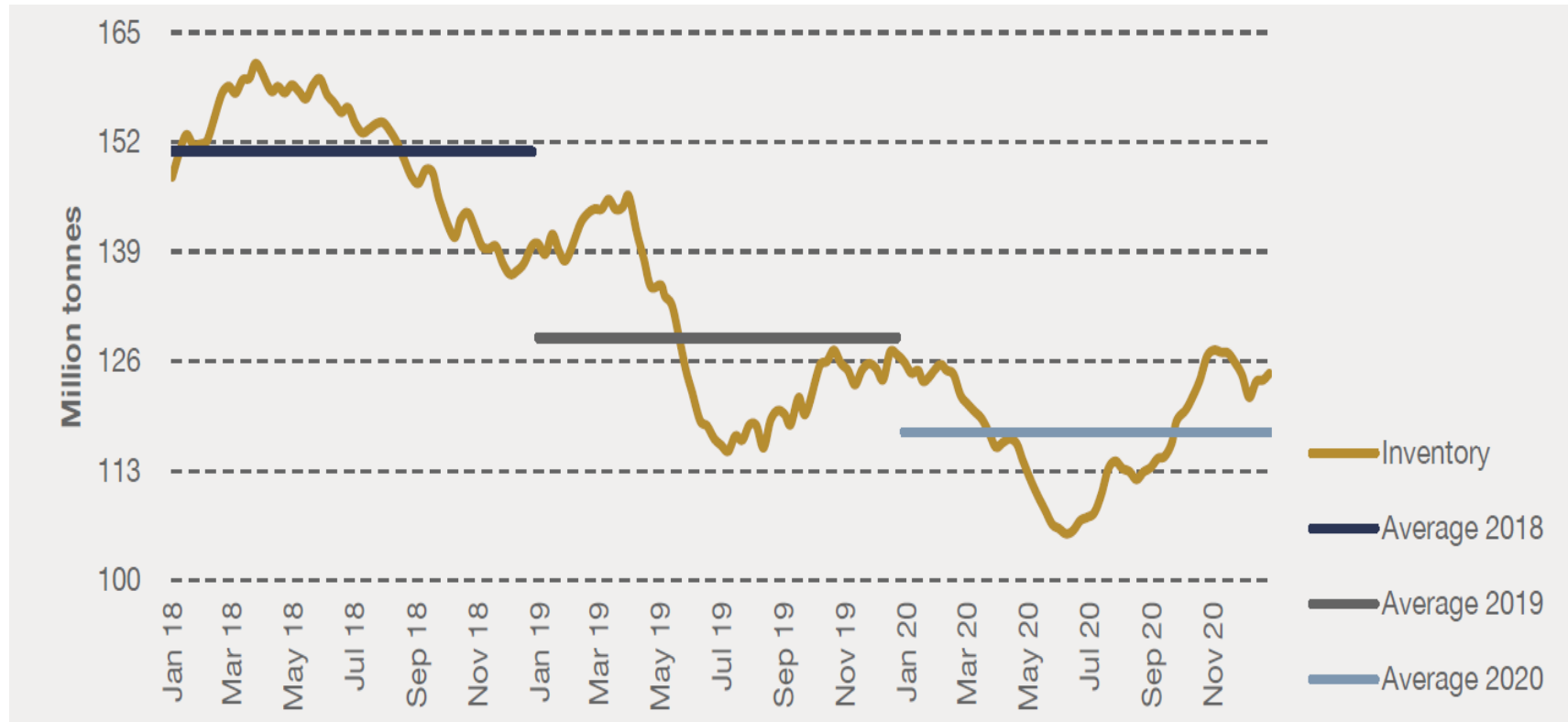


Coal



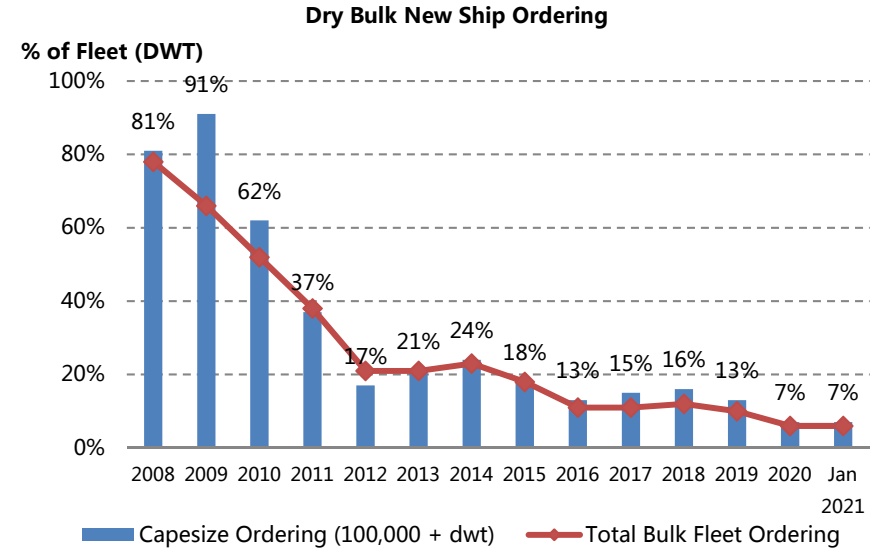
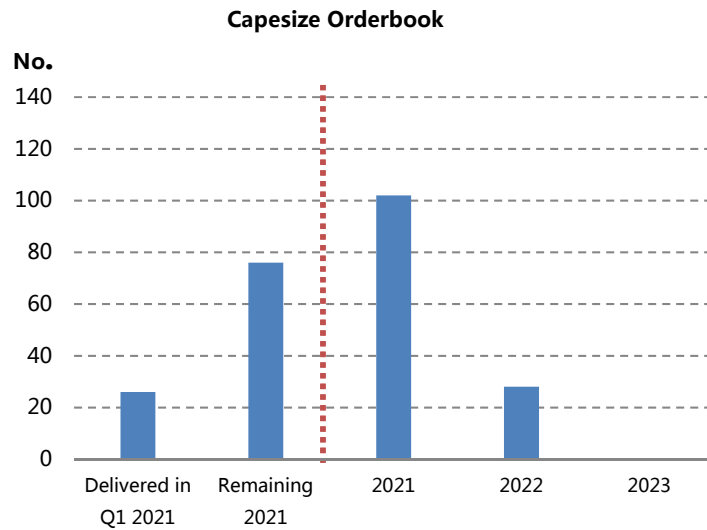
Source: Clarksons Platou





