



Stock Code : 2612 TT

Investor Presentation

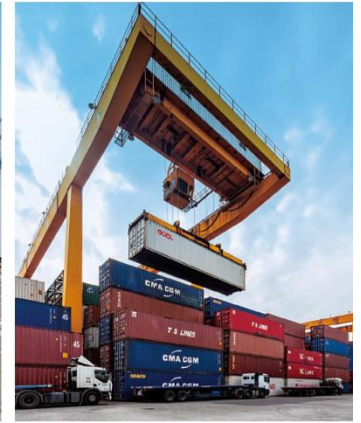
By: Ban-Jen Tarng
Spokesperson

29th September 2021

Summary of Presentation

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

Outlook



Capesize Market Outlook

Freight Rates Rose Further in Q3 2021

- 5TC average reached highest level of the year at US\$ 61,683 in September and spot rate averaged US\$ 29,464 from January to September
- Iron ore price reached 10-year high in Q2 but fell below \$100 amid concerns over restriction of steel production in PRC

PRC' s Continuing Demand for Iron Ore

- PRC import volume between January and August decreased by 1.7% y-o-y
- Major port stockpile remains at relatively low levels therefore further demand growth is expected

Net Fleet Growth Will be Subdued from 2021

- 61 new ships joined the fleet so far in 2021, while demolition is set to continue this year
- Capesize net fleet growth is 2.81% between January and August 2021

Short-term Outlook

- Demand for steel and other geo-political tensions have stimulated seaborne demand for iron ore and coal
- Owing to Covid-19 restrictions and extreme weather, tighter supply of tonnages have escalated both spot and period rates in near term



Focal Points of Q4 2021



1

Covid-19 Globally Persists

Covid-19 variants continue to invade all countries but with Chinese economy set to improve from last year, global GDP likely to grow by more than 6% in 2021

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 exporting countries such as Indonesia and other long haul destinations

3

PRC Steel Production Cuts

The government has set target to cap steel production at last year' s level dampening demand for iron ore but possible restocking likely to take place

4

Dry Bulk Sectors Performance

Entire dry bulk sectors have performed better in Q3 due tight tonnage supply. Market is anticipating prolonged spill-over effect in all bulker segments in Q4

PRC Key Economy Indicators

- PRC' s gross domestic product in first half year grew by 12.7% y-o-y, while full year guidance is around 8.1%
- PRC' s crude steel production between January and August reached 733 million tons, up by 5.3% y-o-y; the country exported about 48 million tons between January and August, up by 31.6% y-o-y
- PRC' s (CSPI) soared by 21.8% in end-August to 151.07 points, reflecting stronger than expected demand both domestically and abroad
- The country imported 746 million tons of iron ore between January and August, down by about 1.7% y-o-y, while coal imports reached 197 million tons, down by about 10.3% y-o-y

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to drop by 2% in 2021 while Brazilian export volume is expected to raise by 6% and Australian export volume increases by 0.5%; global iron ore demand is projected to grow by 2% in 2021

Coal



Clarksons Platou forecasts Chinese coal imports to drop by 2% in 2021 while Australian export volume is expected to remain the same level and Indonesian export volume raise by 7%; global coal demand is projected to grow by 4% in 2021

Shipping Market Outlook - Supply

Newbuildings



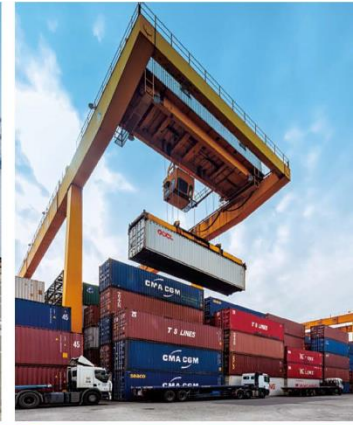
According to IHS Markit, about 100 newbuildings (100-400k DWT) are projected to be delivered in 2021 while fleet net growth is estimated at 3.9% for this year; 53 large bulkers (100-400k dwt) are expected to be delivered in 2022

Ship Scrapping



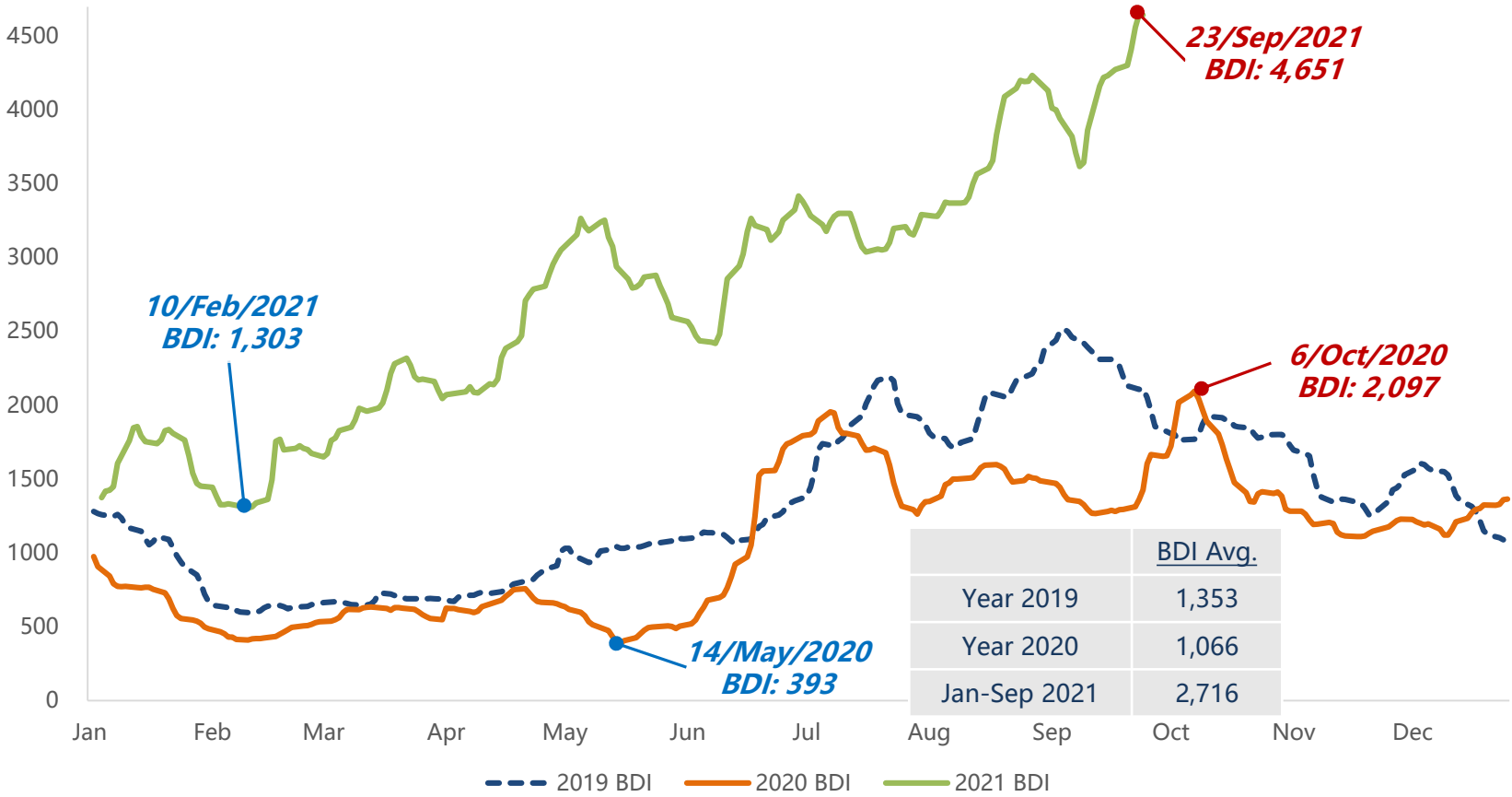
Demolition quantity of large bulkers (100-400k DWT) reached 56 in 2020 while more vintage bulkers are to be recycled this year- 30 to 40 units are expected to be scrapped in 2021

Dry Bulk Shipping Market Trends



BDI 2019- Q3/2021

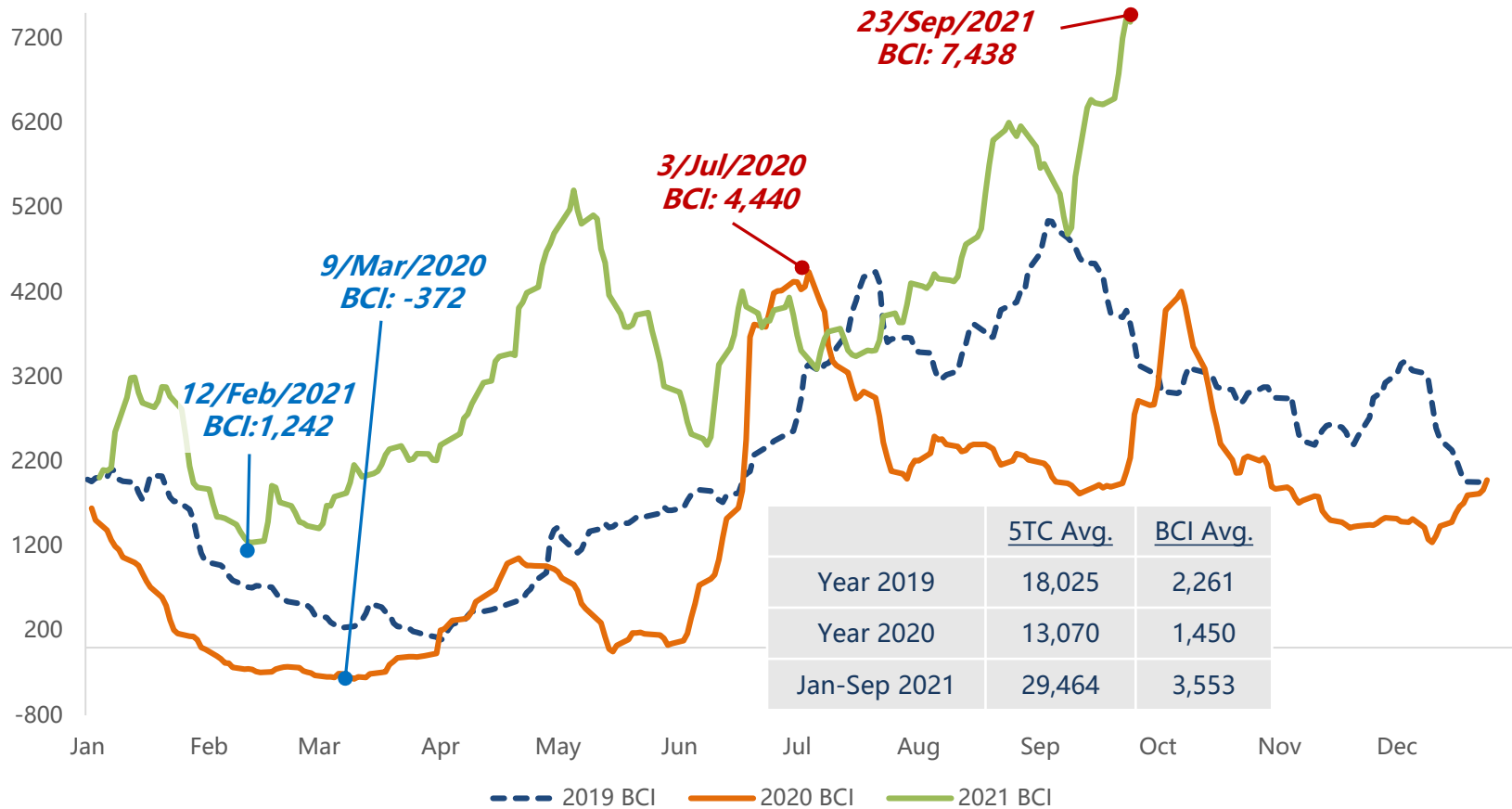
Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2019- Q3/2021

