



Stock Code : 2612 TT

Q1 Investor Presentation

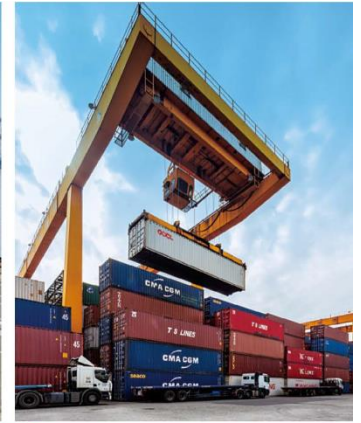
By: Ban-Jen Tarng
Spokesperson

27th March 2023

Summary of Presentation

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

Outlook



Capesize Market Outlook

Freight Rates Retreated Before Bouncing Back in March

- Cape 5TC averaged only US\$ 8,494 in Q1; iron ore price averaged US\$ 125/ton
- Freight rates declined due to excessive tonnage supply and sharp decrease of Brazilian iron ore exports but demand for all sectors improved toward end of Q1 which was evident from positive gains in both spot and forward freight

Strong FFA Rates Showed Positive Expectations

- Market expects PRC economy to rebound as shown by contango in FFA
- Due to fewer NB orders and more scrapping activities, the supply/demand balance will gradually improve in coming quarters

2023 Net Fleet Growth Rate Should be Less Than 2%

- 15 new capesizes joined the world fleet so far in 2023, while 5 vintage ships were scrapped in first 3 months
- Capesize net fleet growth is about 0.52% in Q1

Short-term Outlook

- Iron ore export volumes has been under pressure therefore iron ore prices have remained high while PRC stockpile is reducing. We should see seaborne shipments of raw materials normalize from March which will benefit freight
- Manufacturing activities should improve in PRC hence demand for iron ore and coal will likely increase. CMT will generate revenues from the four newbuildings which will start being delivered from Q2 onwards



Focal Points of Q2 2023



1

Weather Factors Affecting Exports

Q1 has been the period of lower Brazilian iron ore export due to poor weather. The market is monitoring closely on any increase of export from March

2

EU Demand for Coal

Toward end of 2022, Europe's demand for coal from countries such as South Africa, Australia dwindled due to mild winter, while the ongoing war still has an impact on long haul seaborne demand in Q2

3

PRC Post-COVID Era

Once the government's zero-COVID policy relaxed, market is watching the resurrection of all manufacturing activities and any policy announcements to stimulate economy

4

Performance of Entire Bulk Sector

Sub-cape bulkers have performed relatively well due to strong grain export volumes from South America. Market is anticipating a new spill-over effect to take place amongst all bulker sectors

PRC Key Economy Indicators

- PRC' s gross domestic product in 2022 reached about 18 trillion U.S. Dollars or equivalent to growth of about 3.0% y o y. The full year target for 2023 is around 5.2%
- PRC' s crude steel production between January and February reached about 169 million tons, up by about 5.6% y-o-y; the country exported about 12 million tons of steel products between January and February, up by about 49.0% y-o-y
- Compared to end 2022, China Steel Price Index (CSPI) increased by 2.6% at end-February to 116.2 points
- The country imported about 194 million tons of iron ore between January and February, up by about 7.3% y-o-y, while coal imports reached about 61 million tons, up by about 71.3% y-o-y

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to remain the same level in 2023 while Brazilian export volume is expected to increase by 1% and Australian export volume to increase by 1%; global iron ore demand is projected to increase slightly in 2023

Coal



Clarksons Platou forecasts Chinese coal imports to remain the same level in 2023 while Australian export volume is expected to increase by 5% and Indonesian export volume to increase by 2%; global coal demand is projected to increase by 2% in 2023

Shipping Market Outlook - Supply

Newbuildings



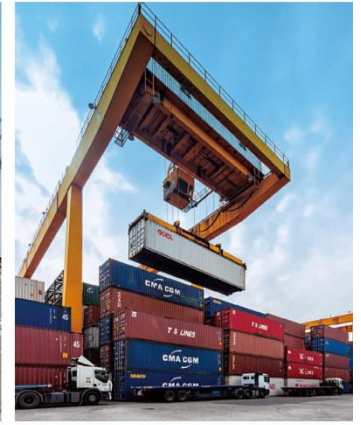
According to IHS Markit, total 50 capesize bulkers were delivered in 2022 with fleet net growth at 1.79%; 70 capesize bulkers are expected to be delivered in 2023