Iron Ore Stockpiles at PRC Ports



Source: Drewry Maritime Research

Bulker Newbuilding Orders are Shrinking

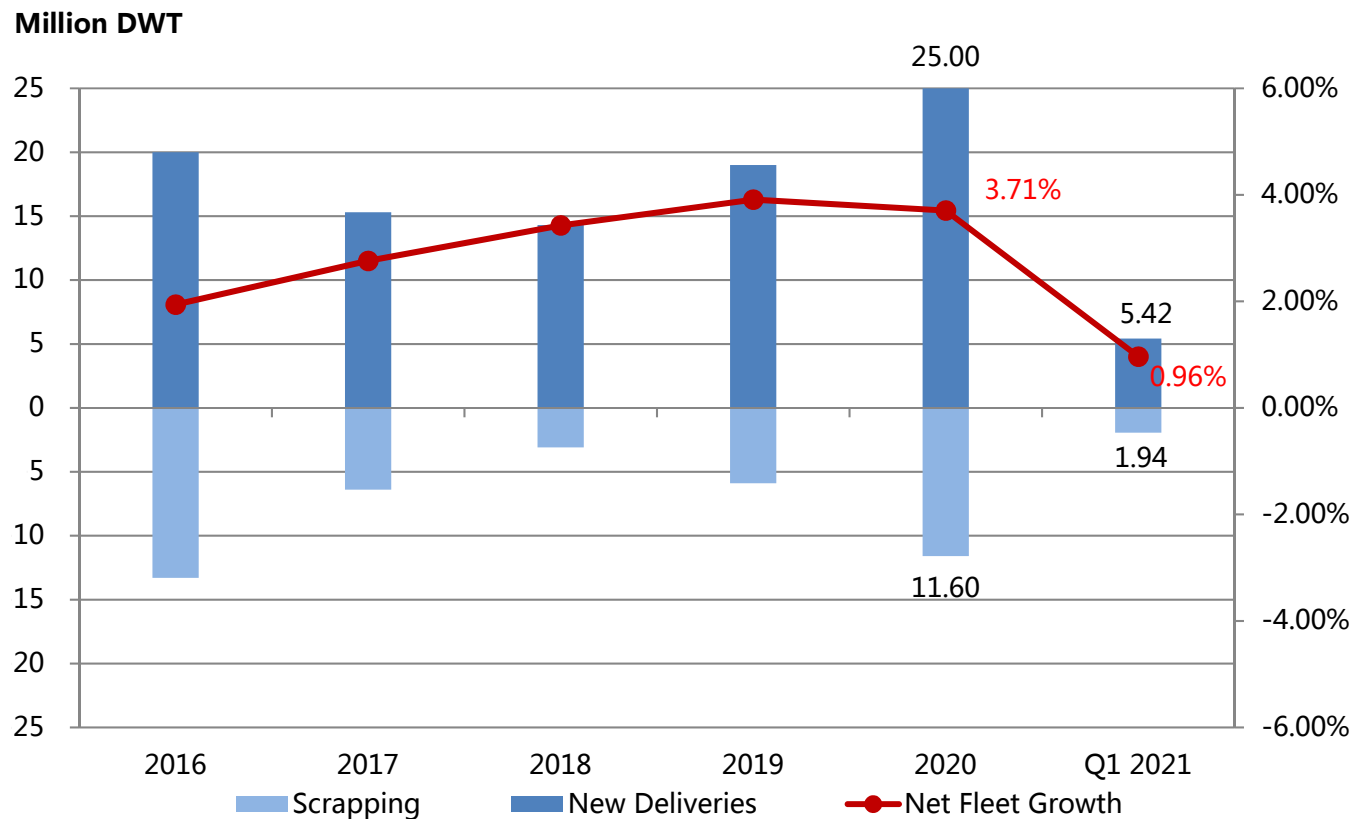


	ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 20 YEARS OLD	JAN 2021 SCRAPPING AS % OF EXISTING FLEET
 Handysize (10,000 - 40,000 dwt)	3%	12.0	13%	0.00%
 Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	5%	10.1	7%	0.05%
 Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	6%	10.3	9%	0.04%
 Capesize (100,000 + dwt)	7%	8.7	2%	0.17%
Total Dry Bulk > 10,000 dwt	6%	10.5	6%	0.09%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates