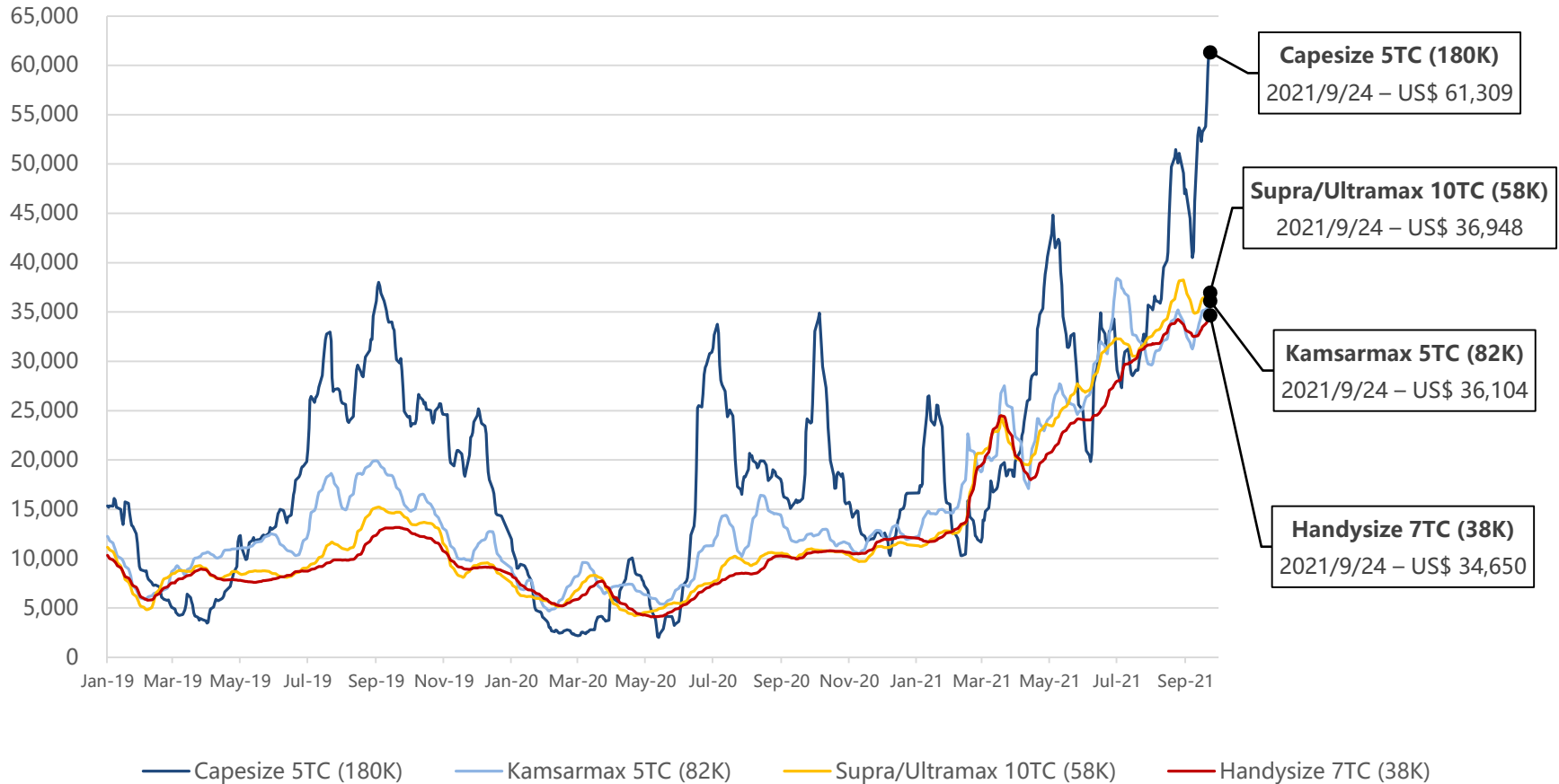
Baltic Exchange Capesize Index



Source: Clarksons Platou

2019- 2021 BCI/BPI/BSI/BHSI Indices

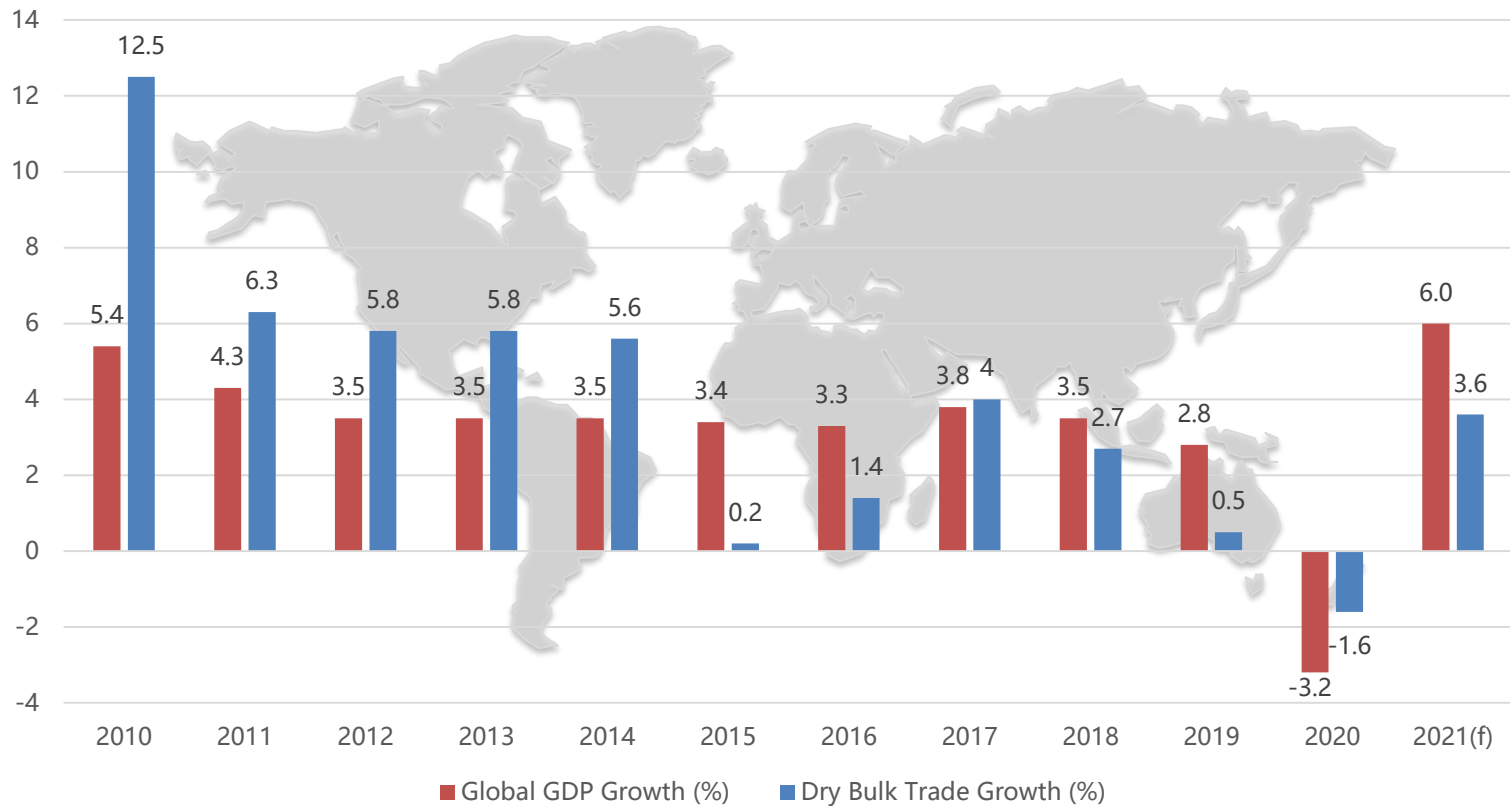
Spot TCE (US\$)