Ship Scrapping



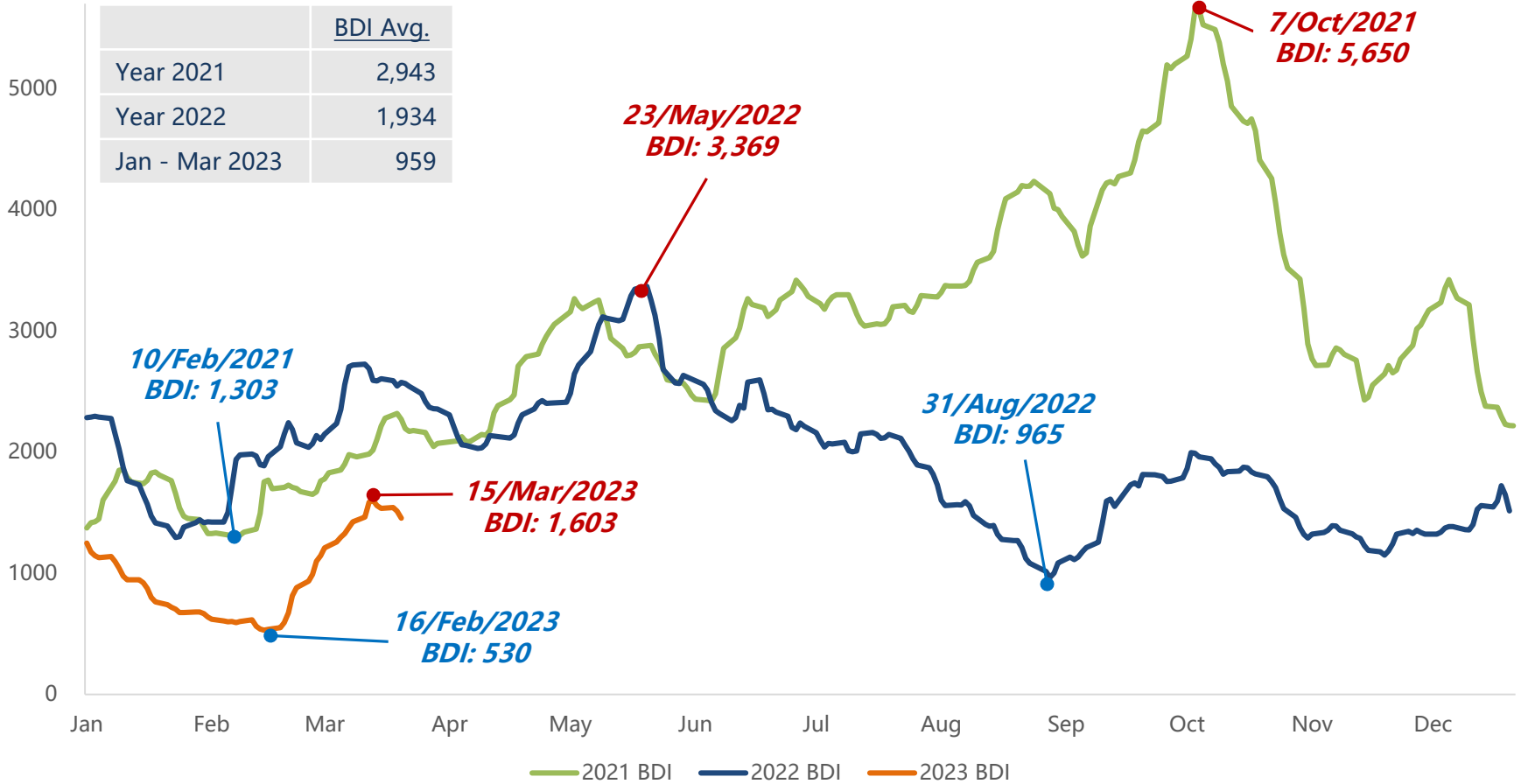
Demolition quantity of capesize bulkers reached 21 in 2022 while more vintage bulkers are to be recycled this year - 30 units are expected to be scrapped in 2023