Capesize Supply Development



Source: Clarksons Platou

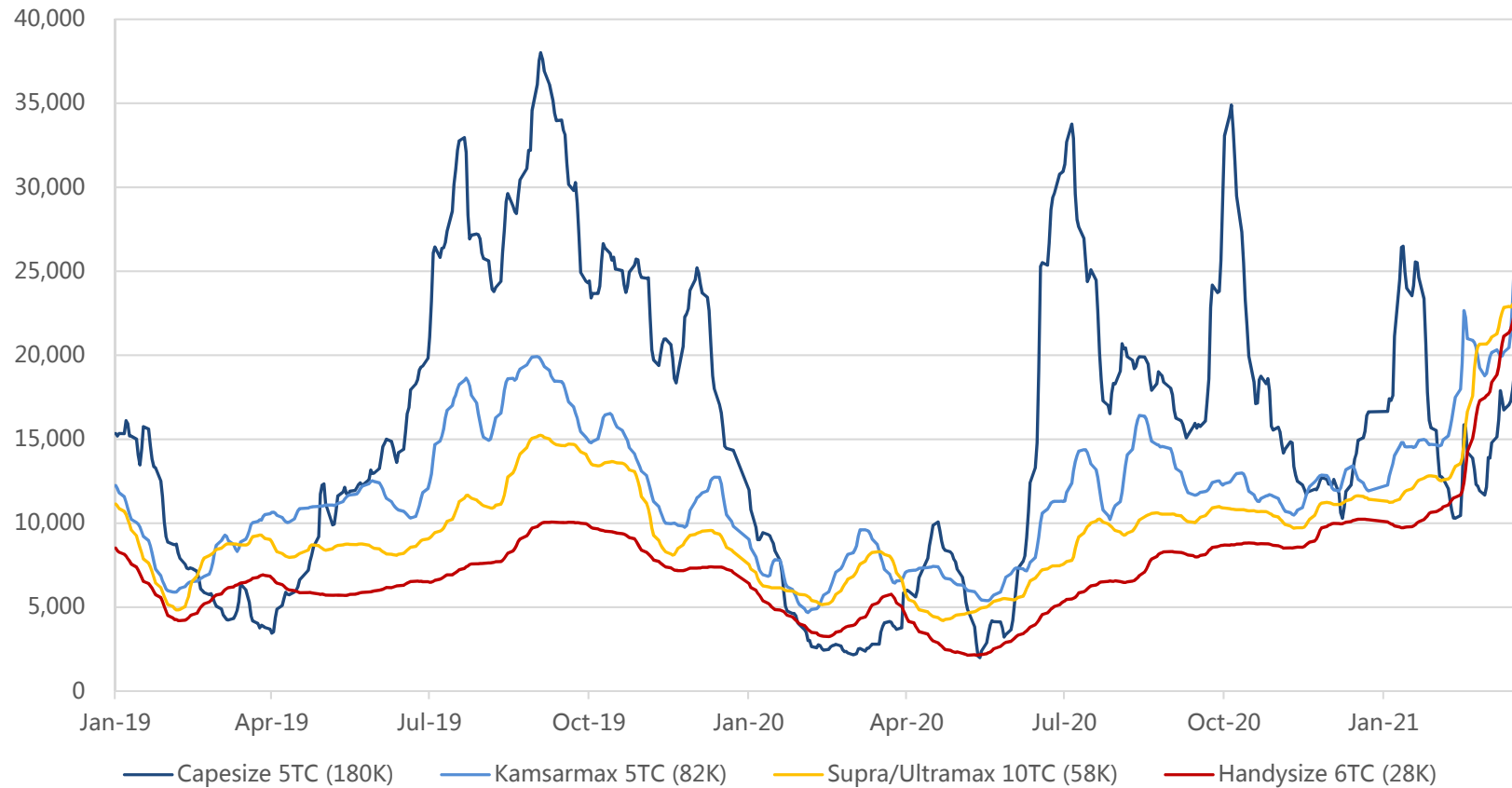
Newbuilding/2nd Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2019	2020		March 2021	
208,000 DWT	NB	54.5	52.0	-5%	56.0	+8%
180,000 DWT	NB	49.5	46.5	-6%	50.5	+9%
180,000 DWT (ECO)	5-YR	37.5	35.5	-5%	39.0	+10%
180,000 DWT	10-YR	22.0	19.5	-11%	25.3	+30%
176,000 DWT	15-YR	13.5	12.8	-5%	16.5	+29%