Source: Clarksons Platou

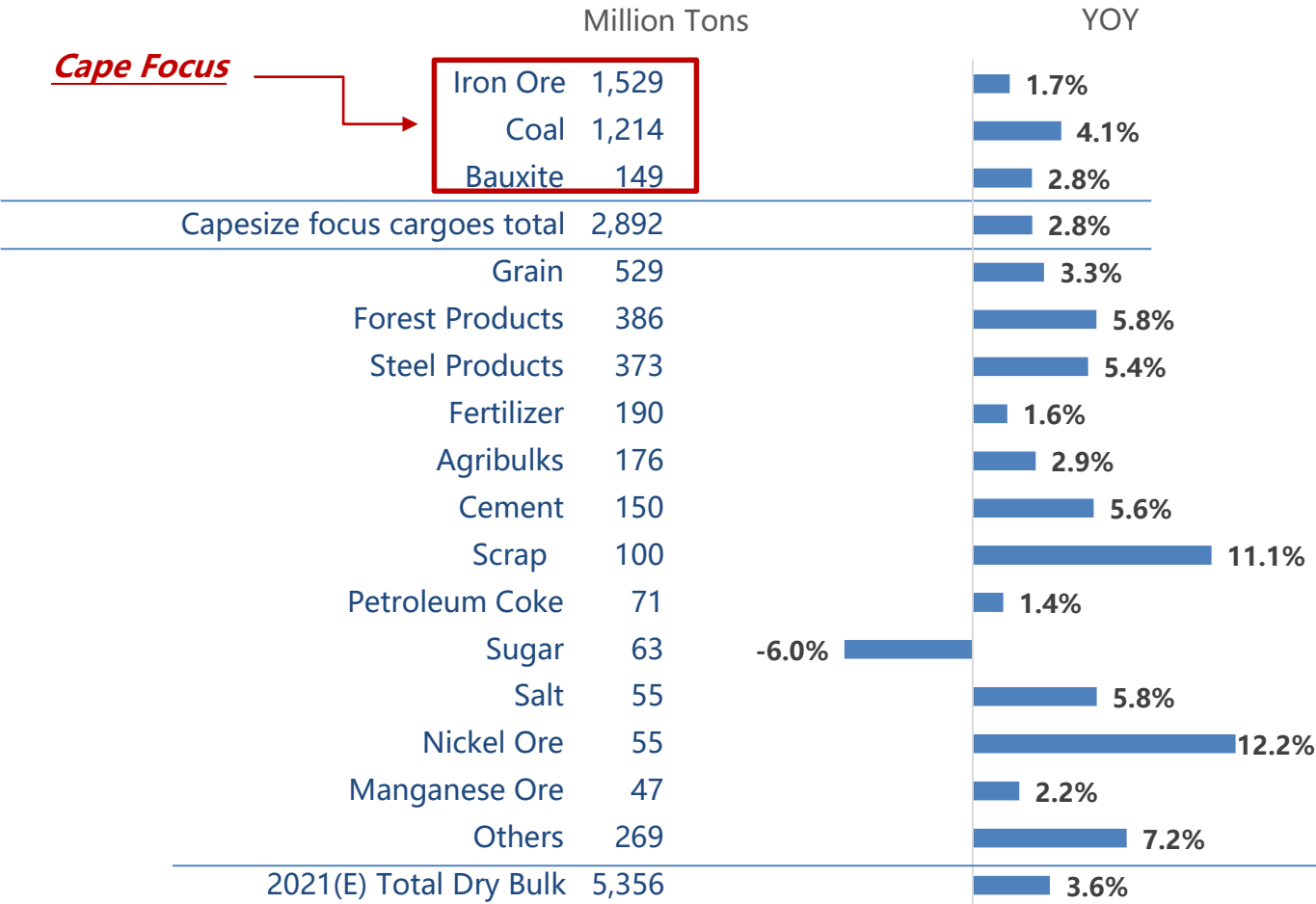
Global Economy Recovers from 2020

- IMF projects global GDP to grow by 6.0% in 2021
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 3.6% in 2021



Source: IMF & Clarksons Platou

Dry Bulk Seaborne Trade Expects to Grow by 3.6%

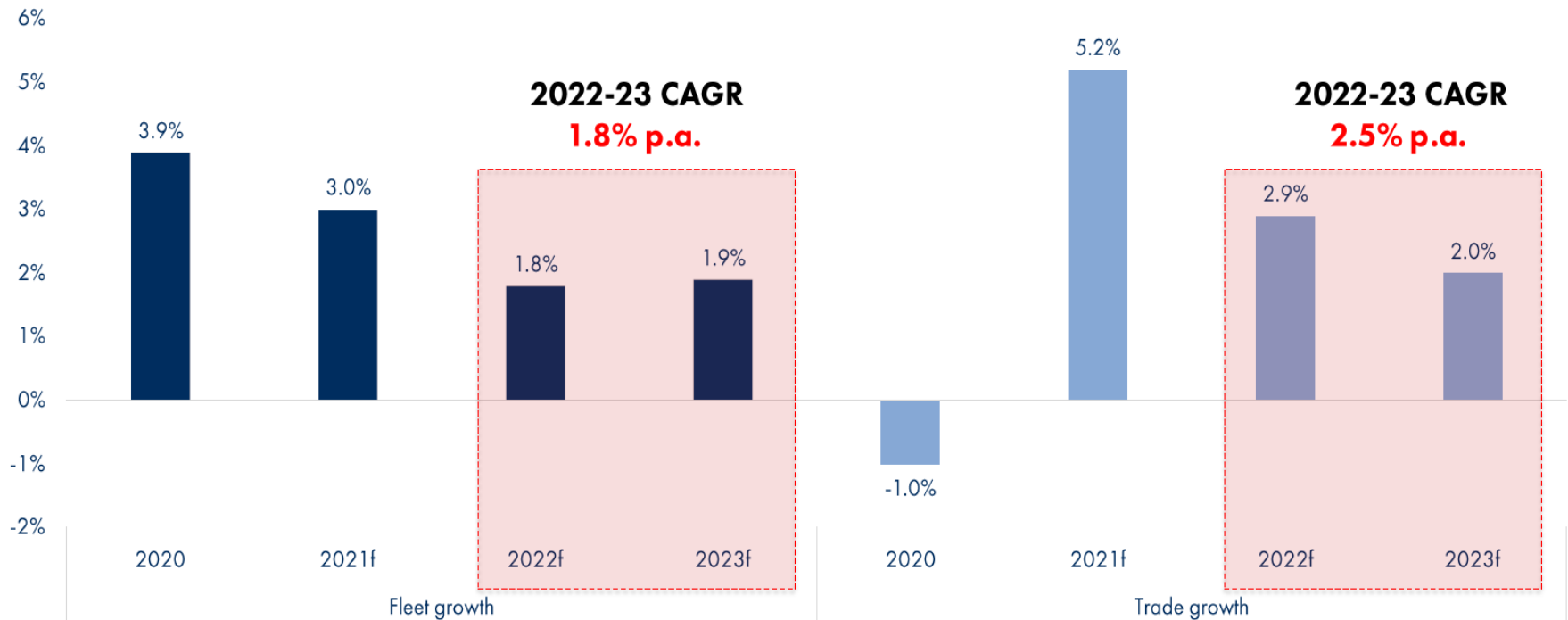


Source: Clarksons Platou

Dry Bulk Seaborne Trade vs Fleet Growth

Dry bulk seaborne trade vs fleet growth estimates

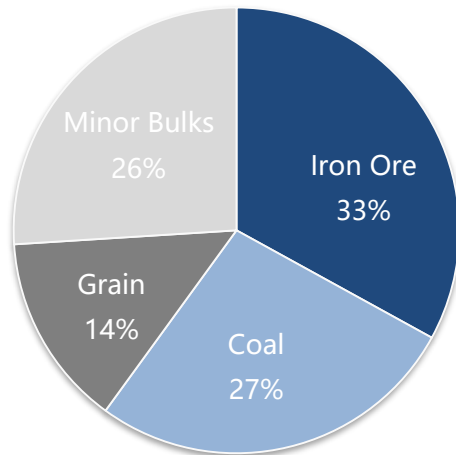
Year-on-year growth



Source: Arrow

Commodity Shares Based Vessel Types

% of Dry Bulk Cargoes



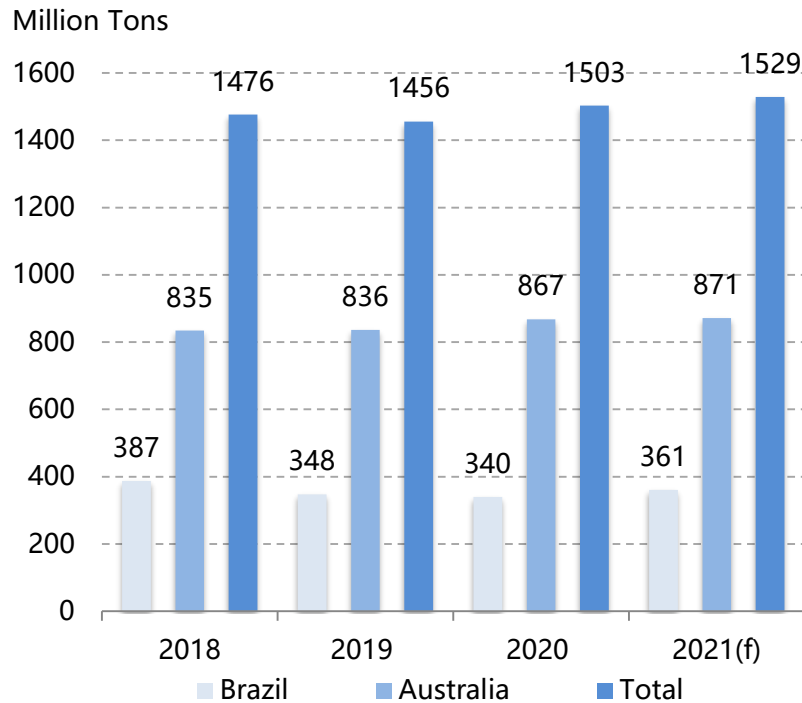
	Handysize	Supramax	Panamax	Capesize	Total
Coal	10%	24%	51%	19%	27%
Iron Ore	2%	7%	8%	76%	33%
Agricultural goods	25%	16%	27%	0%	14%
Alumina / Bauxite	4%	4%	6%	4%	5%
Steel Products	16%	7%	0%	0%	4%
Fertilizers	12%	8%	1%	0%	4%
Minerals	7%	6%	1%	0%	3%
Minor Ores	5%	8%	1%	0%	3%
Semi-Processed	5%	5%	0%	0%	2%
Biomass	3%	6%	1%	0%	2%
Construction	5%	5%	2%	0%	3%
Wood Products	5%	0%	0%	0%	1%
Other	1%	1%	0%	0%	0%
Other Ferrous	1%	1%	0%	0%	1%

Source: Maersk Broker

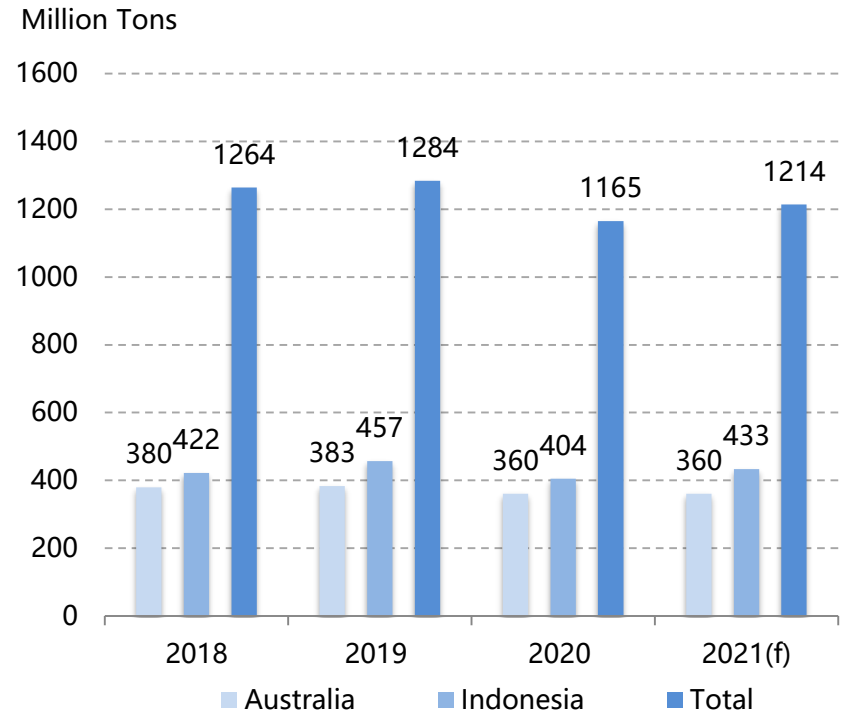
Global Iron Ore/Coal Exports

Clarksons Platou forecasts global iron ore exports to increase by 2% while coal exports to increase by 4% in 2021