Dry Bulk Shipping Market Trends



BDI 2021-2023

Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2021-2023

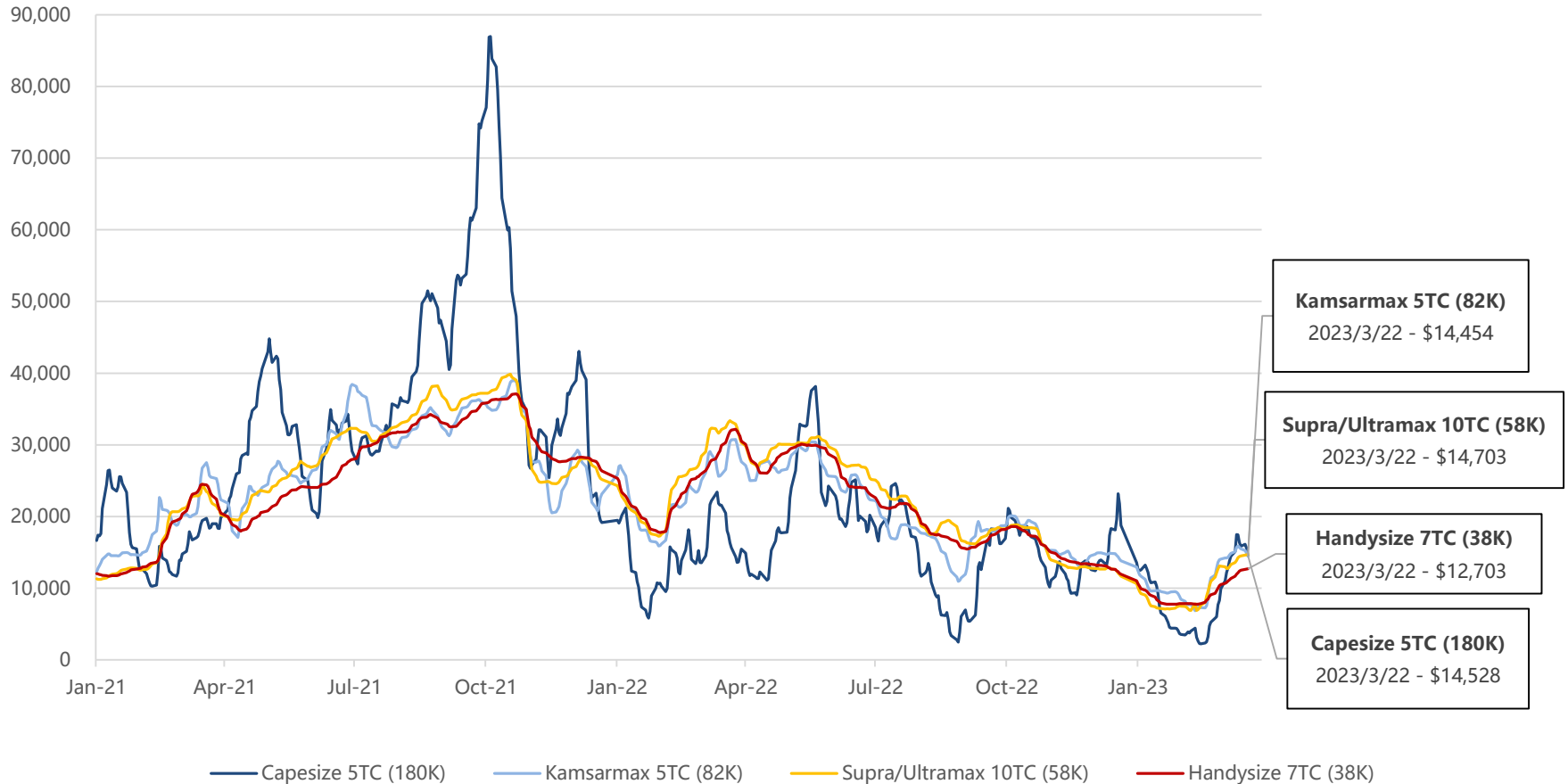
Baltic Exchange Capesize Index



Source: Clarksons Platou

2021- 2023 BCI/BPI/BSI/BHSI Indices

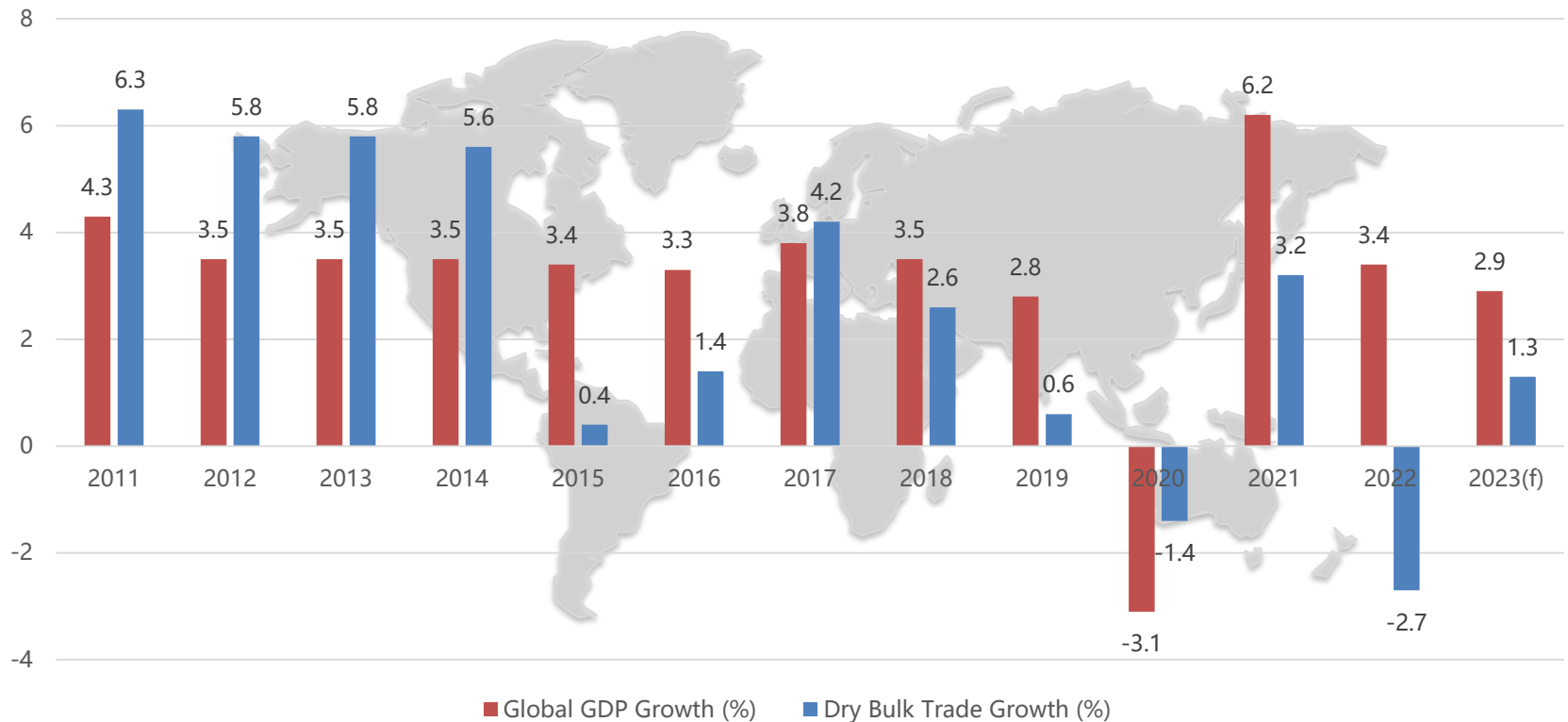
Spot TCE (US\$)