Source: Clarksons Platou / Internal Assessment

2019- 2021 BCI/BPI/BSI/BHSI Indices

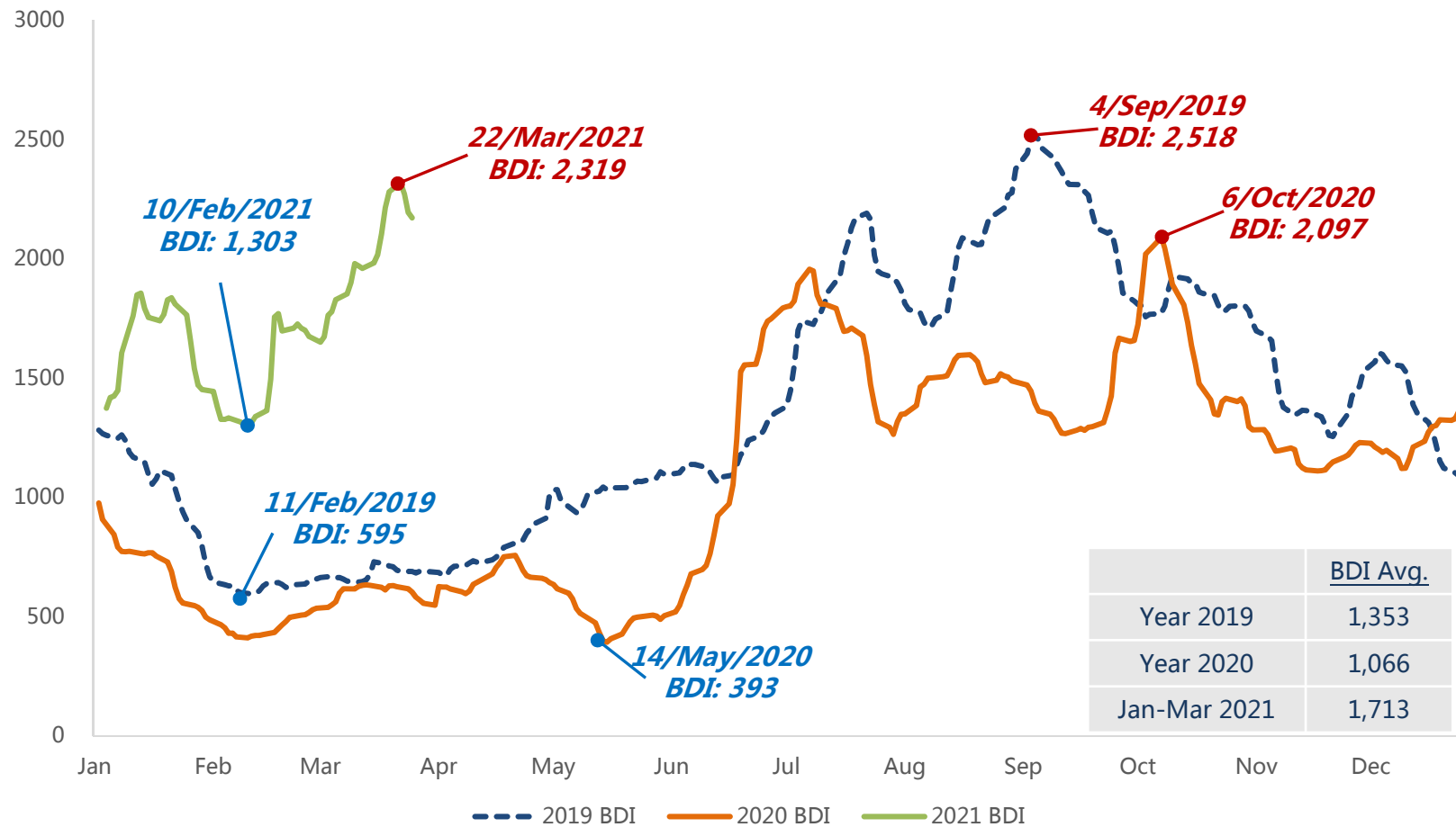
Freight Indices



Source: Clarksons Platou

BDI 2019- Q1/2021

Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2019- Q1/2021

Baltic Exchange Capesize Index



Source: Clarksons Platou

The Company Overview



Company Profile

SHIPPING



TRUCKING



TERMINALS



AIR
&
TOURISM



Shipping :

CMT owns and manages a fleet of 10 capesize bulkers to offer dedicated services to customers for transportation of dry bulk commodities around the globe

Trucking :

Associated Transport Inc. is one of Taiwan' s largest intermodal container trucking operators that provides container drayage and related services island-wide

Terminals :