Iron Ore



Coal



Source: Clarksons Platou

Vale's Iron Ore Production Outlook

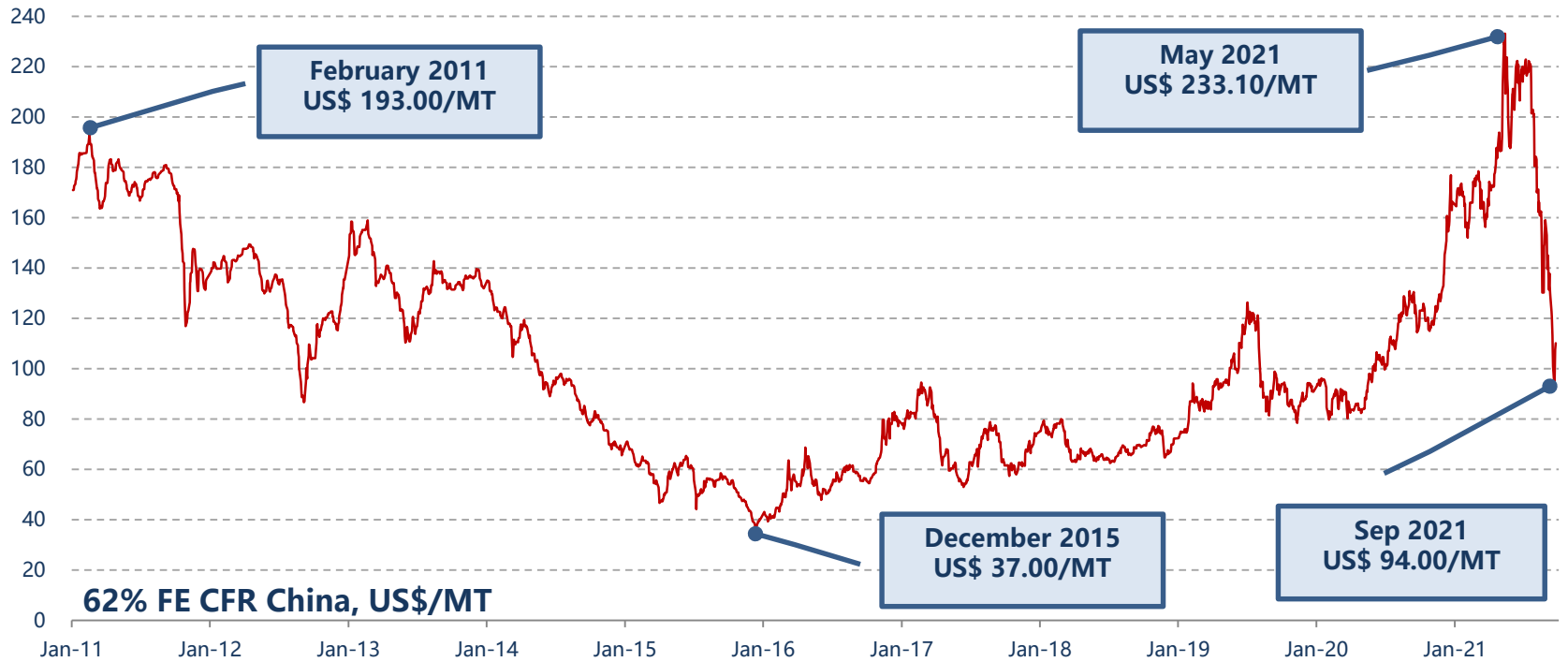


	Capacity (Mtpy)				
	Today	End of 2021	End of 2022	Medium term	Long term
Northern System	203	205	205	215	240-260
Southeastern System	70	70	93	113	110-120
Southern System	59	65	69	69	70-85
Midwestern System	3	3	3	3	3
VALE	335	343	370	400	400-450



