



Stock Code : 2612 TT

Investor Presentation

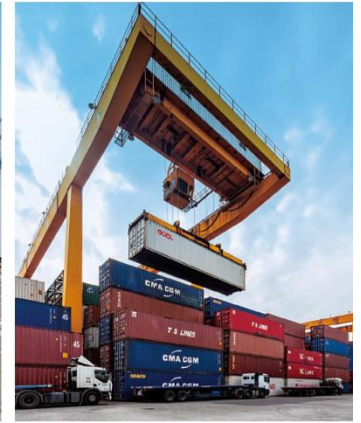
By: Ban-Jen Tarng
Spokesperson

23rd December 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 Q4 2021

- 5TC average reached highest level of the year at US\$ 86,953 in October; spot rate averaged US\$ 33,545 in 2021
- Iron ore price reached 10-year high in Q2 but fell to \$87 amid concerns over restriction of steel production in PRC

PRC' s Demand for Iron Ore

- PRC import volume between January and November decreased by 3.3% y-o-y
- Major port stockpile built up during last 3 months but low prices should stimulate further stocking

Net Fleet Growth Eases in 2022

- 84 new ships joined the fleet so far in 2021, while demolition is set to continue in coming years
- Capesize net fleet growth is 3.98% between January and November 2021

Short-term Outlook

- PRC steel production is likely to contract in Q1 2022 while environmental and other trade policies are to be closely monitored
- Owing to Covid-19 restrictions and extreme weather, tighter supply of tonnages should provide support to both spot and period rates in near term



Newbuilding Program

- To expand its fleet size, CMT has contracted with Qingdao Beihai Shipbuilding to construct four 210k DWT Newcastlemaxes for delivery in 2023 and 2024. First pair' s contract price is US\$ 58.5 million and the second pair' s contract price is US\$ 63 million
- As part of the global maritime community' s efforts to protect the environment, we have upgraded ships' specifications including shaft generators, LNG dual fuel-ready, AMP-ready and other energy saving devices
- Four energy saving ships will meet the IMO EEDI Phase III requirement and relevant emission standards
- During construction, the company will enhance ships' fuel efficiency, smart ship technology and cyber security to improve fleet' s competitive advantage

Focal Points of Q4 2021



1

Covid-19 Fallout

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

Global Demand for Coal

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

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 should stabilize post Winter Olympics

4

Effects of Port Delays

Due to port restrictions and delays during the pandemic, market anticipates tighter tonnage balance arising from extra days in ports

PRC Key Economy Indicators

- PRC' s gross domestic product in first nine months of 2021 grew by 9.8% y-o-y, while full year guidance is around 8.1%
- PRC' s crude steel production between January and November reached 946 million tons, down by 2.6% y-o-y; the country exported about 62 million tons between January and November, up by 26.7% y-o-y
- China Steel Price Index (CSPI) soared by 6.7% in end-November to 132.37 points, reflecting stronger than expected demand both domestically and abroad
- The country imported 1,037 million tons of iron ore between January and November, down by about 3.3% y-o-y, while coal imports reached 291 million tons, up by about 10.0% y-o-y

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to drop by 3% in 2021 while Brazilian export volume is expected to raise by 5% and Australian export volume increases by 1%; global iron ore demand is projected to grow by 1% in 2021

Coal



Clarksons Platou forecasts Chinese coal imports to increase by 11% 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 6% in 2021

Shipping Market Outlook - Supply

Newbuildings



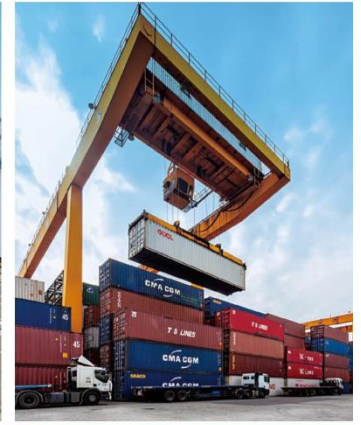
According to IHS Markit, about 88 newbuildings (100-400k DWT) are projected to be delivered in 2021 while fleet net growth is estimated at 4% for this year; 66 large bulkers (100-400k dwt) are expected to be delivered in 2022

Ship Scrapping



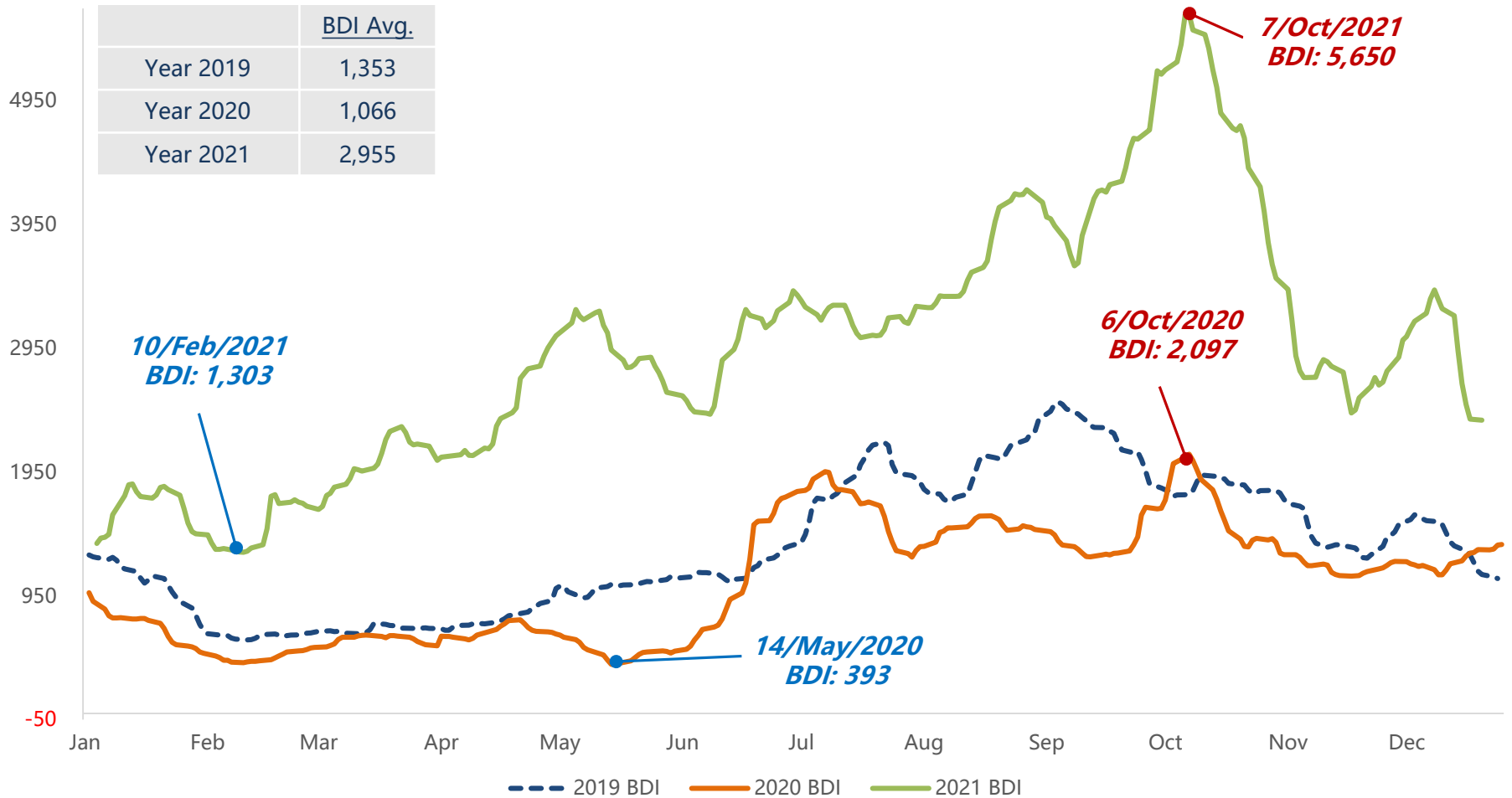
Demolition quantity of large bulkers (100-400k DWT) reached 56 in 2020 while more vintage bulkers are to be recycled this year - 20 units are expected to be scrapped in 2021

Dry Bulk Shipping Market Trends



BDI 2019-2021

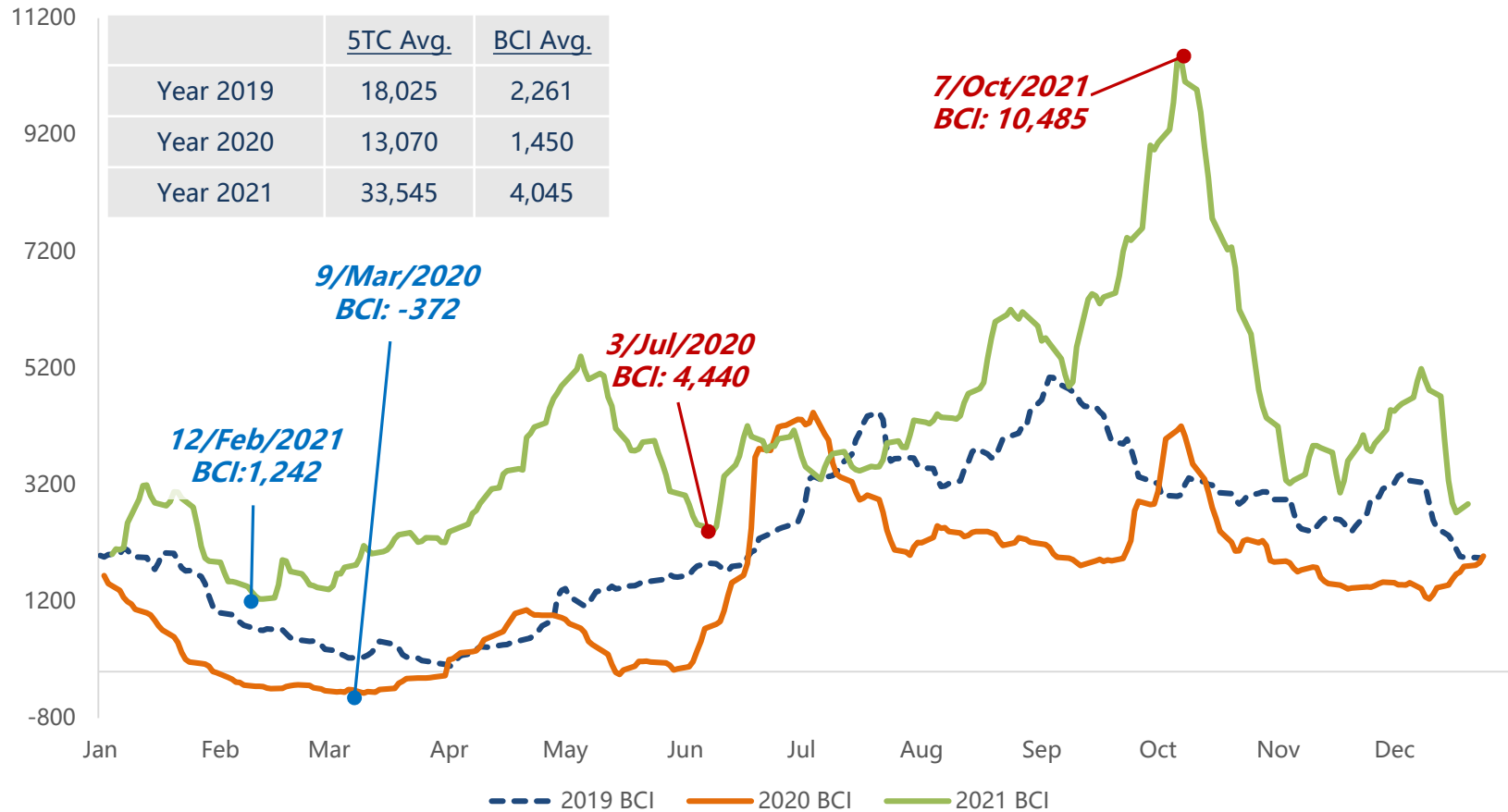
Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2019-2021