Source: Clarksons Platou

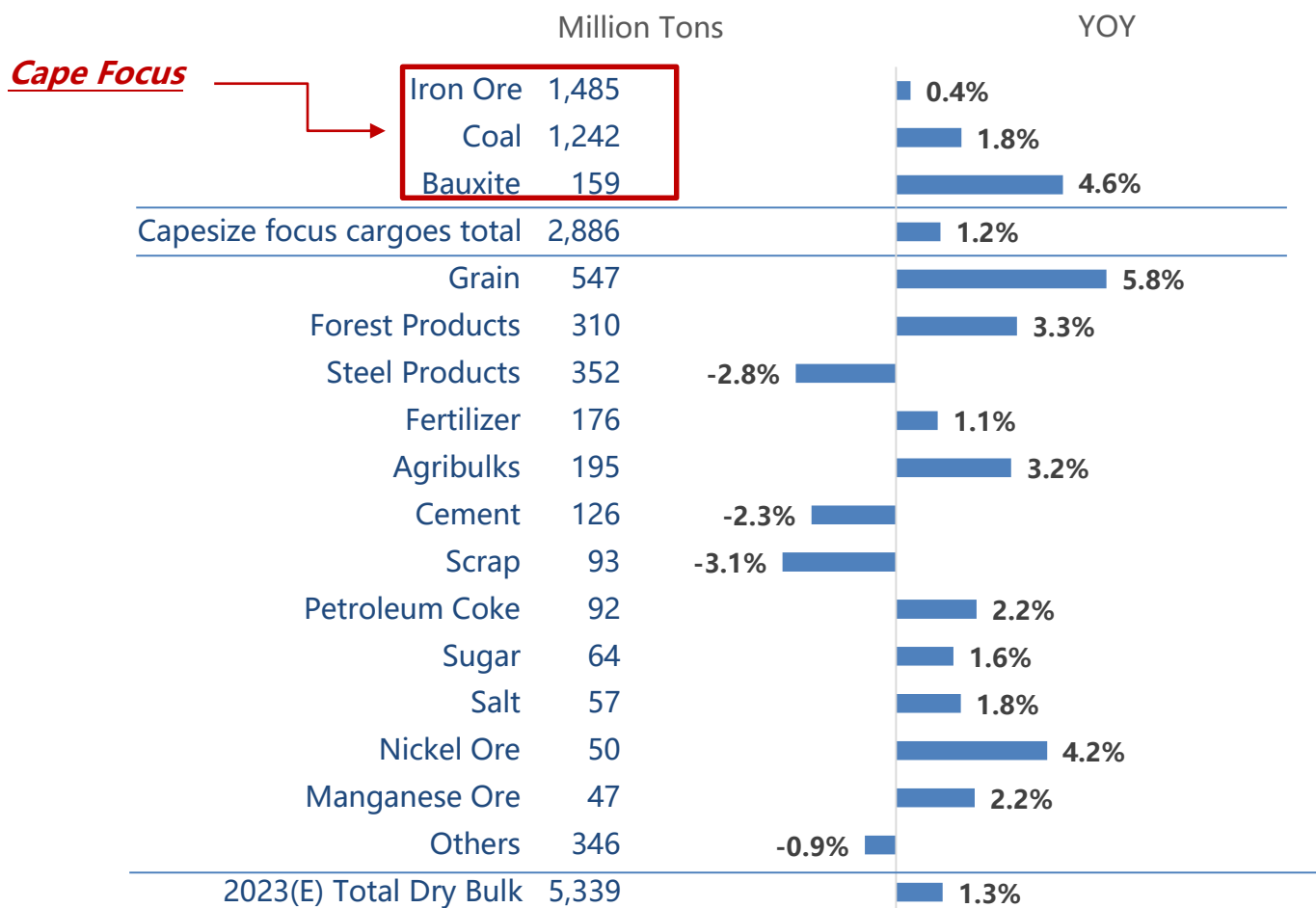
Global Economy and Dry Bulk Trade

- IMF projects global GDP to grow by 2.9% in 2023
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 1.3% in 2023