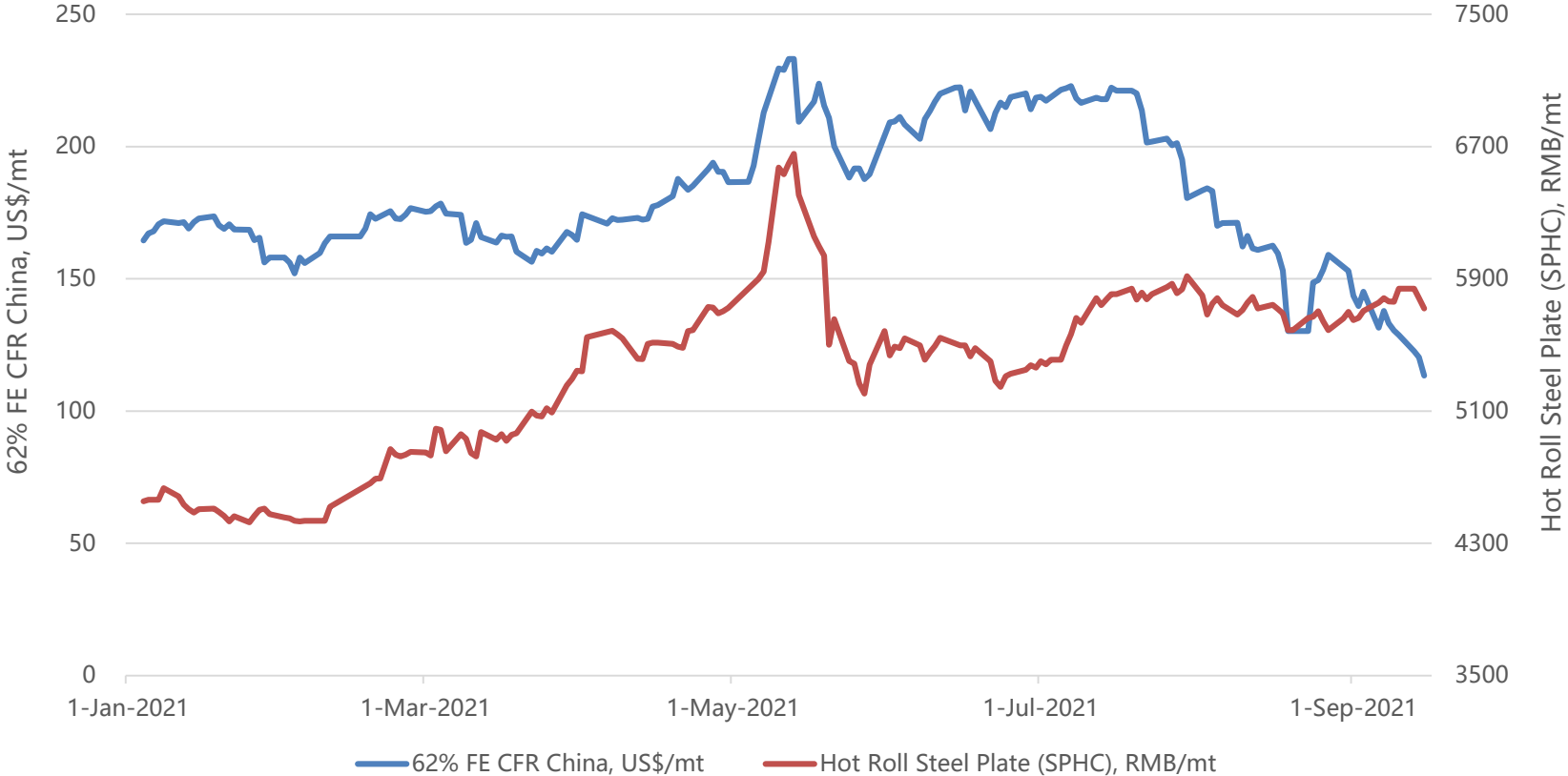
Source: Vale

Iron Ore Price Fluctuates Violently



Source: SSY

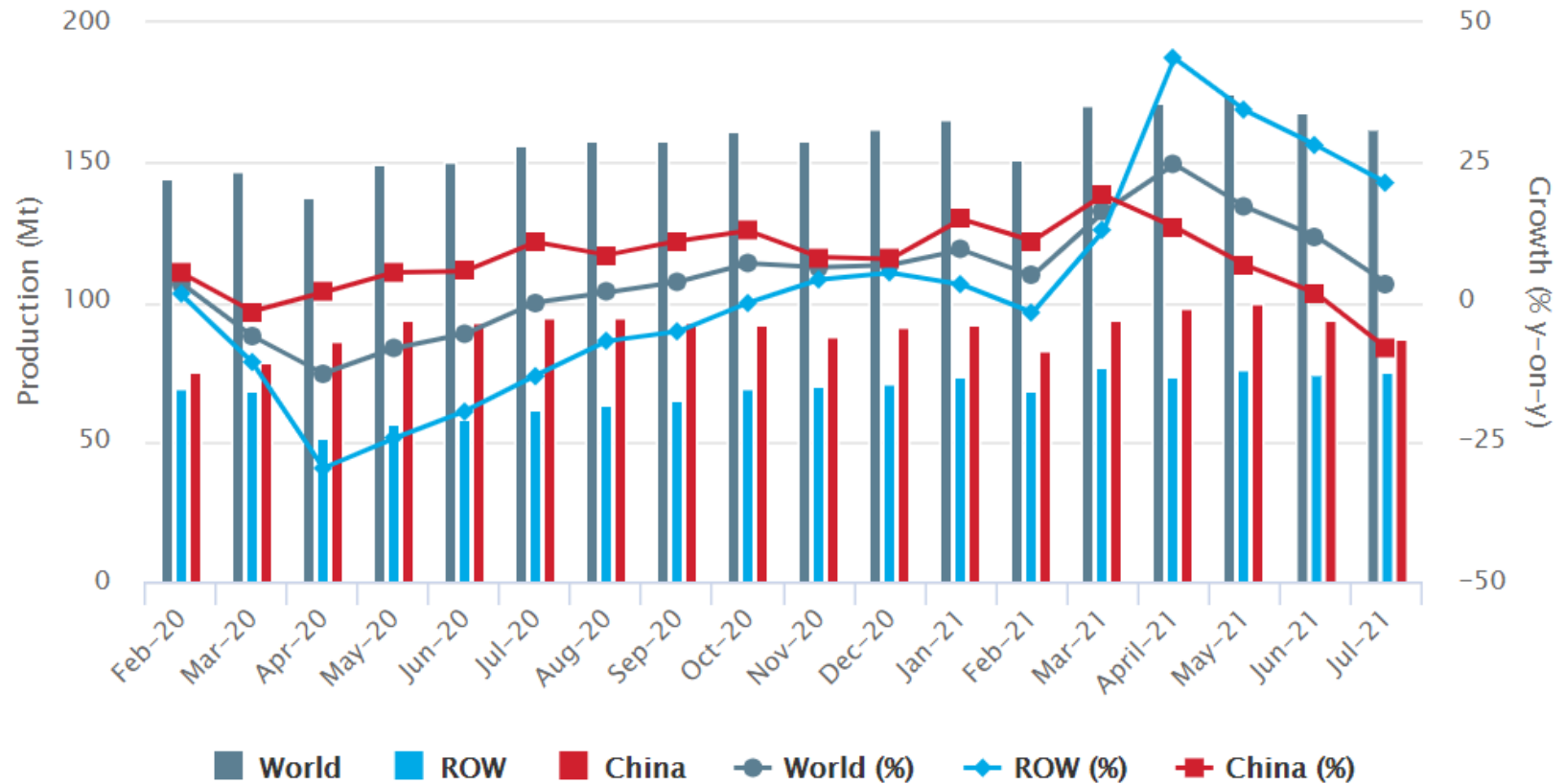
PRC Crude Steel Price Trend



Source: SSY & MarcoMicro

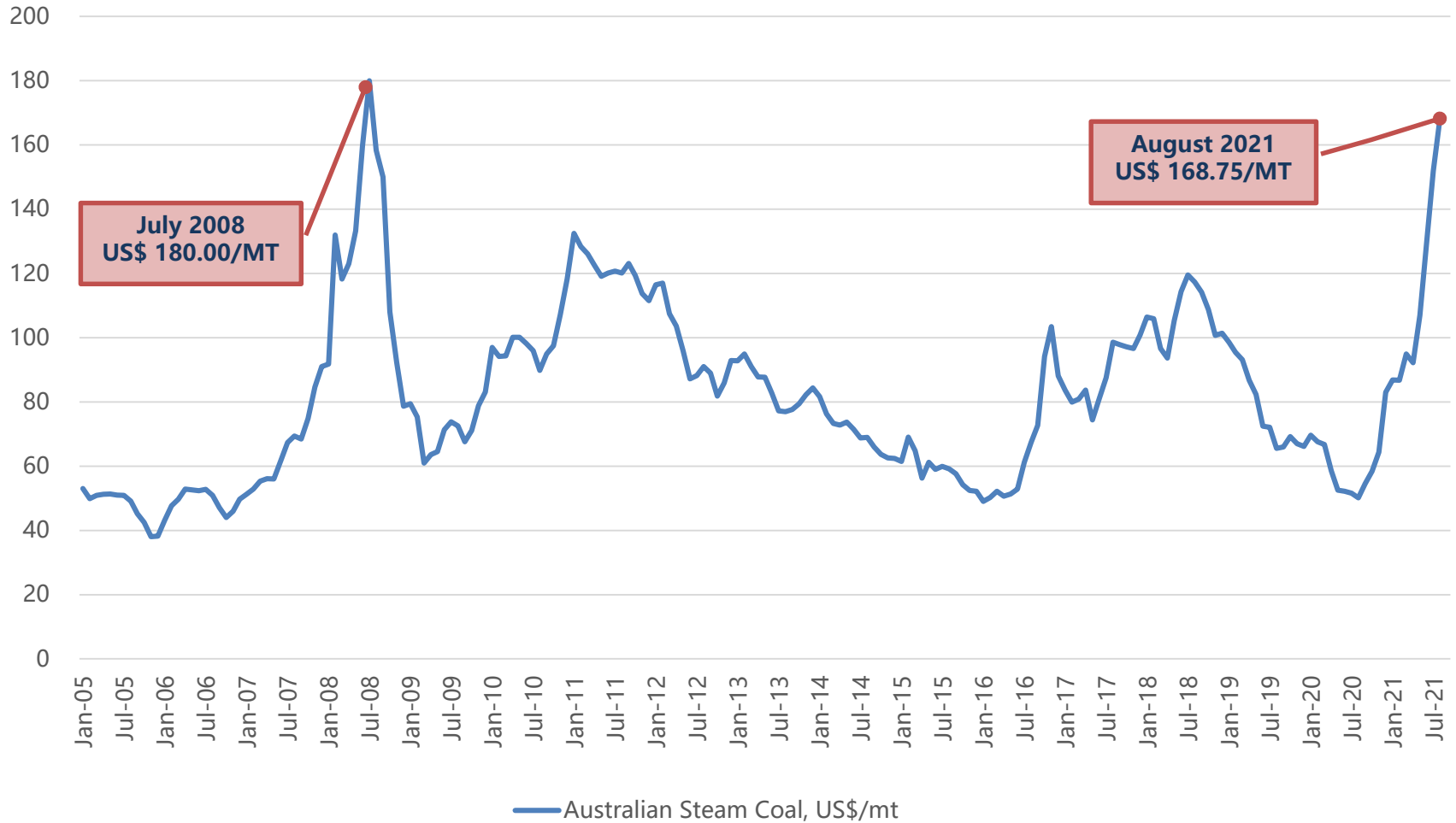
Global Steel Production Recovers

PRC's y-o-y growth rate in 2020 is 6.9%;
Full year y-o-y projection for 2021 is 1.6%



Source: World Steel Association

Coal Price Increases Rapidly



Source: World Bank

Guinea Bauxite Exports

Fig.1: Guinea bauxite shipments by destination in 1H21

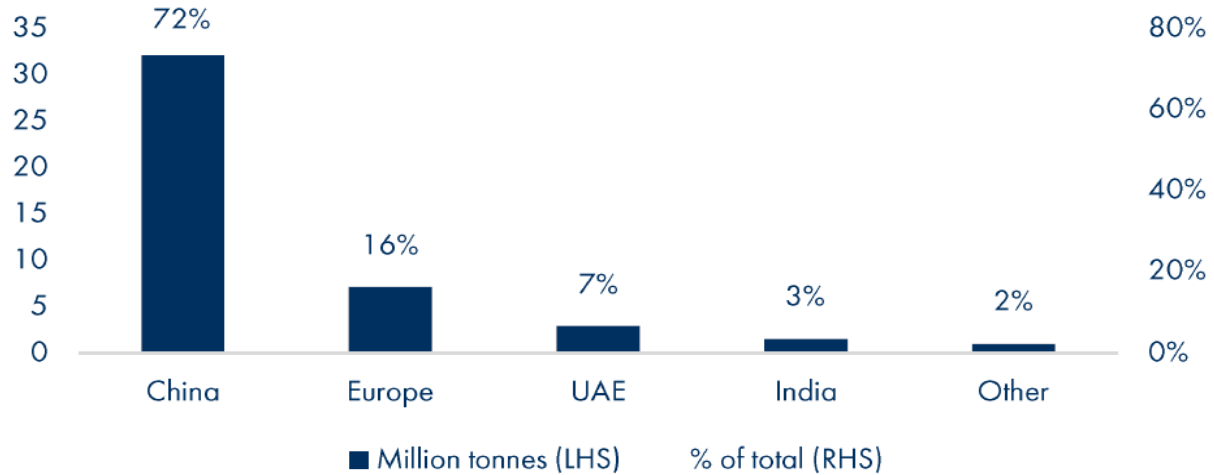
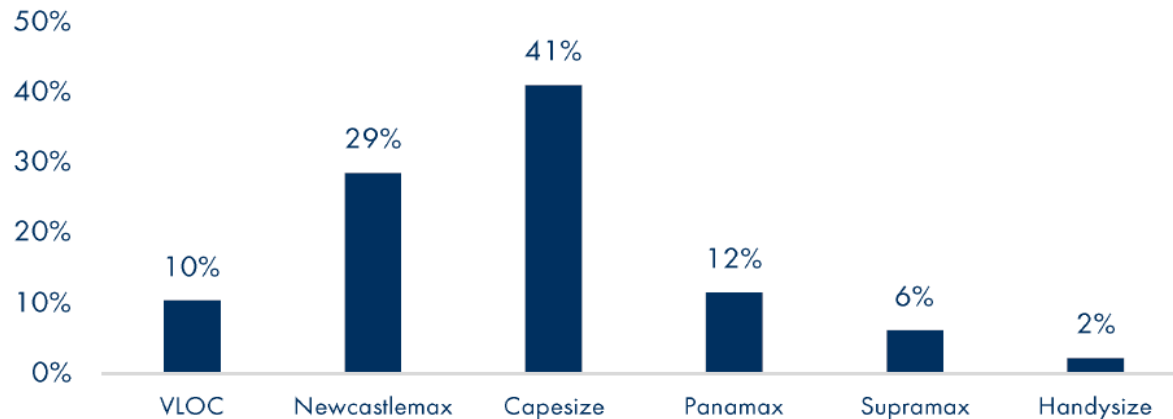


Fig.2: Guinea bauxite shipments by vessel type in 1H21

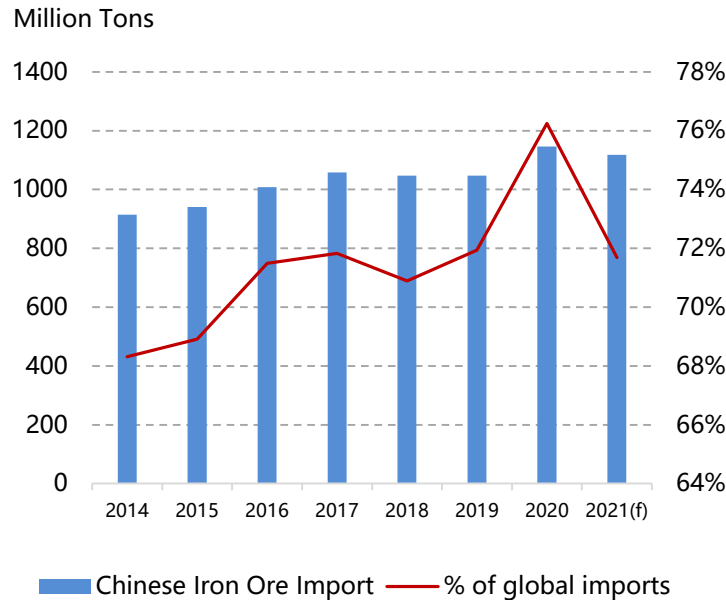


Source: Arrow

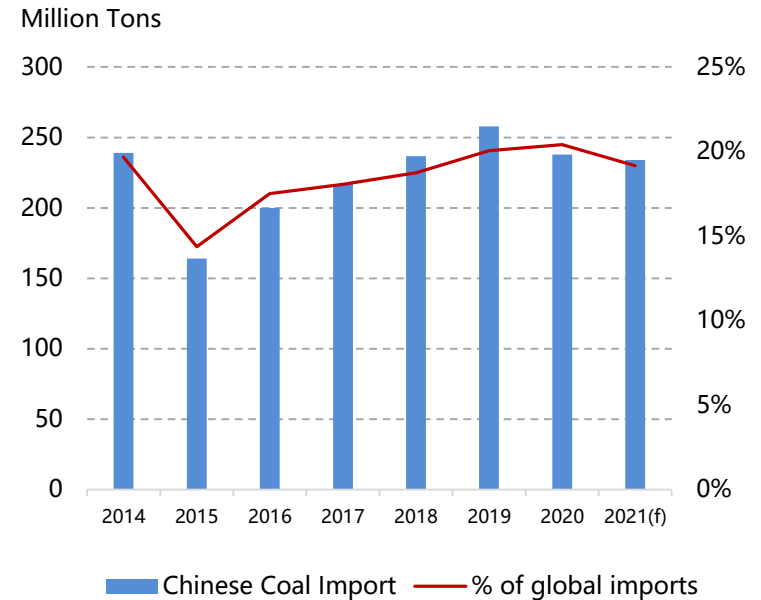
PRC Commodity Imports

- PRC' s demand for iron ore is estimated to decrease by 2% in 2021 to 1.11 billion tons
- PRC' s demand for coal imports is projected to decrease by 2% in 2021 to 230 million tons
- PRC' s demand for bauxite imports will grow by 8% in 2021 to 130 million tons