CMT Logistics Co., Ltd. operates two containers terminals in northern Taiwan with great access the country' s major ports to offer import/export express services to customers

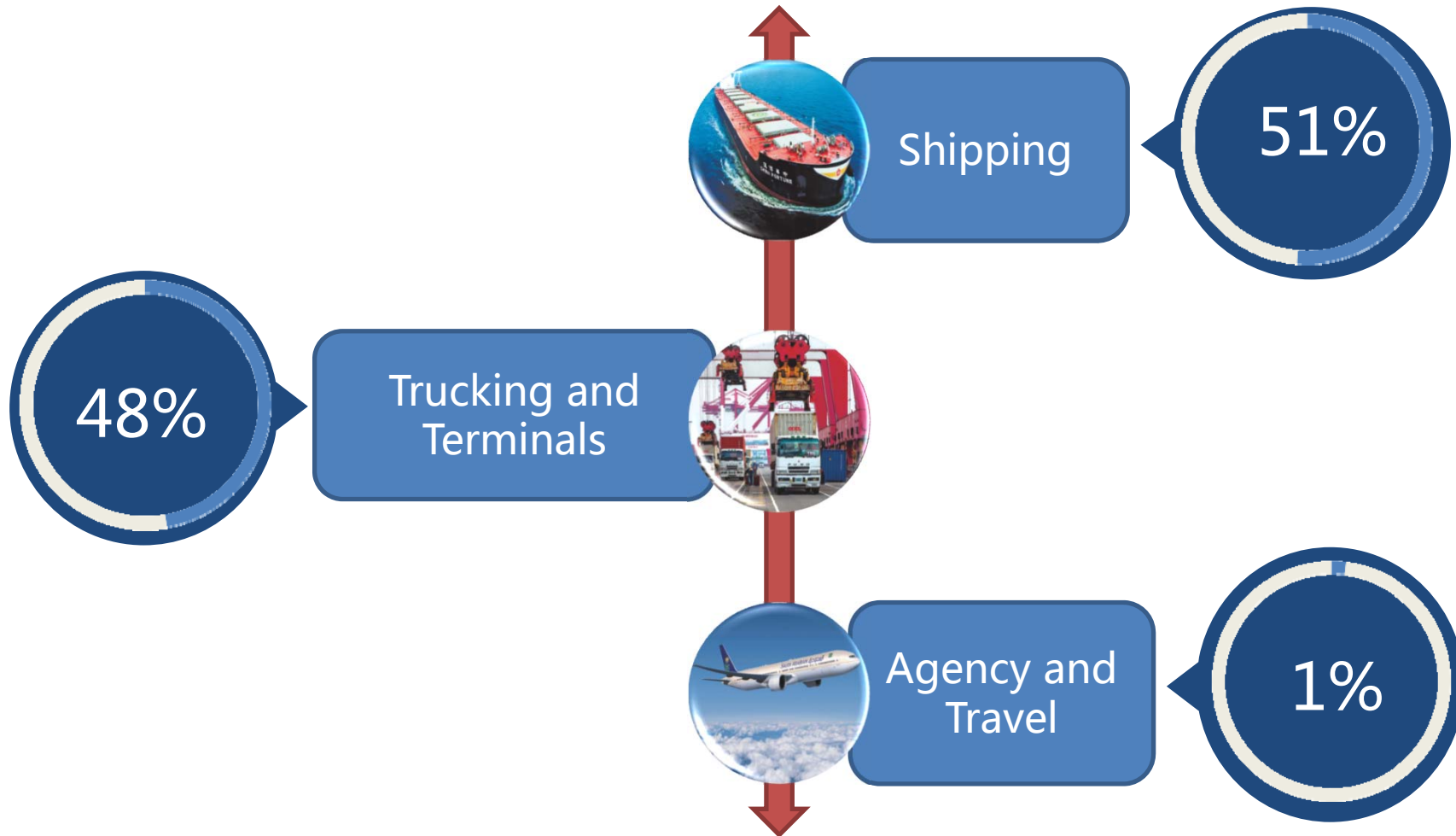
Air & Tourism :