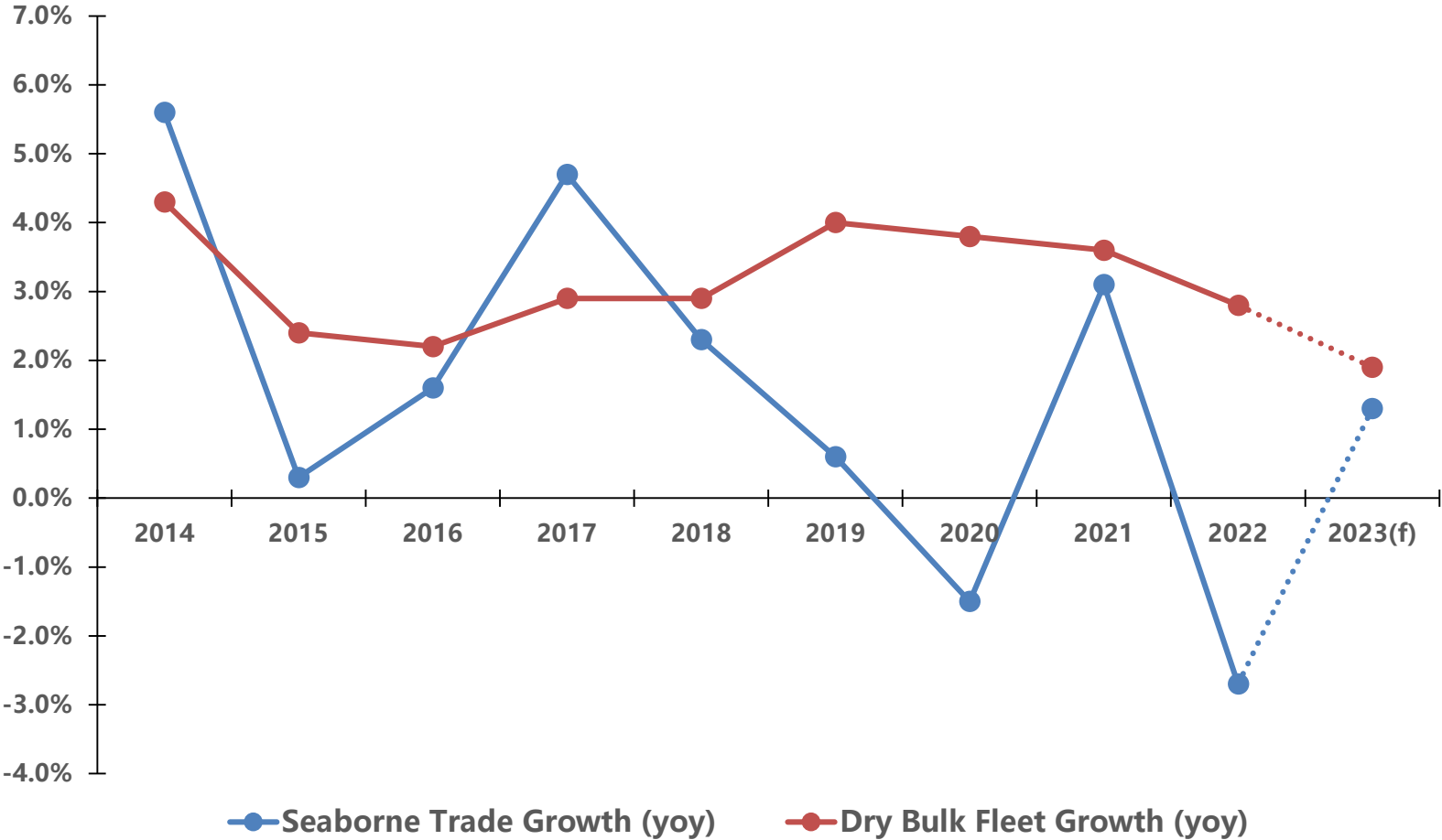
Source: IMF & Clarksons Platou

Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

Dry Bulk Seaborne Trade vs. Fleet Growth



Source: Clarksons Platou

Global Tonne-mile Gains by Commodities

Commodity	2020	2021	2022	YOY	YOY%
Pet coke	320,952	282,952	387,731	104,780	37.0%
Bauxite	1,199,935	1,210,266	1,424,455	214,189	17.7%
Agribulks	564,574	640,938	723,893	82,955	12.9%
Minerals	449,932	512,136	577,365	65,229	12.7%
Alumina	185,938	186,796	202,460	15,664	8.4%
Manganese ore	359,160	338,447	363,716	25,269	7.5%
Forest products	879,282	972,270	1,017,098	44,378	4.6%
Coal	6,101,267	6,500,177	6,763,850	263,673	4.1%
Other	869,735	980,106	1,017,079	36,972	3.8%
Nickel ore	143,240	174,562	179,431	4,869	2.8%
Copper ore	365,865	390,778	391,253	474	0.1%
Aggregates	88,483	94,044	93,307	-737	-0.8%
Scrap	193,357	233,977	228,359	-5,617	-2.4%
Grains	4,764,565	4,692,453	4,541,036	-151,417	-3.2%
Iron ore	10,228,910	10,192,571	9,821,996	-370,575	-3.6%
Steel products	958,111	1,246,803	1,149,875	-96,928	-7.8%
Cement/Clinker	533,354	614,888	555,484	-59,405	-9.7%
Fertilisers	1,097,549	1,199,538	1,049,557	-149,981	-12.5%
Total	30,109,499	31,367,462	31,442,937	75,474	0.2%