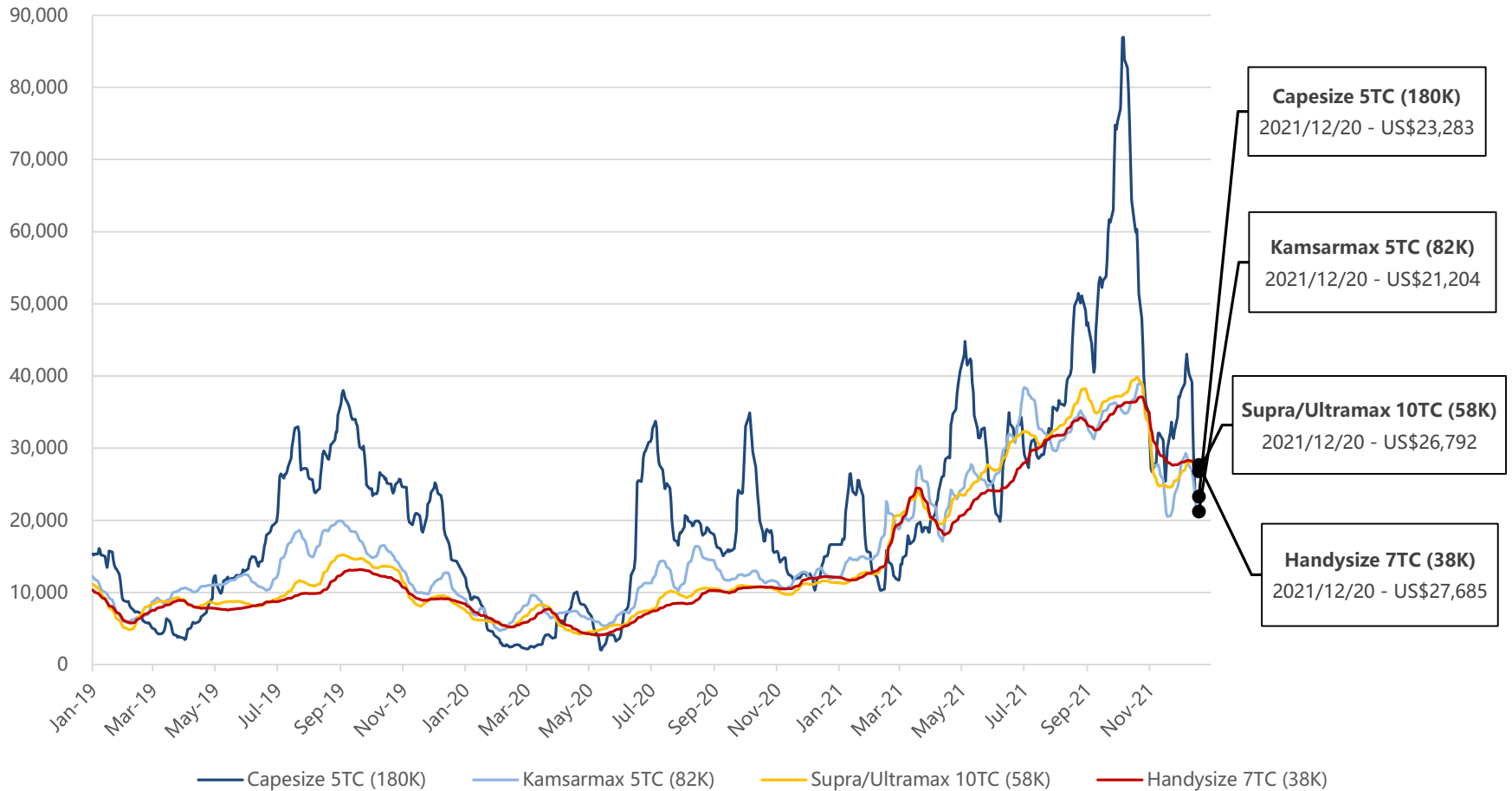
Baltic Exchange Capesize Index



Source: Clarksons Platou

2019- 2021 BCI/BPI/BSI/BHSI Indices

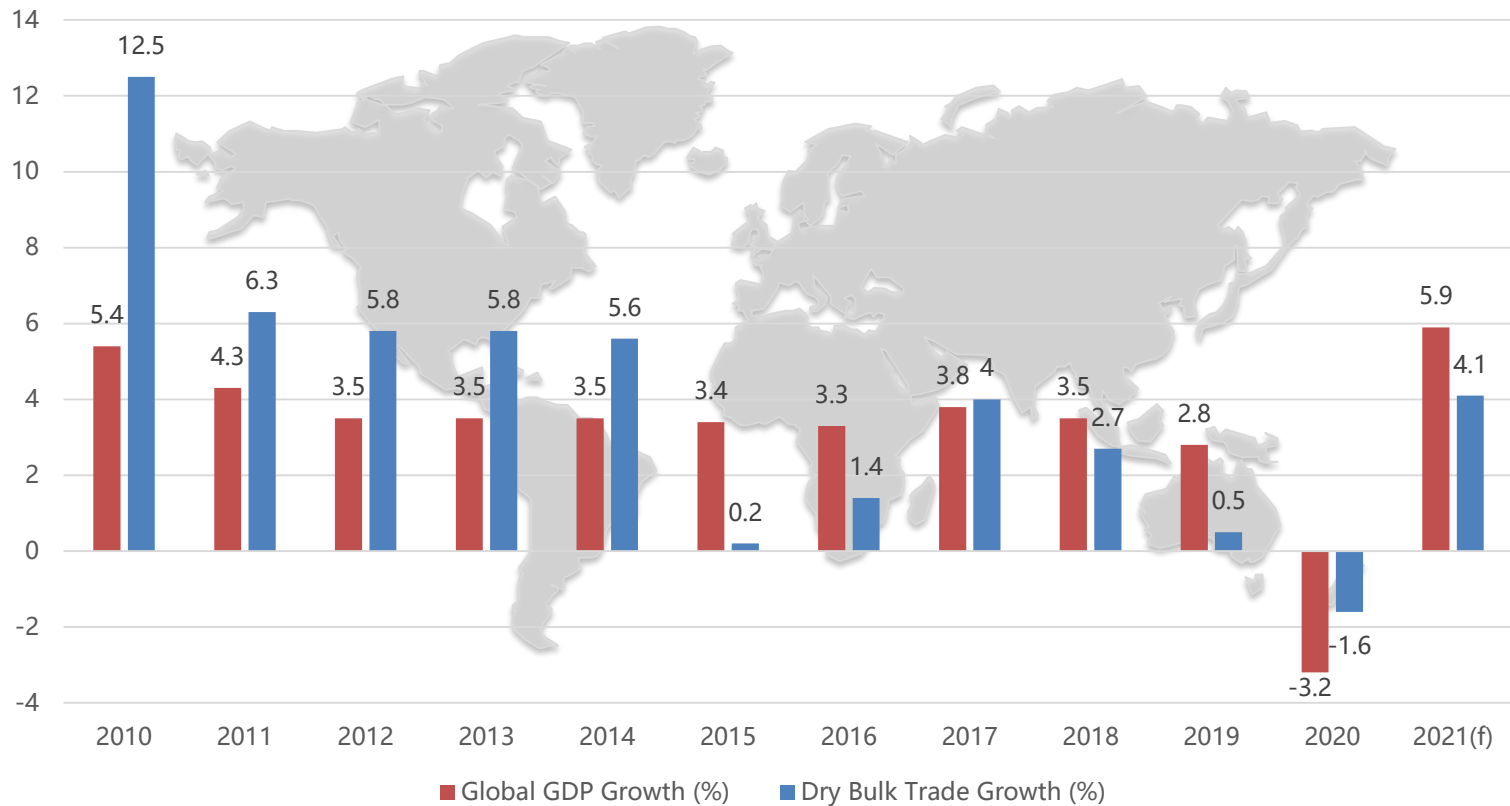
Spot TCE (US\$)