CMT Air Cargo Department is the General Sales Agent (GSA) of Saudi Arabian Airlines in Taiwan

CMT Capesize Fleet



Entities Revenue Ratio for 2020



Major Investment and Joint Venture

Name of Company	Holding Since	Effective Ownership Interest as of 31 st December 2020	Main Operating Activities
 Taiwan Navigation, Co., Ltd.	2006	5.85%	50,000-80,000 DWT Bulk Carriers
 Global Energy Maritime Co., Ltd.	2011	12.00%	Crude and Product Tankers including VLCCs

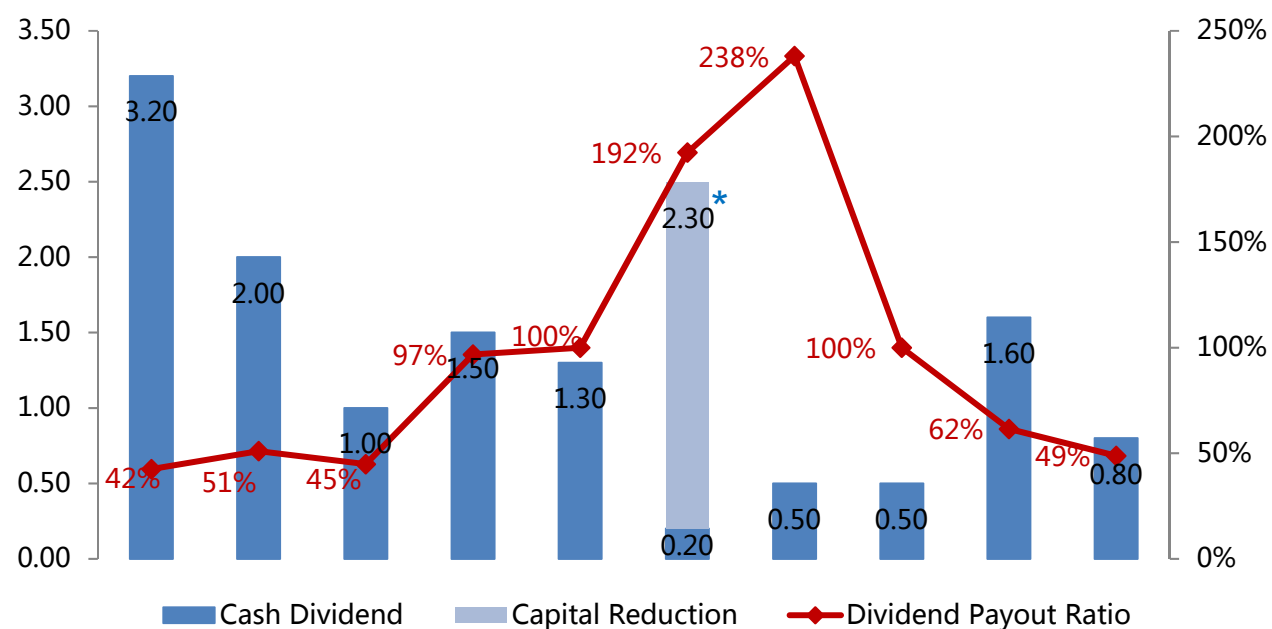
2015-2020 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2015	2016	2017	2018	2019	2020
Revenue	3,361	3,295	3,218	3,820	3,763	3,131
Net Profit/(Loss)	333	48	98	514	324	329
EPS	1.30	0.21	0.50	2.60	1.64	1.67
Cash and cash equivalents	4,506	3,686	2,940	3,345	3,288	3,742
Total liabilities	10,173	11,148	10,652	10,237	10,022	9,734
Total equity	11,141	10,323	9,427	10,187	9,934	9,750
ROE %	3.0%	0.5%	1.0%	5.2%	3.2%	3.3%
ROA %	2.1%	0.9%	1.3%	3.5%	2.5%	2.3%
Liability %	48%	52%	53%	50%	50%	50%