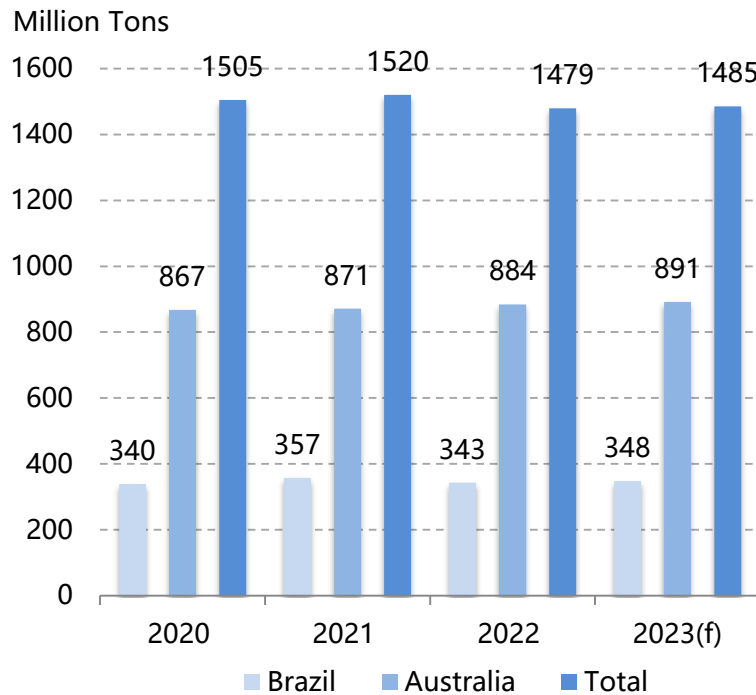
Thousand tonne-miles

Source: AXS Dry & Arrow

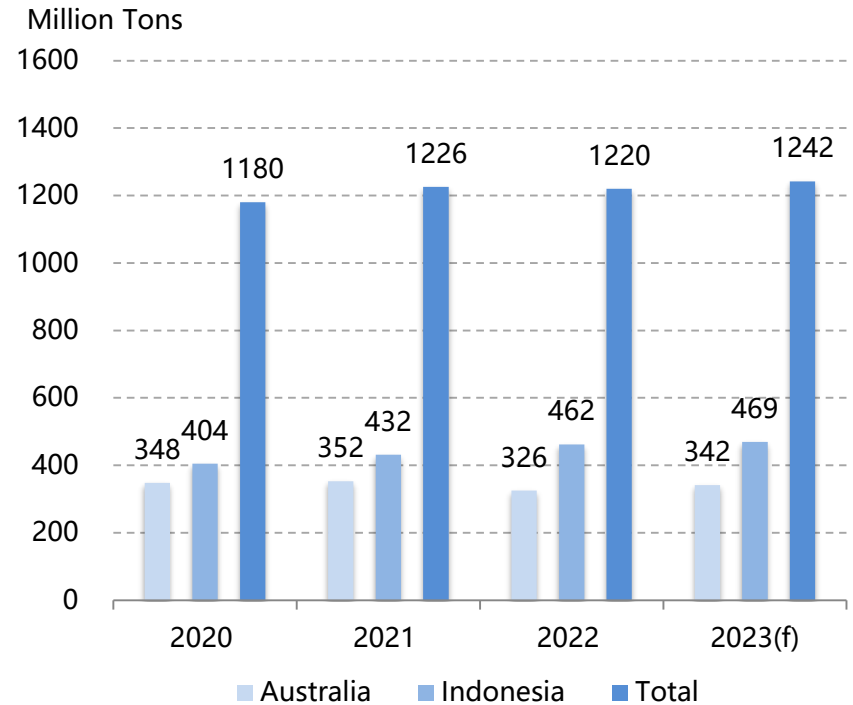
Global Iron Ore/Coal Exports

Clarksons Platou forecasts global iron ore exports to remain at the same level while coal exports to grow by 2% in 2023