Source: Clarksons Platou

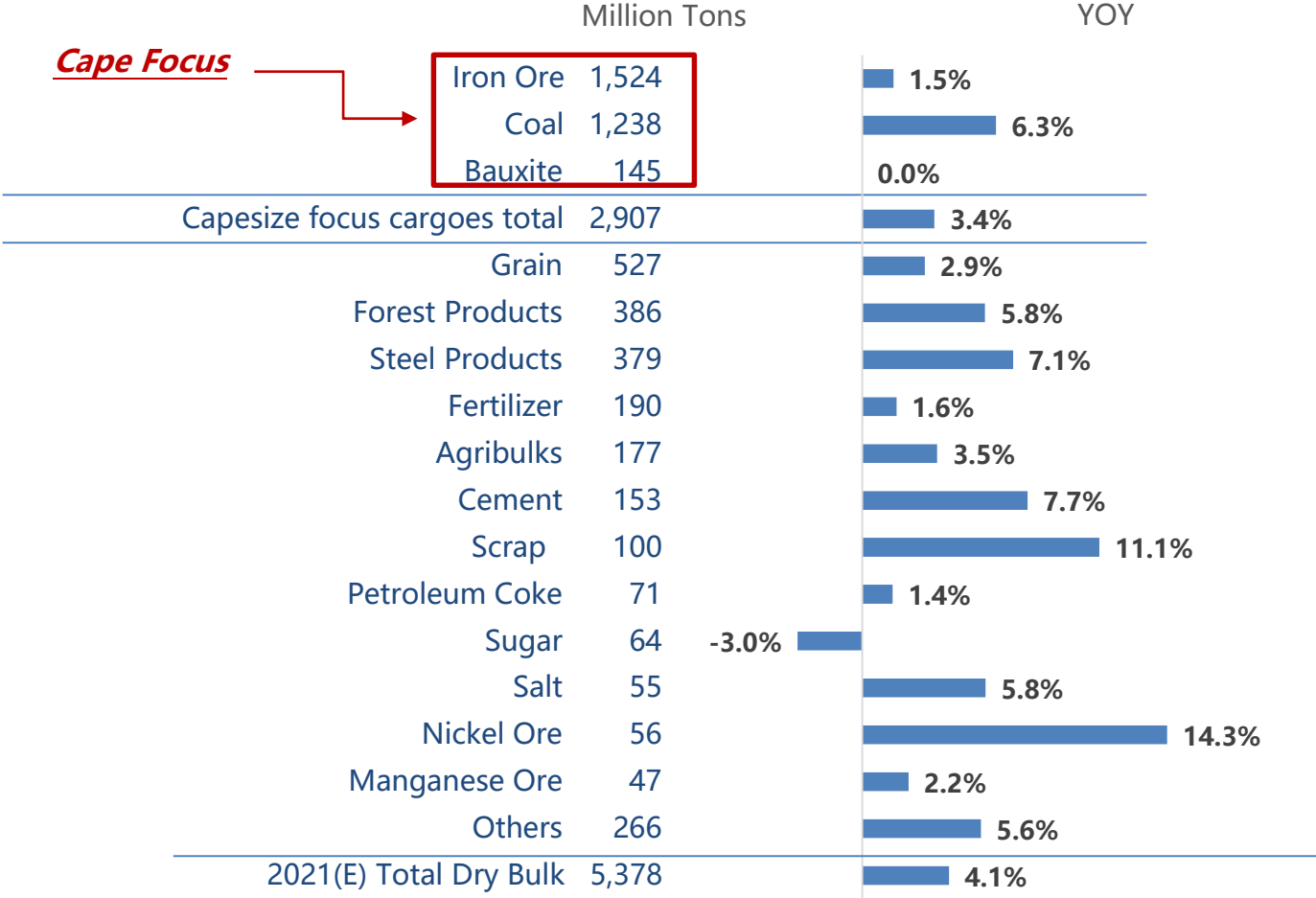
Global Economy Recovers from 2020

- IMF projects global GDP to grow by 5.9% in 2021
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 4.1% in 2021



Source: IMF & Clarksons Platou

Dry Bulk Seaborne Trade Expects to Grow by 4.1%

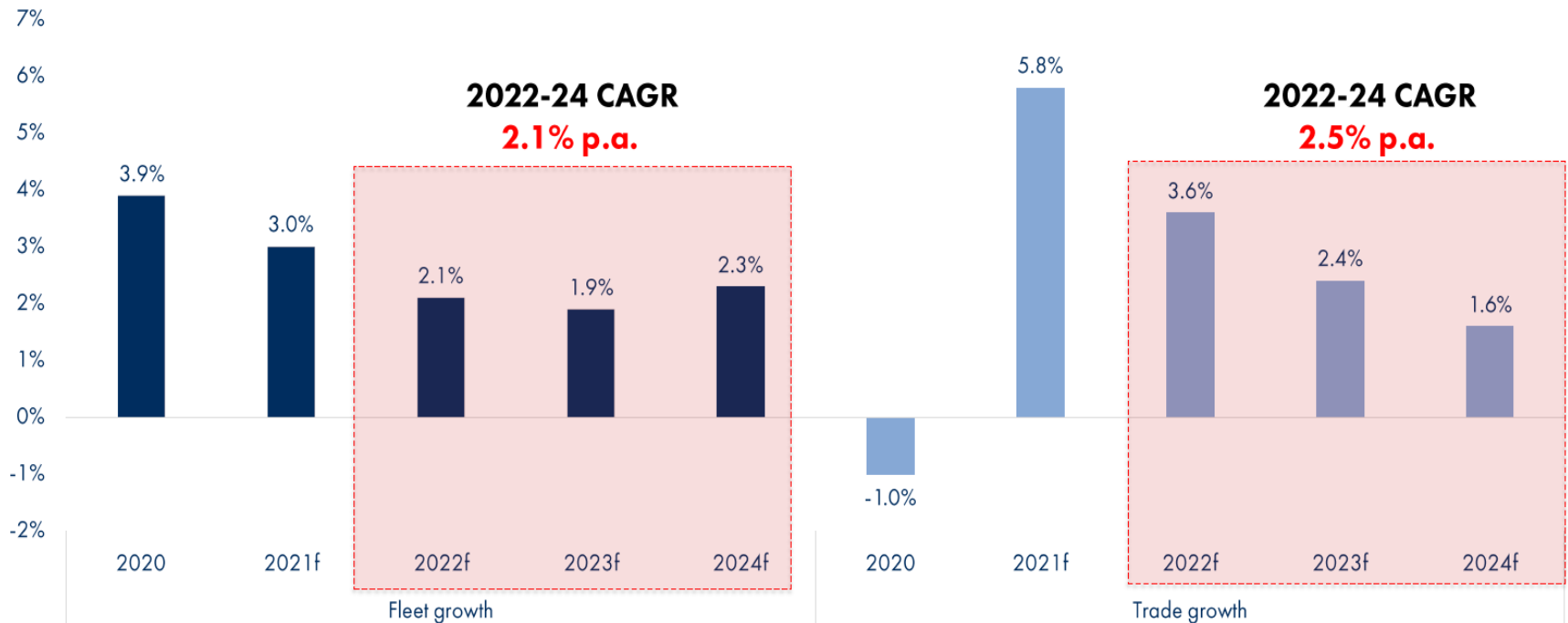


Source: Clarksons Platou

Dry Bulk Seaborne Trade vs Fleet Growth

Dry bulk seaborne trade vs fleet growth estimates

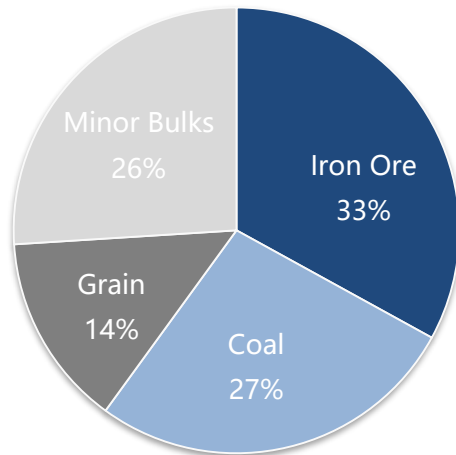
Year-on-year growth



Source: Arrow

Commodity Shares Based Vessel Types

% of Dry Bulk Cargoes



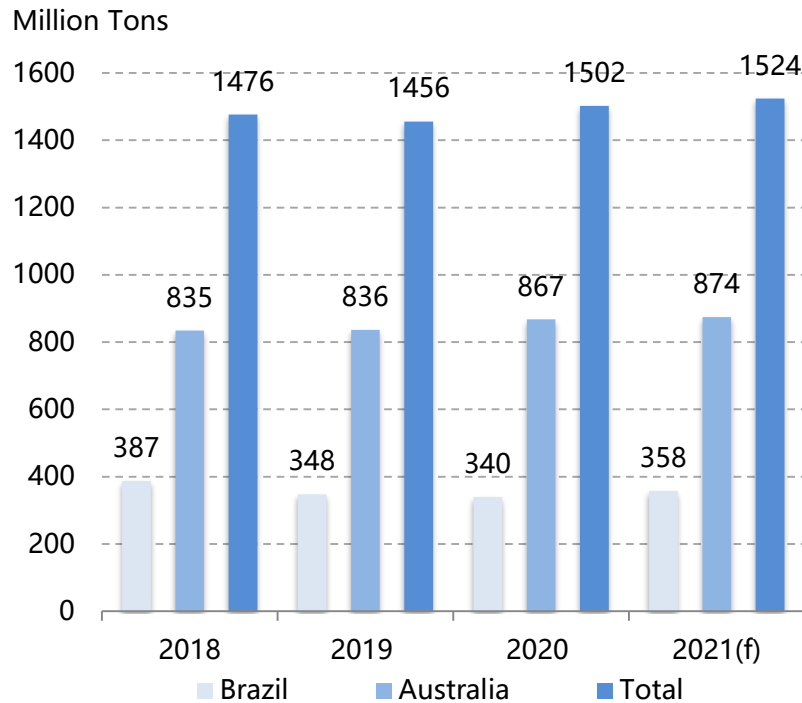
| | Handysize | Supramax | Panamax | Capesize | Total |
|--------------------|-----------|----------|---------|----------|-------|
| Coal | 10% | 24% | 51% | 19% | 27% |
| Iron Ore | 2% | 7% | 8% | 76% | 33% |
| Agricultural goods | 25% | 16% | 27% | 0% | 14% |
| Alumina / Bauxite | 4% | 4% | 6% | 4% | 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