Iron Ore

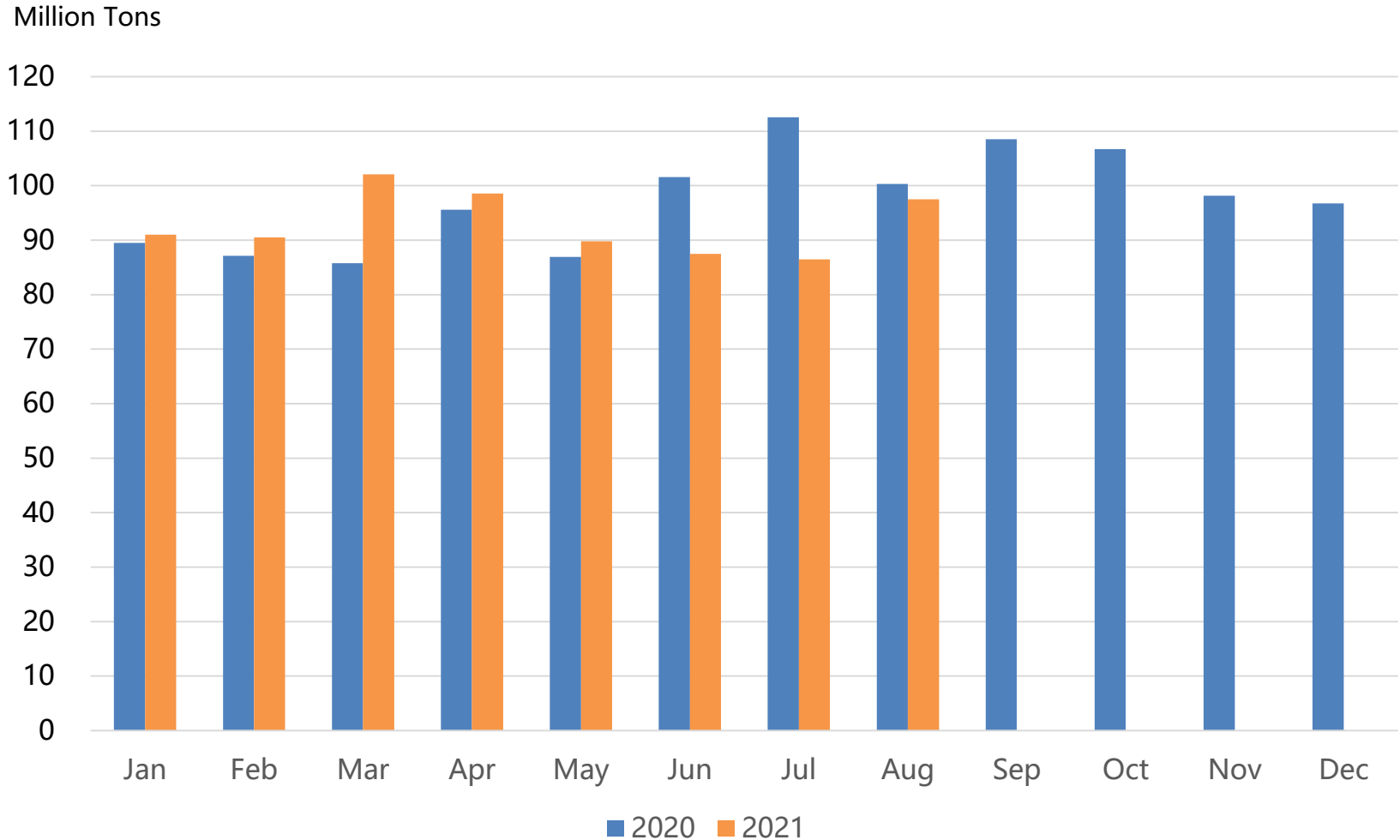


Coal



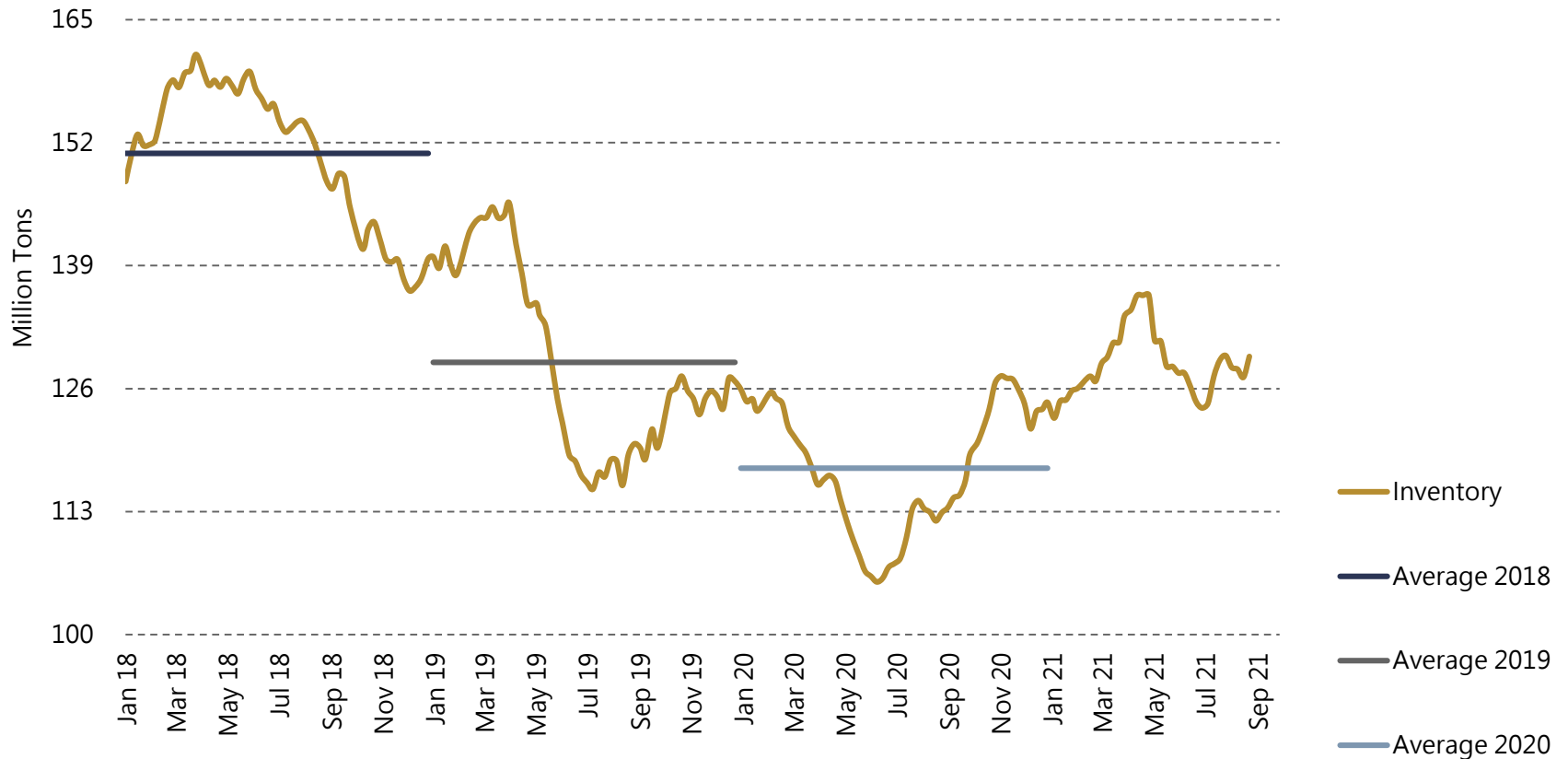
Source: Clarksons Platou

PRC Iron Ore Imports



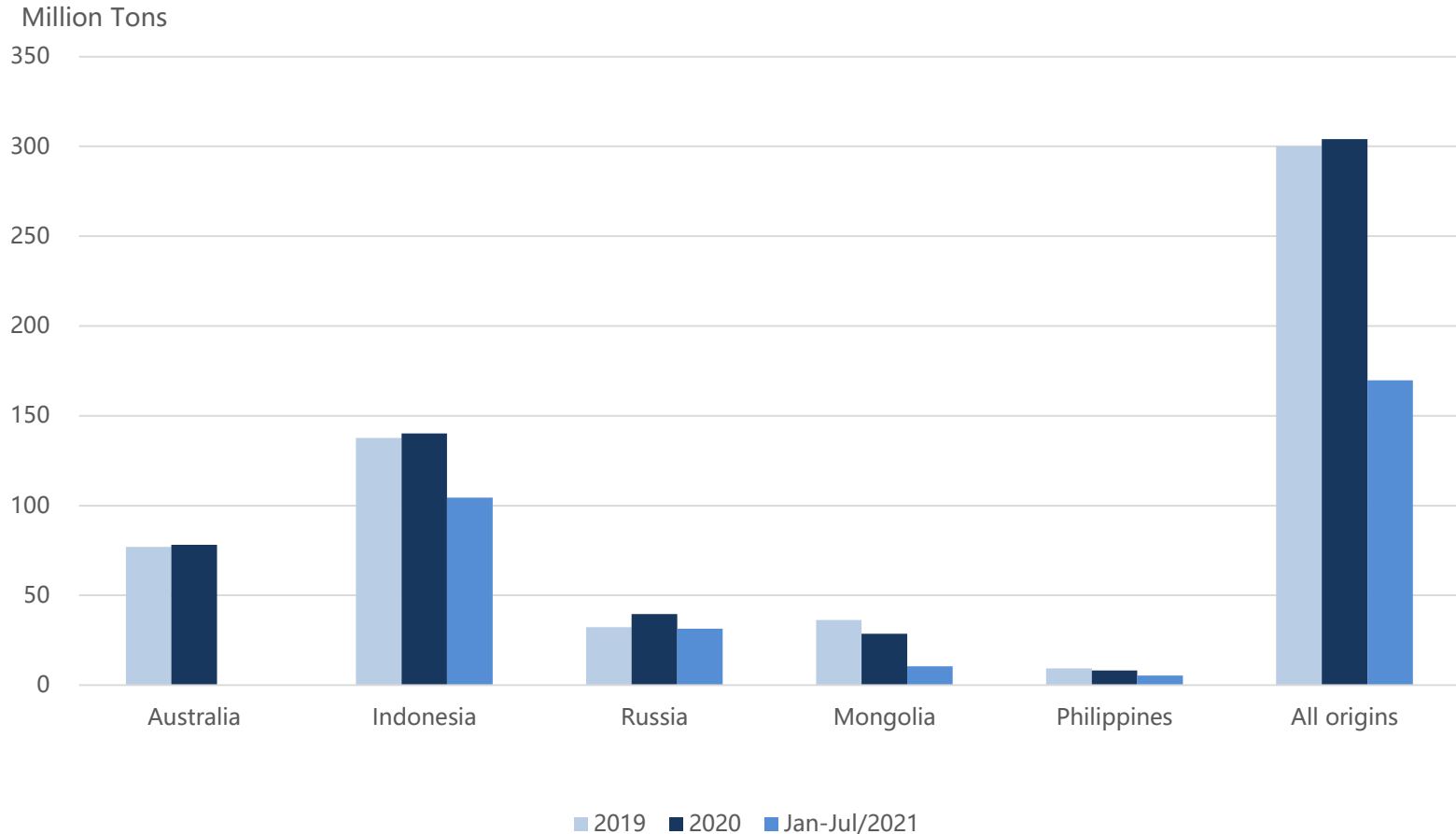
Source: Thurlstone Research

Iron Ore Stockpiles at PRC Ports



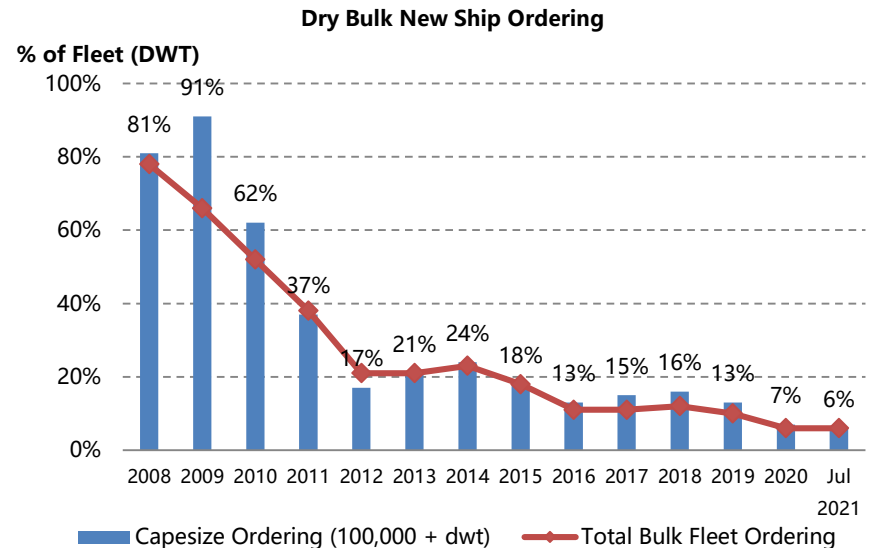
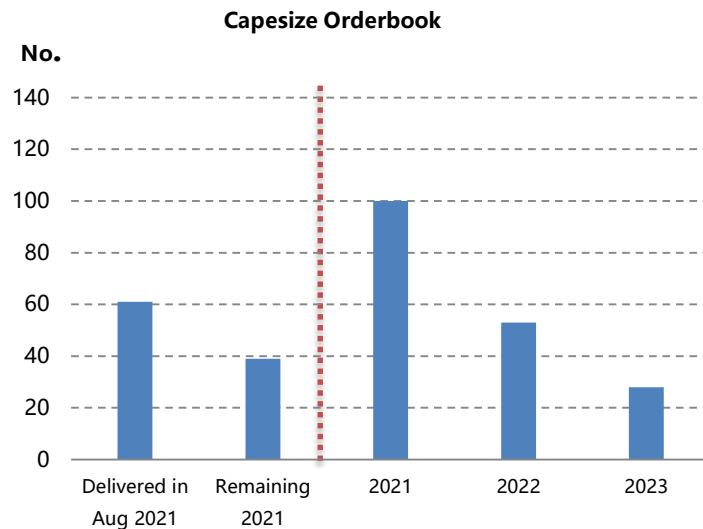
Source: Drewry Maritime Research





PRC Coal Imports



Source: PRC Customs

Bulker Newbuilding Orders are Shrinking



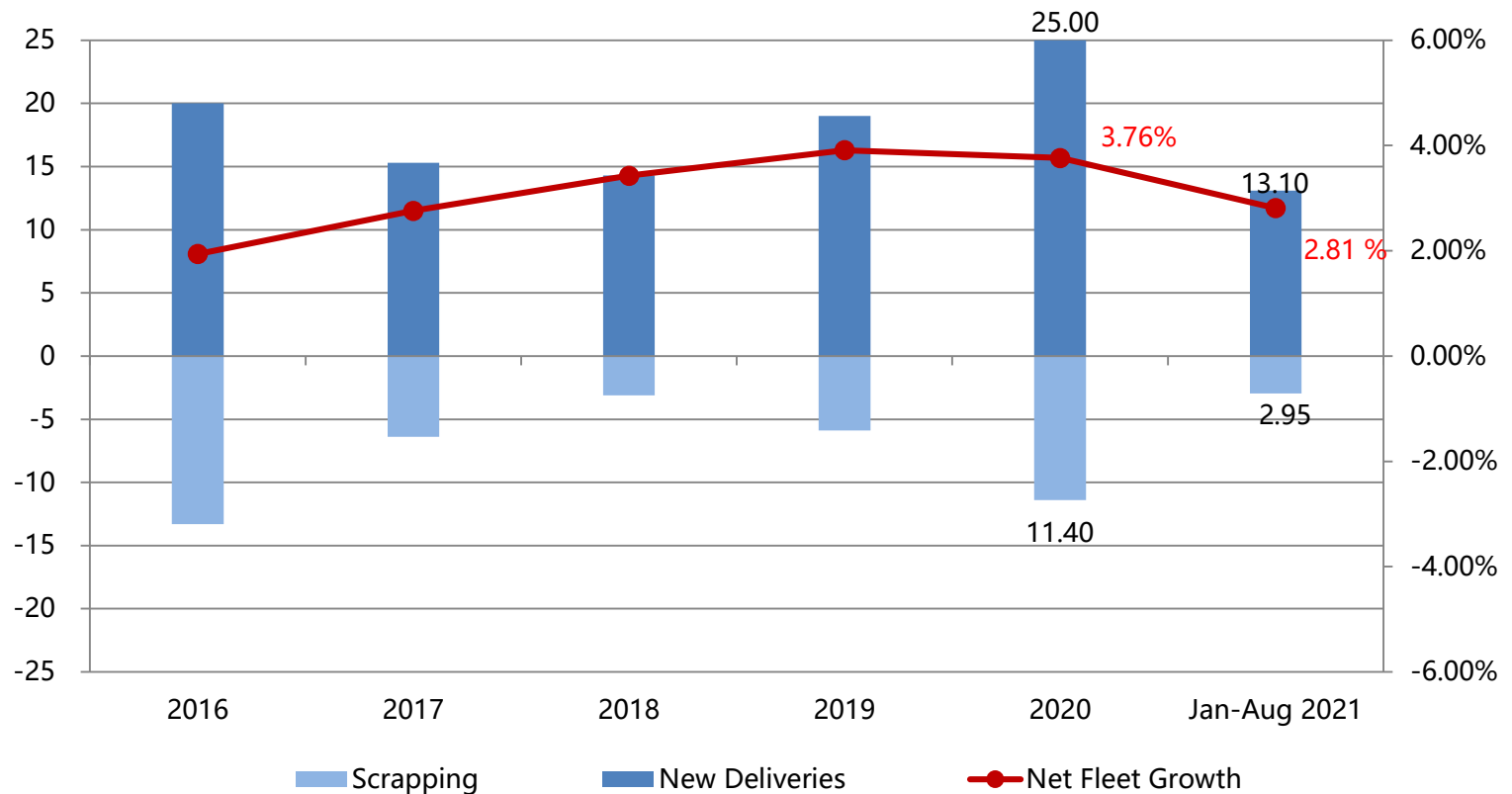
		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 20 YEARS OLD	JAN-JUL 2021 SCRAPPING AS % OF EXISTING FLEET
	Handysize (10,000 - 40,000 dwt)	5%	12.1	13%	0.46%
	Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	6%	10.4	8%	0.23%
	Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	7%	10.6	11%	0.26%
	Capesize (100,000 + dwt)	6%	8.9	1%	0.84%
	Total Dry Bulk > 10,000 dwt	6%	10.8	7%	0.50%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates

Capesize Supply Development

Million DWT



Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

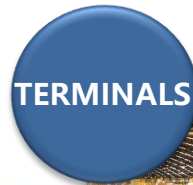