Iron Ore

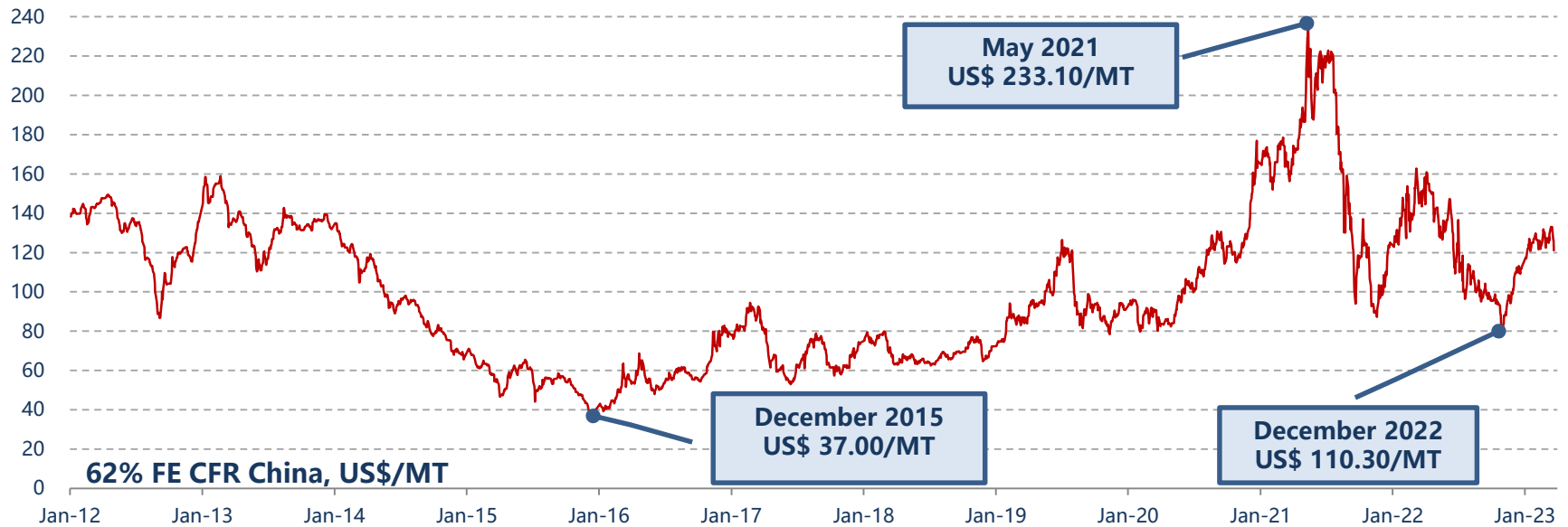


Coal



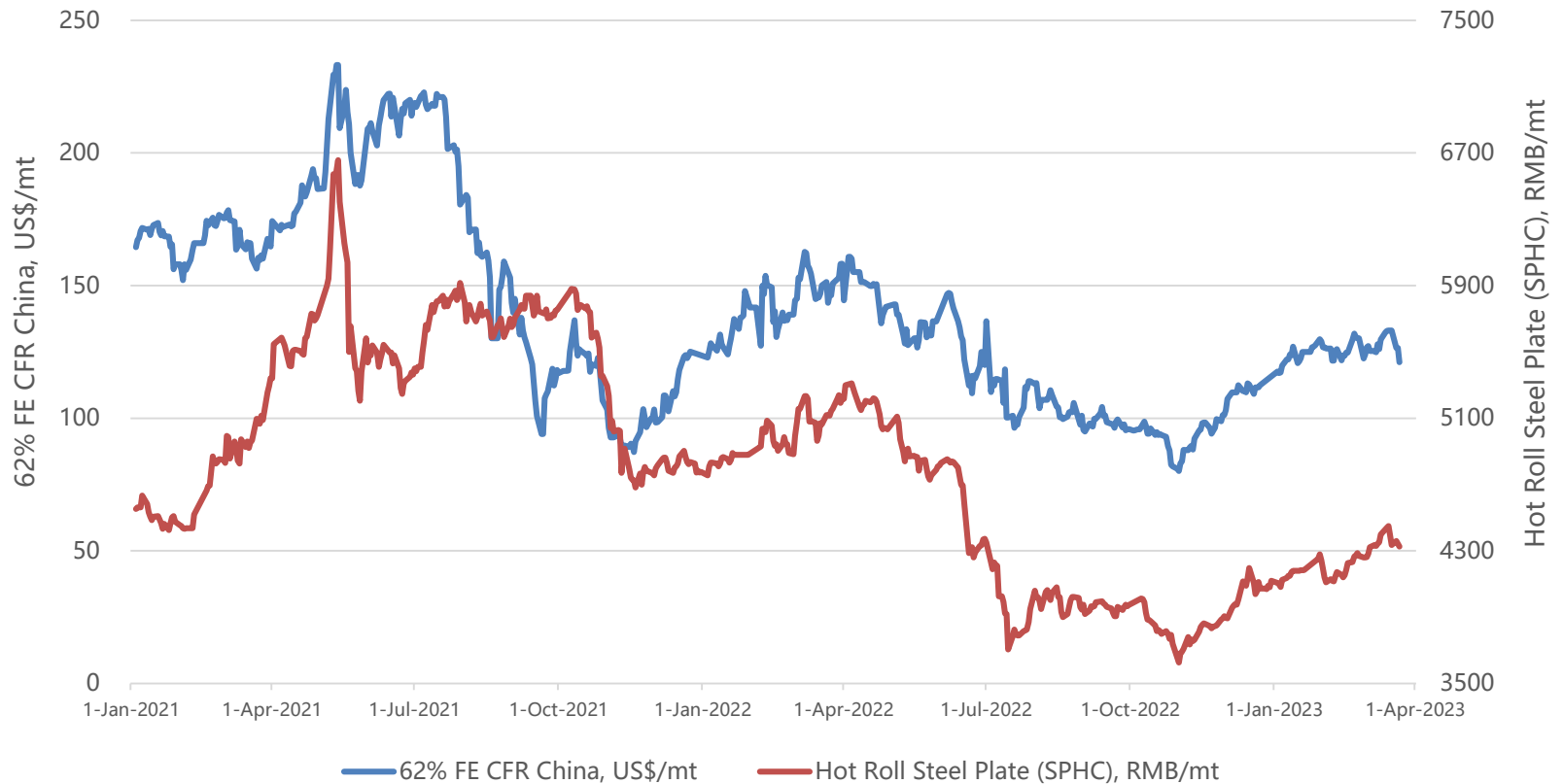
Source: Clarksons Platou

Iron Ore Price Trend



Source: SSY

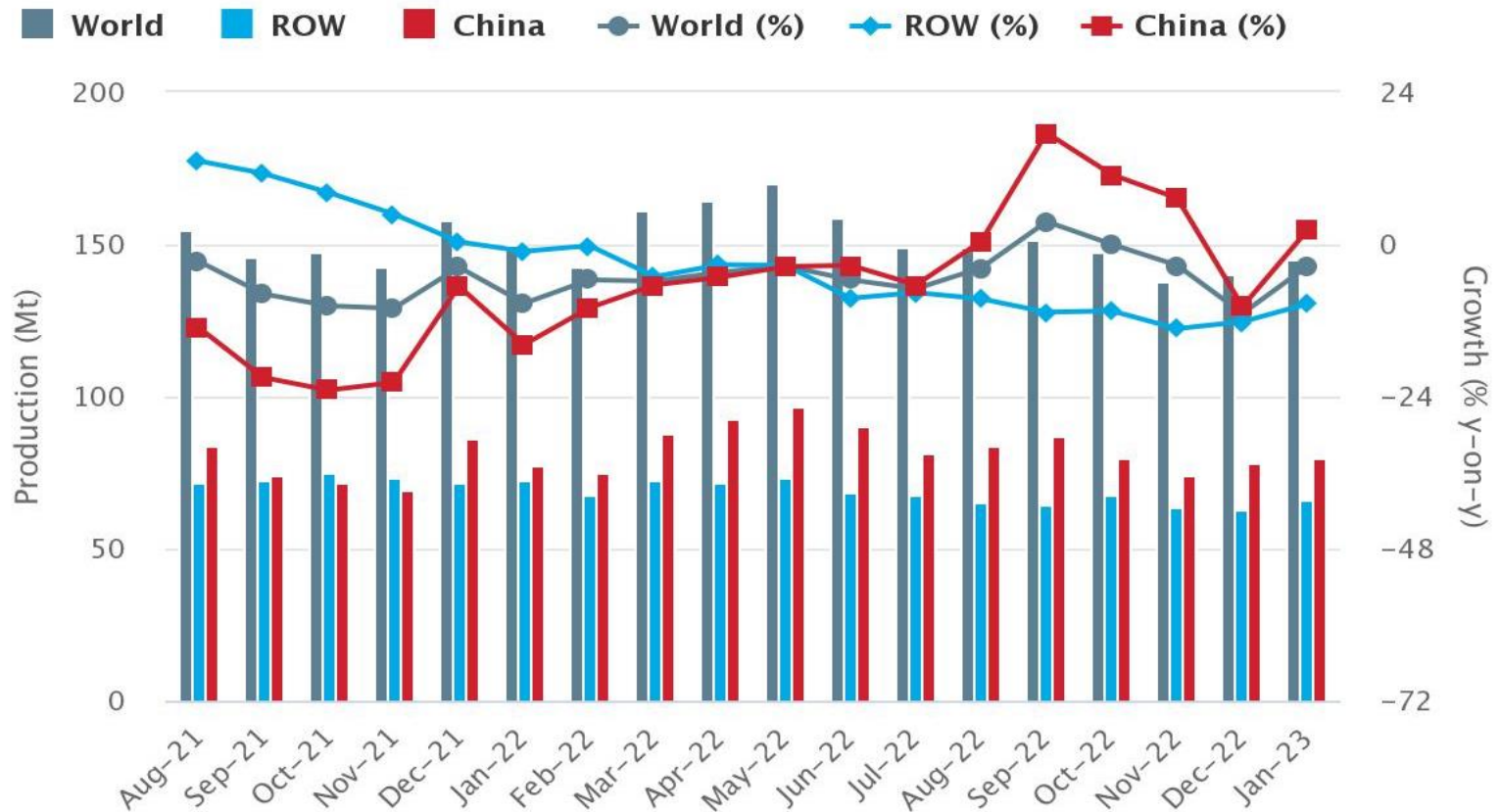
PRC Crude Steel Price