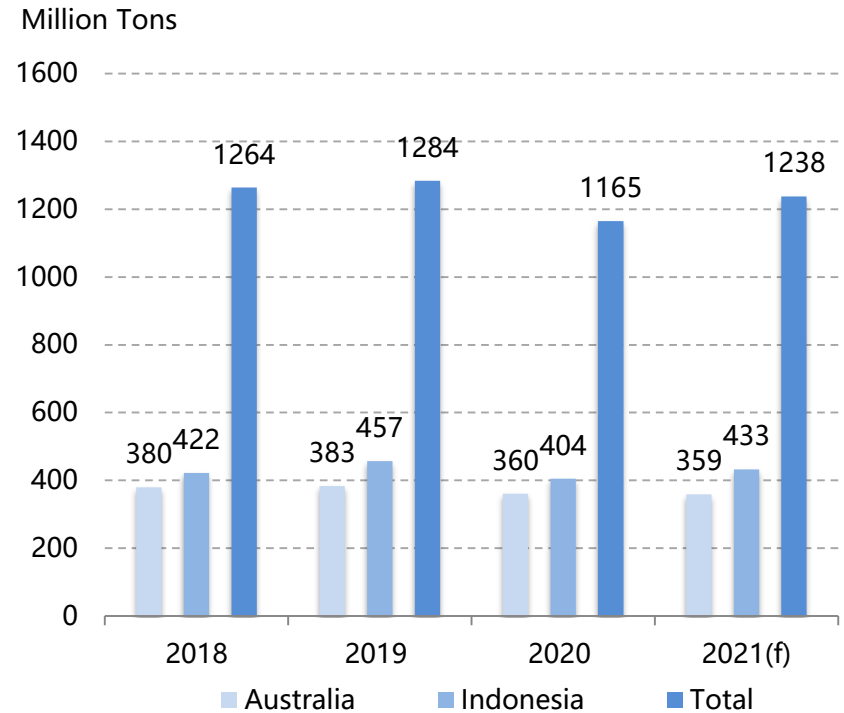
Global Iron Ore/Coal Exports

Clarksons Platou forecasts global iron ore exports to increase by 1% while coal exports to increase by 6% in 2021

Iron Ore



Coal



Source: Clarksons Platou

Vale's Iron Ore Production Outlook

| | Capacity (Mtpy) | | | | |
|----------------------------|-----------------|---------------|-------------|-------------|-----------|
| | Vale Day 2020 | Vale Day 2021 | End of 2022 | Medium term | Long term |
| Northern System | 206 | 203 | 205 | 215 | 240-260 |
| Southeastern System | 61 | 70 | 93 | 113 | 110-120 |
| Southern System | 51 | 65 | 69 | 69 | 70-85 |
| Midwestern System | 2 | 3 | 3 | 3 | 3 |
| VALE | 320 | 341 | 370 | 400 | 400-450 |

| Main deliveries in 2022 | | |
|--|-------------------------------------|-------------------------------------|
| | Capacity | Quality |
| 1Q22 Brucutu/Itabira: tailings filtration plants start-up | | <input checked="" type="checkbox"/> |
| 1H22 S11D: jaspilite crushers installation | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2H22 S11D: Project +10 Mtpy | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2H22 Serra Norte: Gelado project | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4Q22 Brucutu: Torto dam start-up | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4Q22 Itabira: Itabiruçu dam raising and new tailing stockpile | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