TYPE		PRICE (IN US\$ MILLION)				
YEAR		2019	2020		SEP 2021	
208,000 DWT	NB	54.5	52.0	-5%	65.0	25%
180,000 DWT	NB	49.5	46.5	-6%	59.5	28%
180,000 DWT (ECO)	5-YR	37.5	35.5	-5%	45.0	27%
180,000 DWT	10-YR	22.0	19.5	-11%	33.8	73%
176,000 DWT	15-YR	13.5	12.8	-5%	21.0	64%

Source: Clarksons Platou & Internal Assessment

The Company Overview



Company Profile



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

China Peace
中華和平輪
174,413 DWT



China Progress
中華富進輪
174,322 DWT



China Pride
中華榮耀輪
177,856 DWT



China Triumph
中華光輝輪
203,028 DWT



China Prosperity
中華鴻運輪
203,028 DWT



China Pioneer
中華先鋒輪
206,079 DWT



2005

2006

2009

2011

2012

2012

2023

2023

2017

2017

2016

2013



青島北海船舶重工有限責任公司
QINGDAO BEIHAI SHIPBUILDING HEAVY INDUSTRY CO.,LTD



青島北海船舶重工有限責任公司
QINGDAO BEIHAI SHIPBUILDING HEAVY INDUSTRY CO.,LTD



China Honour
中華名望輪
179,562 DWT



China Enterprise
中華偉業輪
207,986 DWT



China Harmony
中華和諧輪
179,505 DWT



China Fortune
中華偉運輪
206,061 DWT

Newbuilding
210,000 DWT

Newbuilding
210,000 DWT



中國航運股份有限公司
Chinese Maritime Transport Ltd.