Dividends Distribution

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash dividends/ Capital Reduction (NT\$)	3.20	2.00	1.00	1.50	1.30	2.50*	0.50	0.50	1.60	0.80
EPS (NT\$)	7.53	3.92	2.23	1.55	1.30	1.30	0.21	0.50	2.60	1.64



*Cash dividend NT\$ 0.20 plus capital reduction NT\$2.30 = NT\$2.50

Appendix 1 : Condensed Balance Sheet

Expressed in millions of New Taiwan Dollars

Assets	Dec 31, 2020	Dec 31, 2019
Current assets	5,078	3,959
Property, plant and equipment	12,101	13,549
Intangible assets	10	12
Other non current assets	2,295	2,437
Total assets	19,484	19,957
Liabilities and Equity		
Current liabilities	3,505	3,110
Non Current liabilities	6,229	6,913
Total liabilities	9,734	10,023
Equity attributable to owners of parent		
Common stock	1,975	1,975
Capital surplus	53	53
Retained earnings	8,606	8,442
Other equity interest	(884)	(536)
Total equity	9,750	9,934
Total liabilities and equity	19,484	19,957

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2020	2019
Operating Revenues	3,131,115	3,762,725
Operating costs	2,583,263	2,933,577
Gross profit	547,852	829,148
Operating expenses	376,341	369,497
Net operating income	171,511	459,651
Non operating income and expenses	180,548	(81,393)
Profit before tax	352,059	378,258
Less: tax expenses	23,020	54,416
Profit (attributable to owners of parent)	329,039	323,842
Other comprehensive income, net	(355,480)	(260,319)
Comprehensive income (attributable to owners of parent)	(26,441)	63,523
Earnings per share	1.67	1.64

Appendix 3 : Corporate Bonds Issuance

Tranche	2016-1	2016-2	2017	2020-1	2020-2
Amount (NT\$ 100M)	9	14	8	15	10
Tenor	5 Years	5 Years	5 Years	5 Years	5 Years
Due Date	16-Mar-2021	16-Mar-2021	10-Apr-2022*	28-Aug-2025	28-Aug-2025
Interest Rate	0.88%	1.00%	1.13%	0.64%	0.66%
Interest Payment	Annually	Annually	Annually	Annually	Annually
Guarantee Bank	Bank of Taiwan	Mega Bank	Shanghai Commercial Bank	Mega Bank	Shanghai Commercial Bank

* Amount of NTD 400 million was repaid in APR 2020

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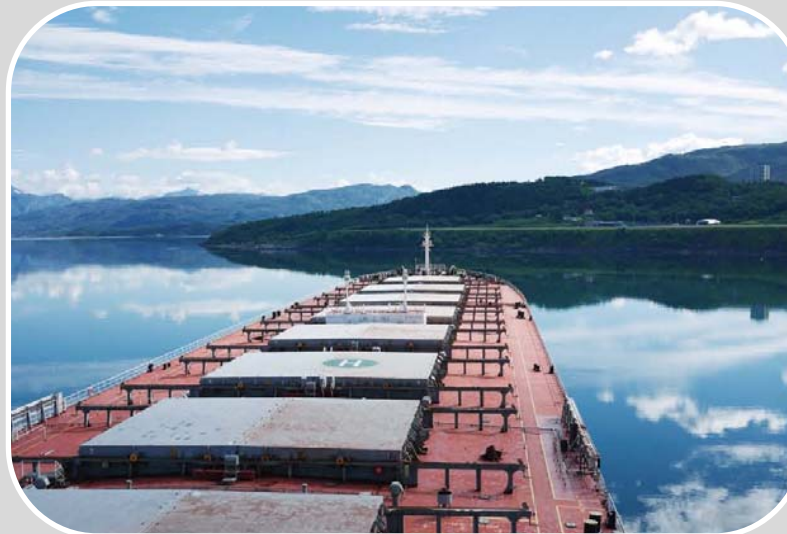
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Thank You !