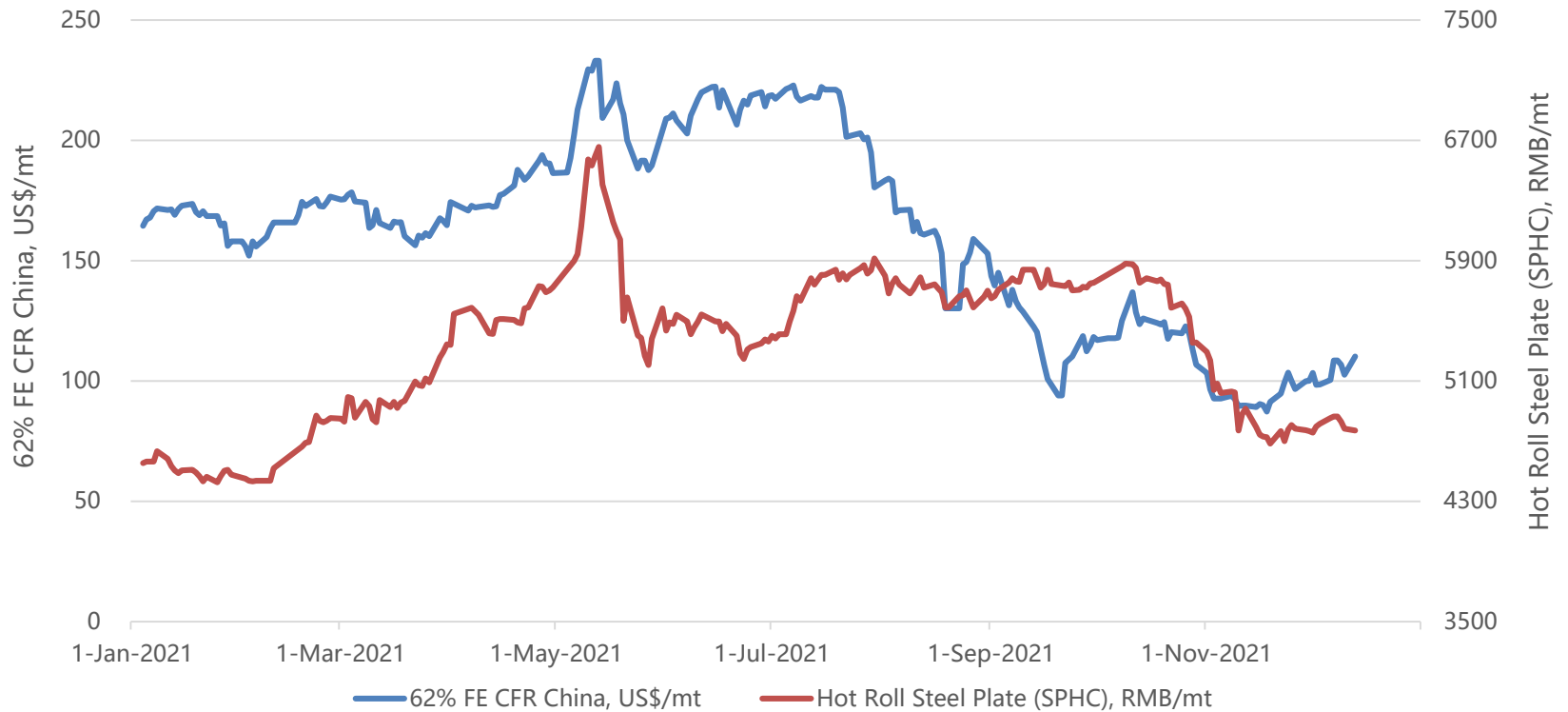
Source: Vale

Iron Ore Price Fluctuates Violently



Source: SSY

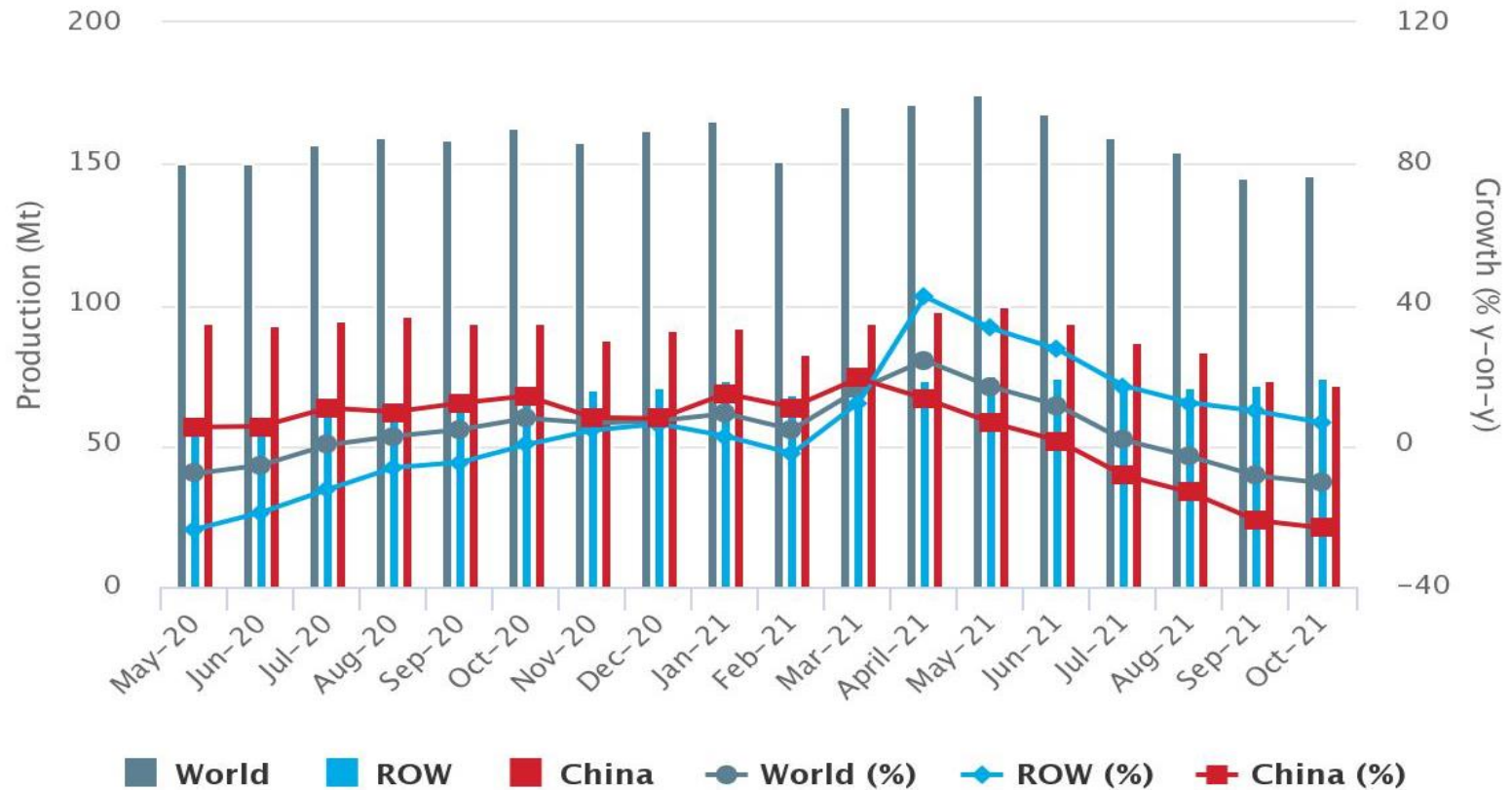
PRC Crude Steel Price Trend



Source: SSY & MarcoMicro

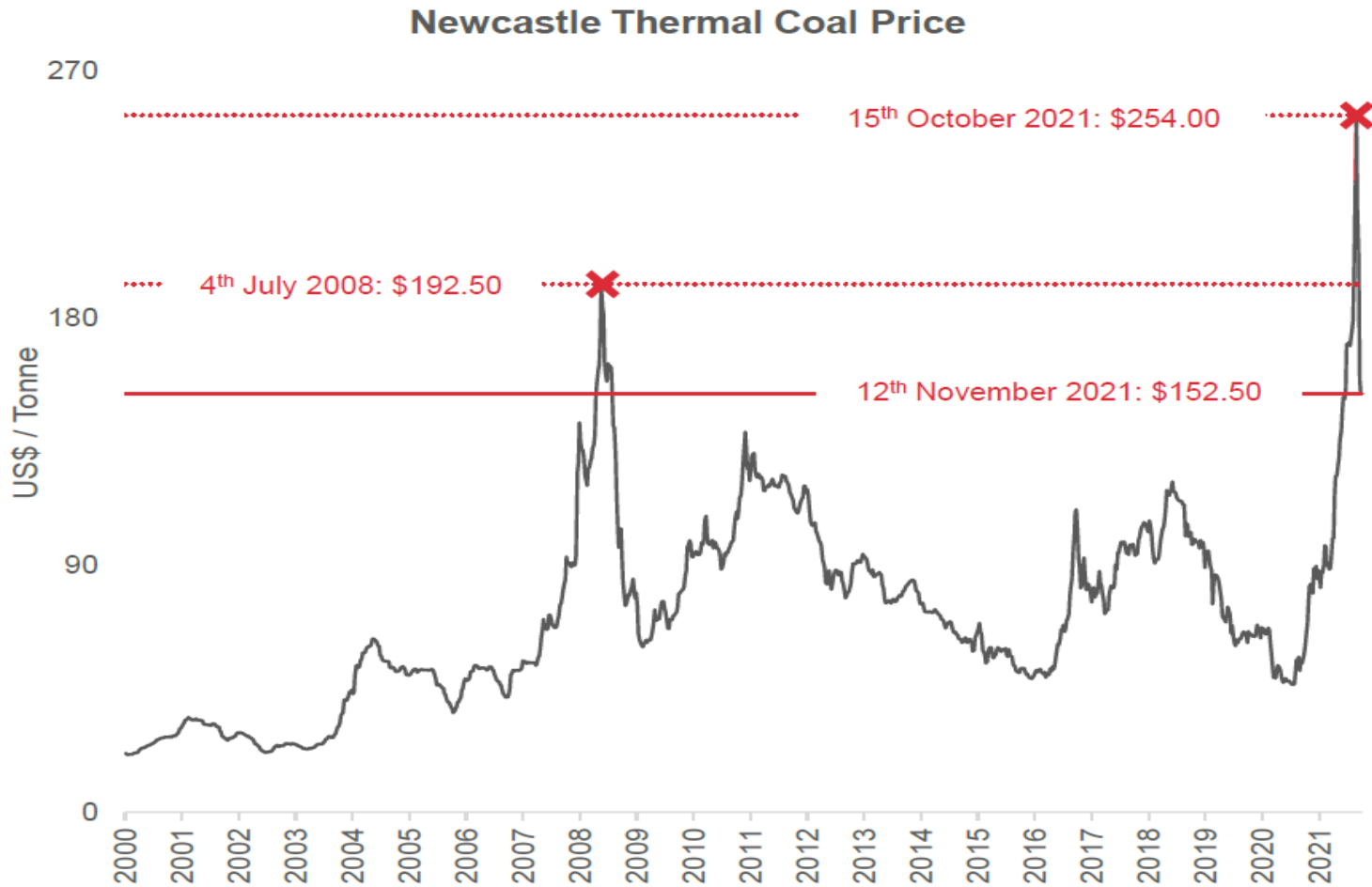
Global Steel Production

PRC' s y-o-y growth rate in 2020: +6.9%;
 Full year y-o-y projection for 2021: -2.2%



Source: World Steel Association

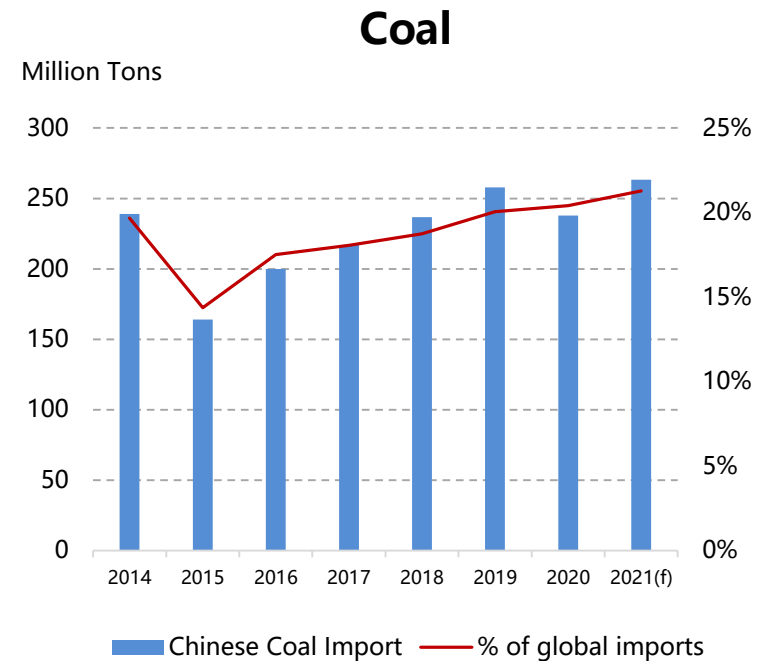
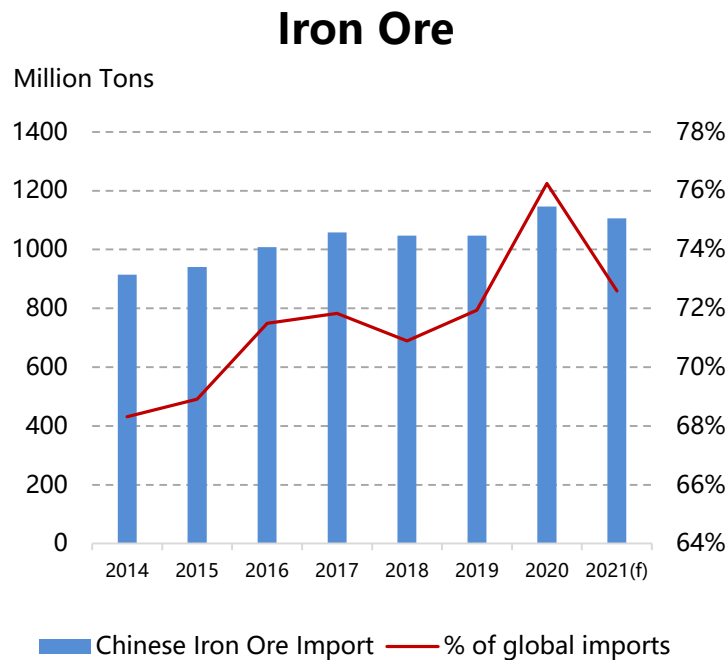
Australian Coal Price