New Venture in Alternative Fuel Tractors

- CMT acquired 70% shares of AG Motors in April 2021 to actively develop electric and 6th generation tractors
- Being the leading operator of inland container haulage, the company is dedicated to promote clean energy tractors to protect the environment
- AG Motors is joining forces with R&D partners worldwide to develop the electric tractors that will soon be available for sale
- As the exclusive authorized dealer of Dong Feng Trucks, AG Motors will offer latest 6th generator tractors to the Taiwan market in the near future



Electric and 6th Generation Tractors



福田【純電動曳引車
4X2 GCW 35噸】



福田【純電動曳引車
4X2 GCW 35噸】
- 道路試行

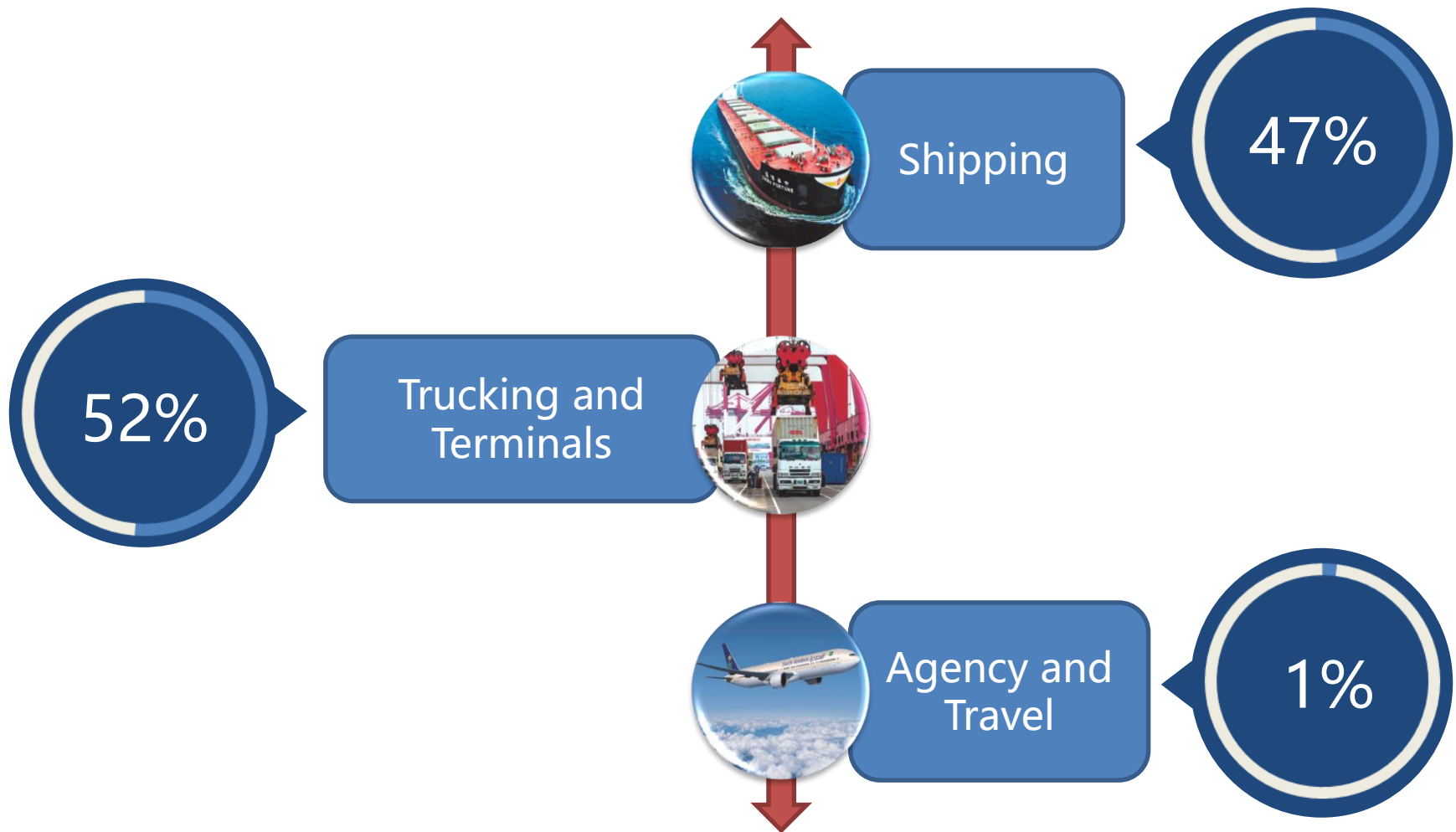


東風【天龍D320六
期環保曳引車 - 4X2
GCW 35噸】



東風【天龍D320六
期環保曳引車 - 4X2
GCW 35噸】 - 到港

Entities Revenue Ratio for 1H/2021



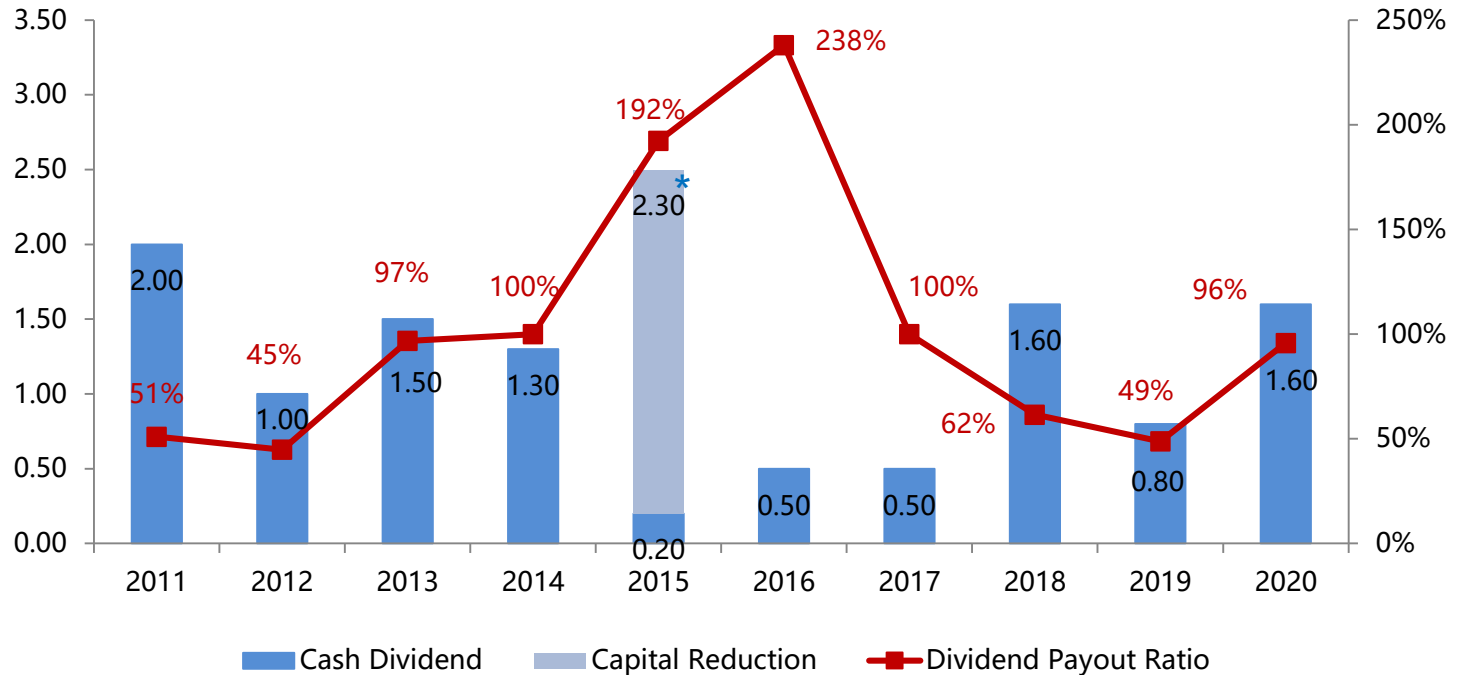
2016-2021 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2016	2017	2018	2019	2020	2021 1H
Revenue	3,295	3,218	3,820	3,763	3,131	1,600
Net Profit/(Loss)	48	98	514	324	329	1,021
EPS	0.21	0.50	2.60	1.64	1.67	5.20
Cash and cash equivalents	3,686	2,940	3,345	3,288	3,742	2,831
Total liabilities	11,148	10,652	10,237	10,022	9,734	7,889
Total equity	10,323	9,427	10,187	9,934	9,750	11,176
ROE %	0.5%	1.0%	5.2%	3.2%	3.3%	9.7%
ROA %	0.9%	1.3%	3.5%	2.5%	2.3%	5.5%
Liability %	52%	53%	50%	50%	50%	41%

Dividends Distribution

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash dividends/ Capital Reduction (NT\$)	2.00	1.00	1.50	1.30	2.50*	0.50	0.50	1.60	0.80	1.60
EPS (NT\$)	3.92	2.23	1.55	1.30	1.30	0.21	0.50	2.60	1.64	1.67



*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	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Current assets	4,116	5,152	4,108
Property, plant and equipment	11,740	12,108	13,035
Intangible assets	10	10	10
Other non current assets	3,199	2,273	2,393
Total assets	19,065	19,543	19,546
Liabilities and Equity			
Current liabilities	2,332	3,506	5,508
Non Current liabilities	5,557	6,229	4,205
Total liabilities	7,889	9,735	9,713
Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	9,306	8,606	8,419
Other equity interest	(180)	(884)	(676)
Non-controlling interests	22	58	62
Total equity	11,176	9,808	9,833
Total liabilities and equity	19,065	19,543	19,546

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2021 1H	2020	2020 1H
Operating Revenues	1,600,228	3,131,115	1,552,647
Operating costs	1,353,884	2,583,263	1,275,708
Gross profit	246,344	547,852	276,939
Operating expenses	211,534	376,341	190,323
Net operating income	34,810	171,511	86,616
Non operating income and expenses	997,353	180,548	57,786
Profit before tax	1,032,163	352,059	144,402
Less: tax expenses	11,421	23,020	13,157
Profit (attributable to owners of parent)	1,020,742	329,039	131,245
Other comprehensive income, net	696,166	(355,480)	(140,493)
Comprehensive income (attributable to owners of parent)	1,716,908	(26,441)	(9,248)
Earnings per share	5.20	1.67	0.68

Appendix 3 : Corporate Bonds Issuance

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

* Amount of NTD 400 million was repaid in APR 2020

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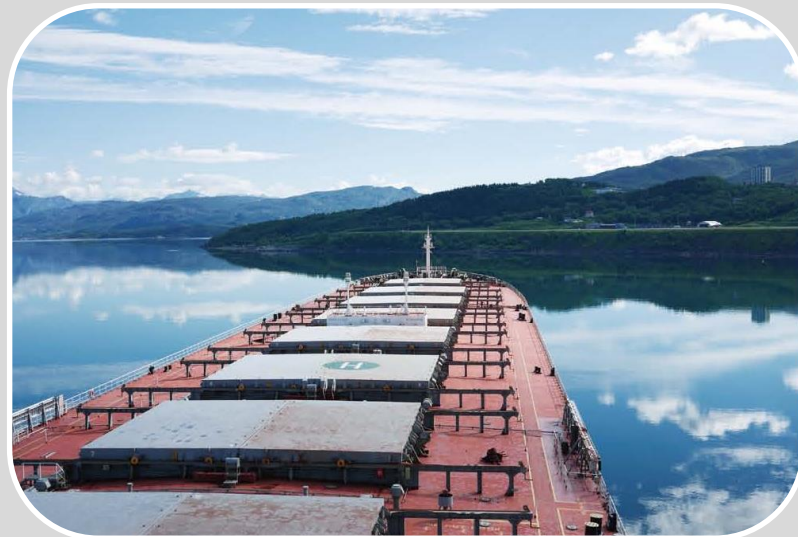
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Thank You !