Source: IHS McCloskey & Howe Robinson

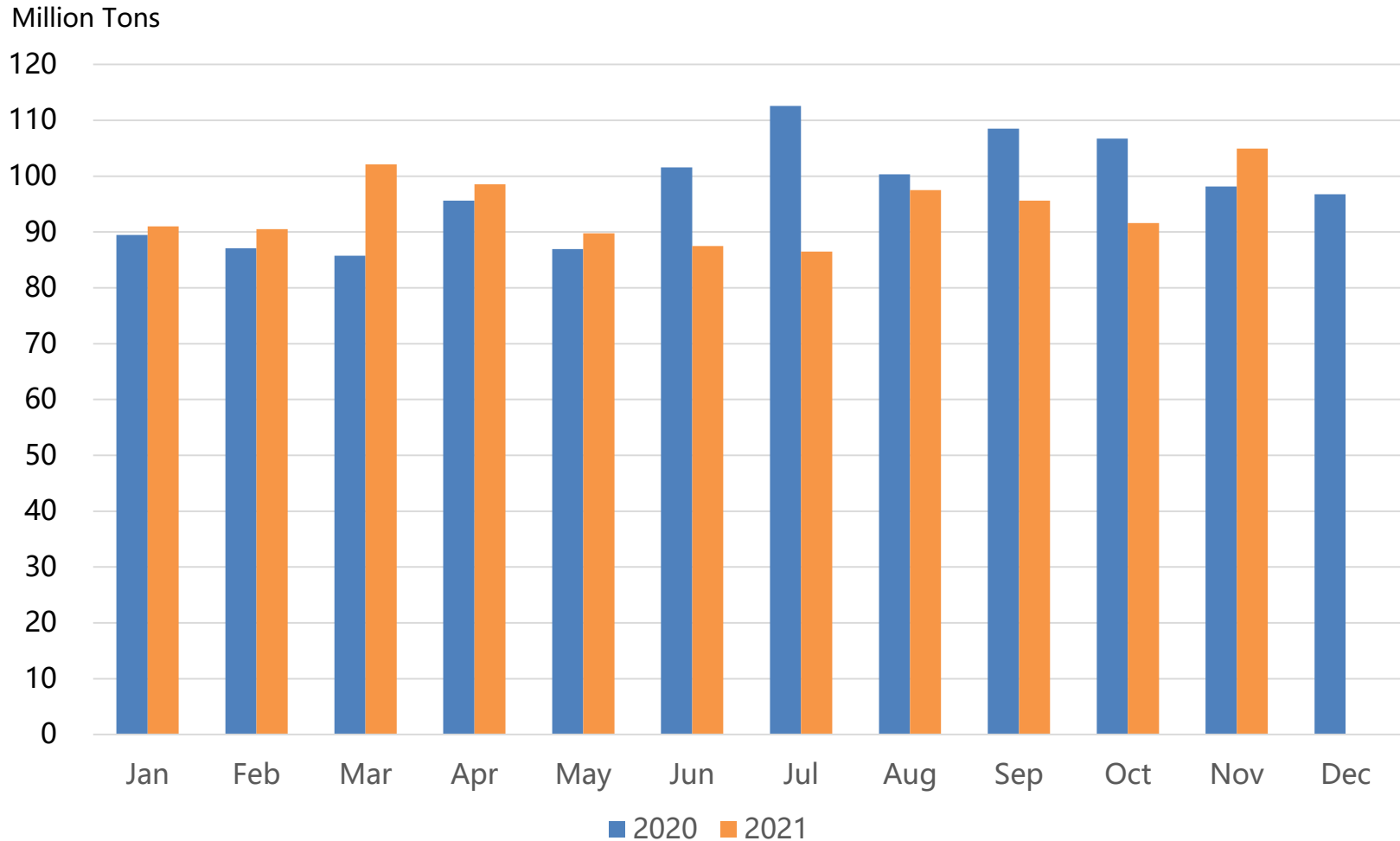
PRC Commodity Imports

- PRC' s demand for iron ore is estimated to decrease by 3% in 2021 to 1.1 billion tons
- PRC' s demand for coal imports is projected to increase by 11% in 2021 to 260 million tons



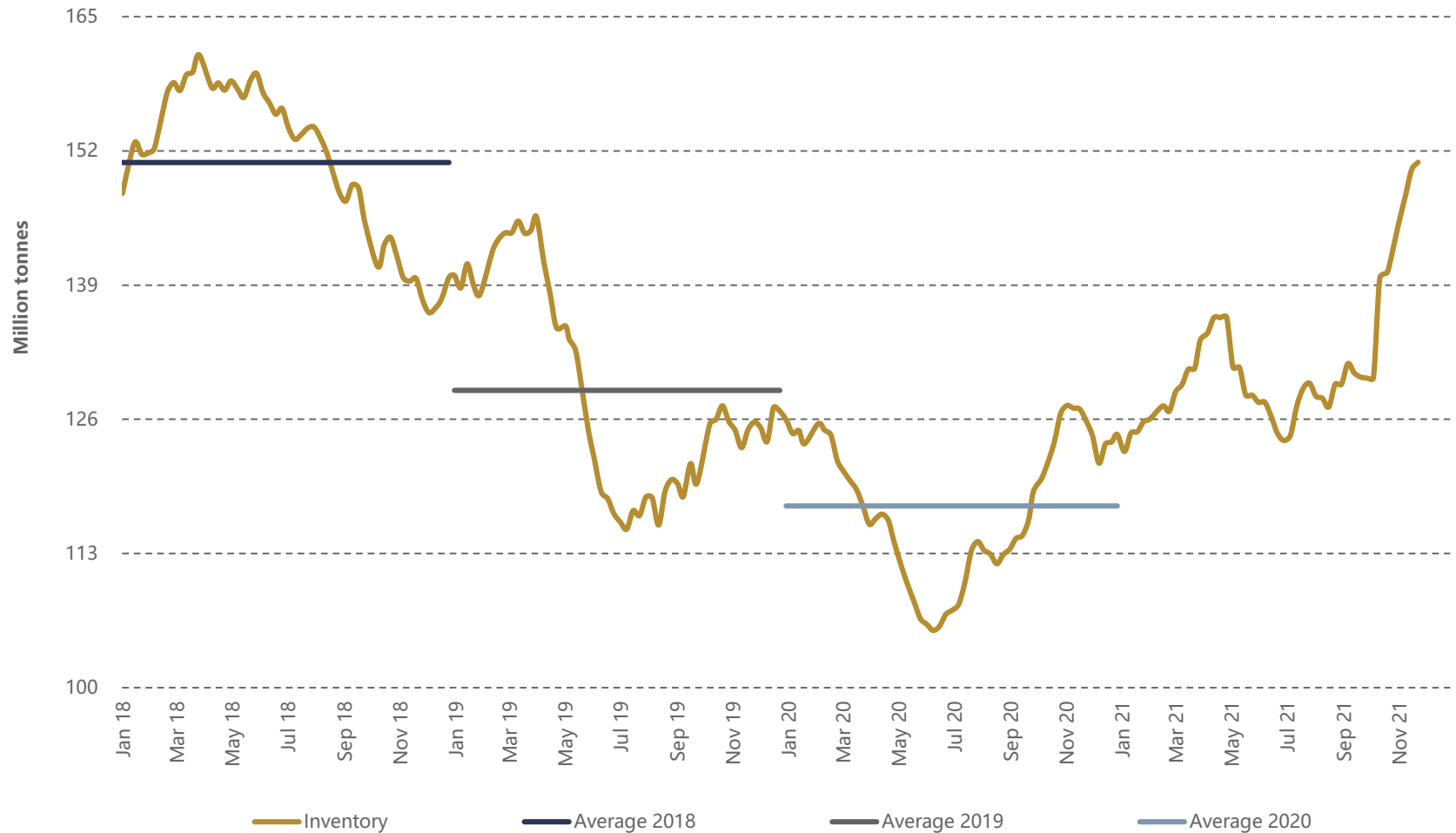
Source: Clarksons Platou

PRC Iron Ore Imports



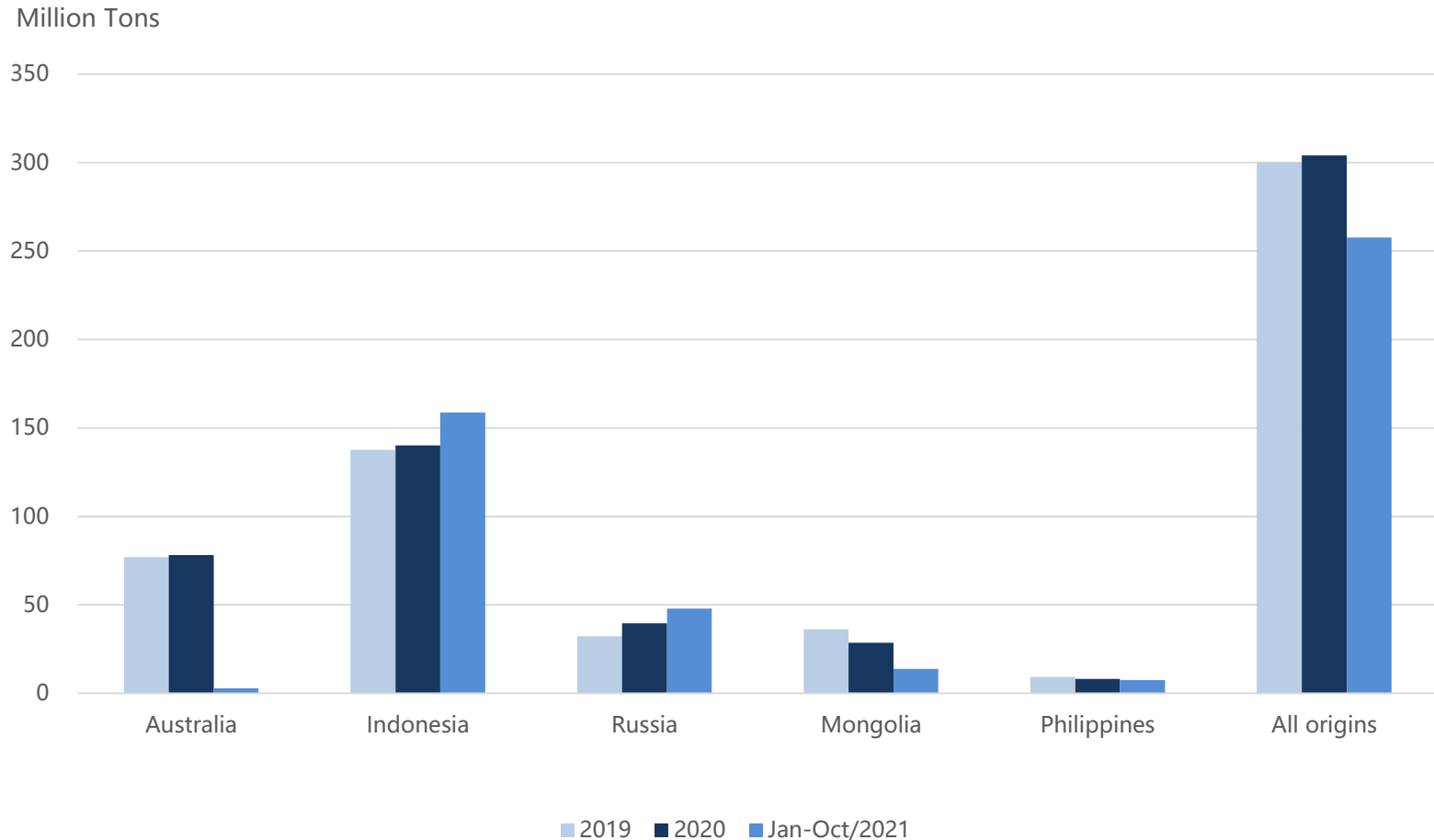
Source: Thurlstone Research

Iron Ore Stockpiles at PRC Ports



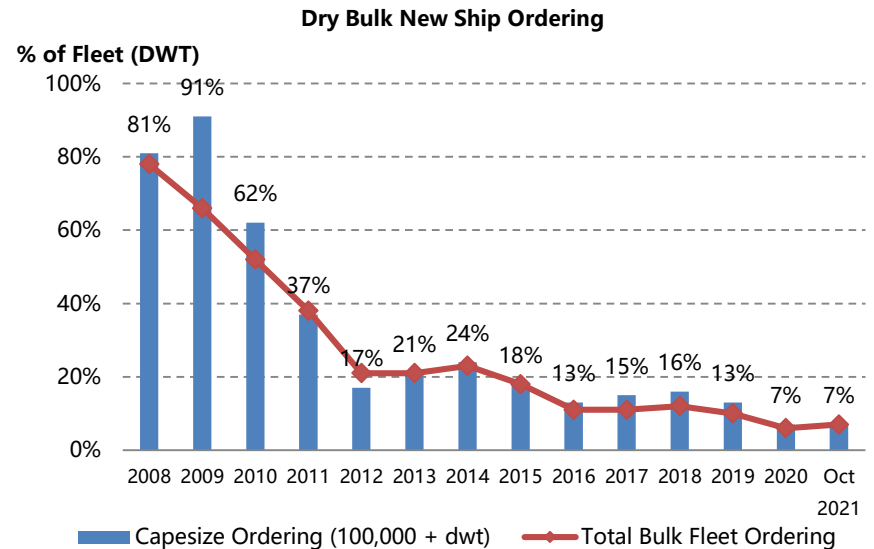
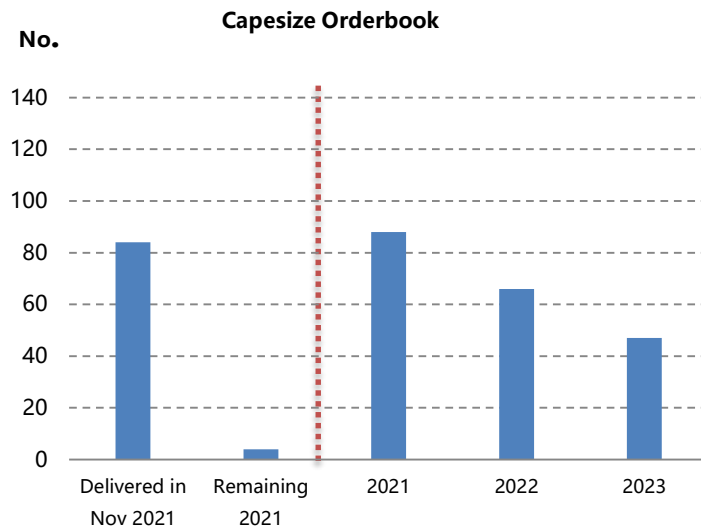
Source: Drewry Maritime Research





PRC Coal Imports



Source: PRC Customs

Bulker Newbuilding Orders are Shrinking



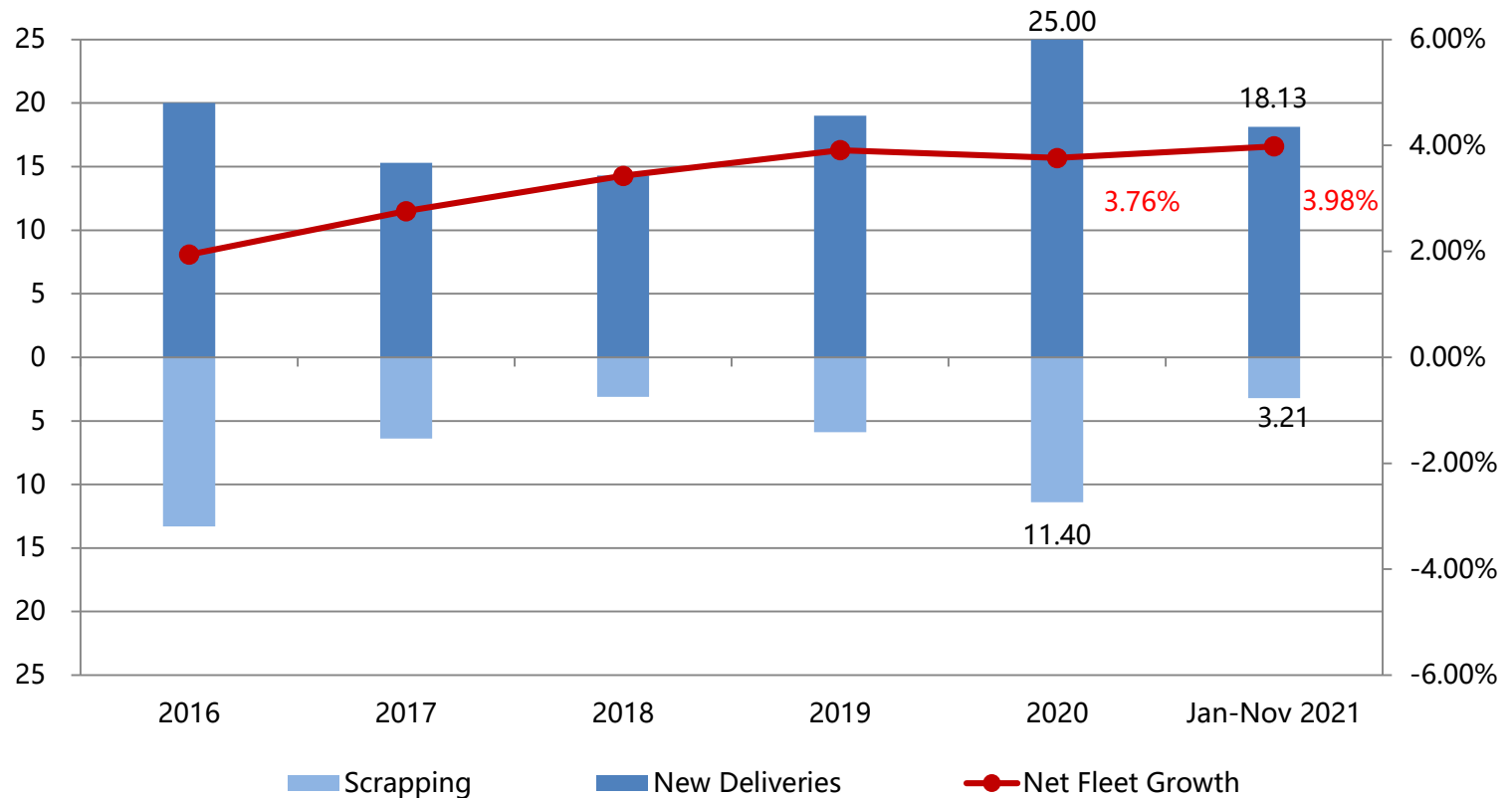
| | ORDERBOOK AS % OF EXISTING FLEET | AVERAGE AGE | OVER 20 YEARS OLD | JAN-OCT 2021 SCRAPPING AS % OF EXISTING FLEET |
|--|----------------------------------|-------------|-------------------|---|
|  Handysize (10,000 - 40,000 dwt) | 5% | 12.2 | 13% | 0.45% |
|  Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt) | 6% | 10.6 | 8% | 0.27% |
|  Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt) | 8% | 10.7 | 11% | 0.25% |
|  Capesize (100,000 + dwt) | 7% | 9.0 | 2% | 0.83% |
| Total Dry Bulk > 10,000 dwt | 7% | 10.9 | 7% | 0.52% |

Source: Clarksons Platou

Capesize Fleet Growth Decelerates

Capesize Supply Development

Million DWT



Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

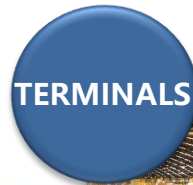
| TYPE | | PRICE (IN US\$ MILLION) | | | | |
|-------------------|-------|-------------------------|------|------|----------|-----|
| YEAR | | 2019 | 2020 | | DEC 2021 | |
| 208,000 DWT | NB | 54.5 | 52.0 | -5% | 66.5 | 28% |
| 180,000 DWT | NB | 49.5 | 46.5 | -6% | 60.3 | 30% |
| 180,000 DWT (ECO) | 5-YR | 37.5 | 35.5 | -5% | 47.0 | 32% |
| 180,000 DWT | 10-YR | 22.0 | 19.5 | -11% | 33.0 | 69% |
| 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



China Fortune
中華偉運輪
206,061 DWT



2005

2006

2009

2011

2012

2012

2013

2024

2024

2023

2023

2017

2017

2016



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



青島北海船舶重工有限責任公司
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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

Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

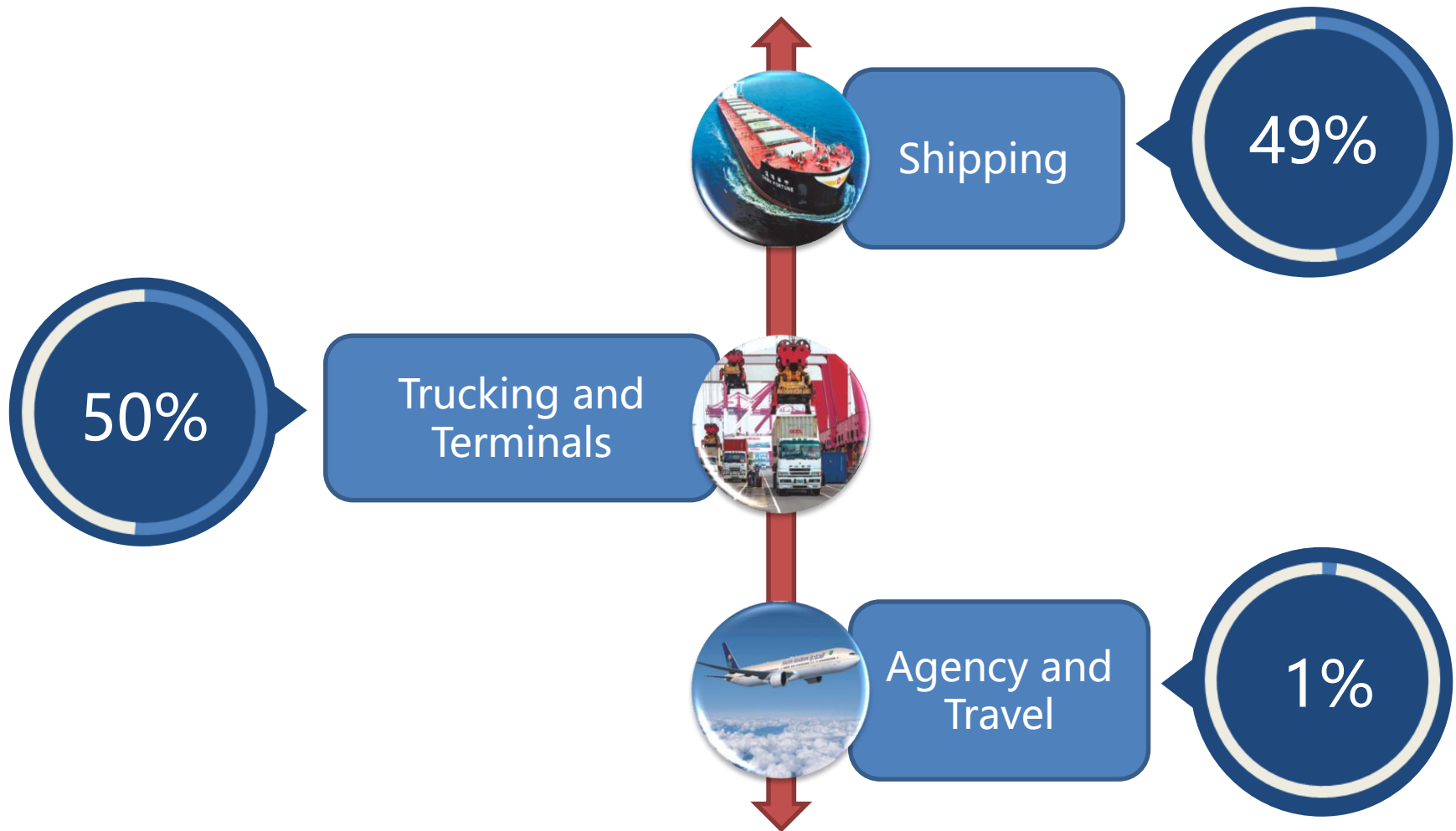
Newbuilding
210,000 DWT

Newbuilding
210,000 DWT



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

Entities Revenue Ratio for Q1-Q3 2021



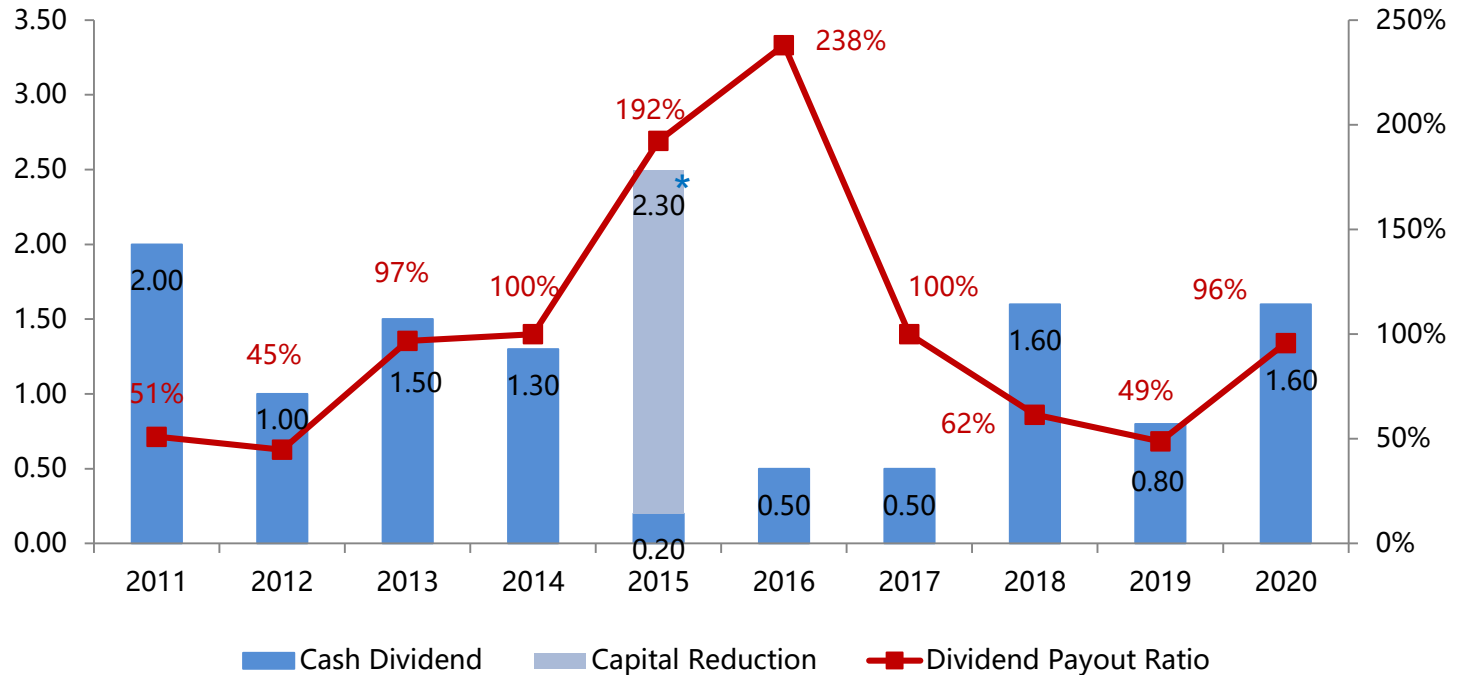
2016-2021 Financial Highlights

Expressed in millions of New Taiwan Dollars

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 1-3Q |
|---------------------------|--------|--------|--------|--------|-------|-----------|
| Revenue | 3,295 | 3,218 | 3,820 | 3,763 | 3,131 | 2,545 |
| Net Profit/(Loss) | 48 | 98 | 514 | 324 | 329 | 775 |
| EPS | 0.21 | 0.50 | 2.60 | 1.64 | 1.67 | 3.96 |
| Cash and cash equivalents | 3,686 | 2,940 | 3,345 | 3,288 | 3,742 | 2,364 |
| Total liabilities | 11,148 | 10,652 | 10,237 | 10,022 | 9,734 | 7,791 |
| Total equity | 10,323 | 9,427 | 10,187 | 9,934 | 9,750 | 10,359 |
| ROE % | 0.5% | 1.0% | 5.2% | 3.2% | 3.3% | 10.3% |
| ROA % | 0.9% | 1.3% | 3.5% | 2.5% | 2.3% | 5.9% |
| Liability % | 52% | 53% | 50% | 50% | 50% | 43% |

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 | Sep 30, 2021 | Dec 31, 2020 | Sep 30, 2020 |
|--|---------------|---------------|---------------|
| Current assets | 3,736 | 5,152 | 4,722 |
| Property, plant and equipment | 11,949 | 12,108 | 12,644 |
| Intangible assets | 9 | 10 | 10 |
| Other non current assets | 2,456 | 2,273 | 2,458 |
| Total assets | 18,150 | 19,543 | 19,834 |
| Liabilities and Equity | | | |
| Current liabilities | 2,634 | 3,506 | 3,533 |
| Non Current liabilities | 5,157 | 6,229 | 6,442 |
| Total liabilities | 7,791 | 9,735 | 9,975 |
| Equity attributable to owners of parent | | | |
| Common stock | 1,975 | 1,975 | 1,975 |
| Capital surplus | 53 | 53 | 53 |
| Retained earnings | 9,061 | 8,606 | 8,622 |
| Other equity interest | (750) | (884) | (851) |
| Non-controlling interests | 20 | 58 | 60 |
| Total equity | 10,359 | 9,808 | 9,859 |
| Total liabilities and equity | 18,150 | 19,543 | 19,834 |

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

| | 2021 1-3Q | 2020 | 2020 1-3Q |
|-----------------------------------|-------------|-------------|-------------|
| Operating Revenues | 2,544,707 | 3,131,115 | 2,338,990 |
| Operating costs | 2,060,992 | 2,583,263 | 1,931,940 |
| Gross profit | 483,715 | 547,852 | 407,050 |
| Operating expenses | 304,838 | 376,341 | 290,823 |
| Net operating income | 178,877 | 171,511 | 116,227 |
| Non operating income and expenses | 644,210 | 180,548 | 234,199 |
| Profit before tax | 823,087 | 352,059 | 350,426 |
| Less: tax expenses | 48,355 | 23,020 | 18,093 |
| Profit | 774,732 | 329,039 | 332,333 |
| Other comprehensive income, net | 125,667 | (355,480) | (316,211) |
| Comprehensive income | 900,399 | (26,441) | 16,122 |
| Earnings per share | 3.96 | 1.67 | 1.71 |

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

Disclaimer

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Contact Information

Web Site: www.cmt.tw

Head Office:

15 Jinan Road Sect 1 Taipei Taiwan R.O.C.

Tel:+886(0)2 2396 3282

Fax:+886(0)2 2391 6165

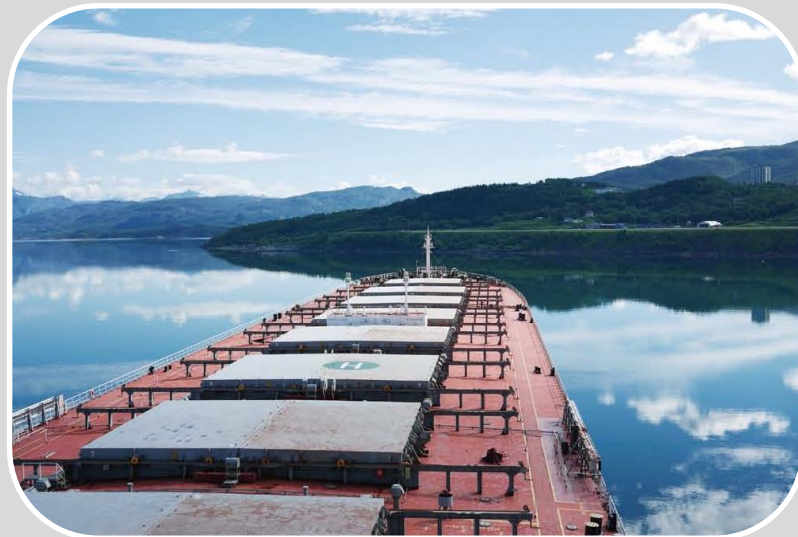
Investor Relations:

Spokesperson: BJ Tarng, Vice President

Tel: +886(0)2 2397 6670

Fax: +886(0)2 2356 8085

Email: inv.rel@agcmt.com.tw



Thank You !