Source: SSY & MacroMicro

Global Steel Production

PRC' s y-o-y growth rate in 2022: -2.0%;
 Full year y-o-y projection for 2023: +1.0%



Source: World Steel Association

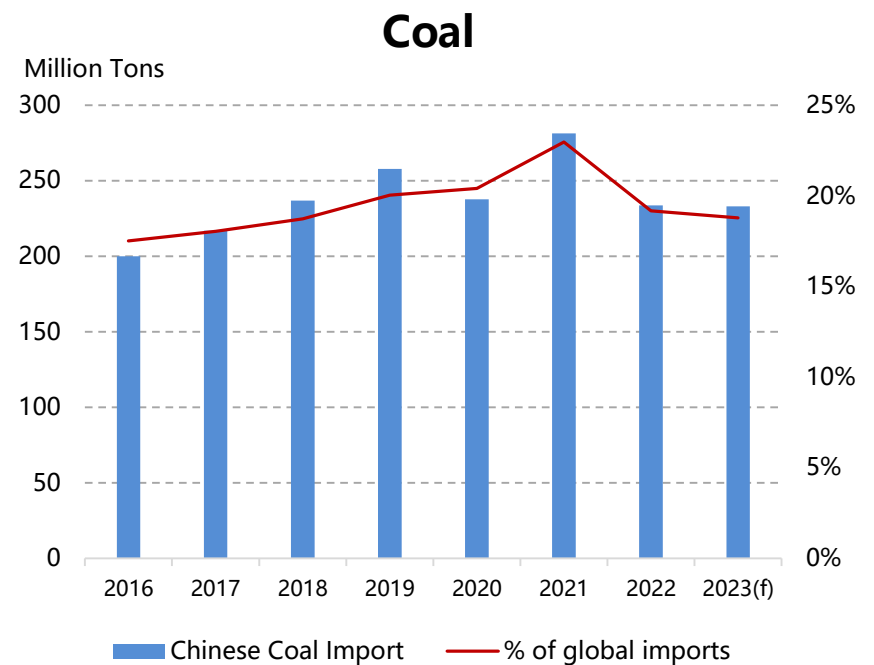
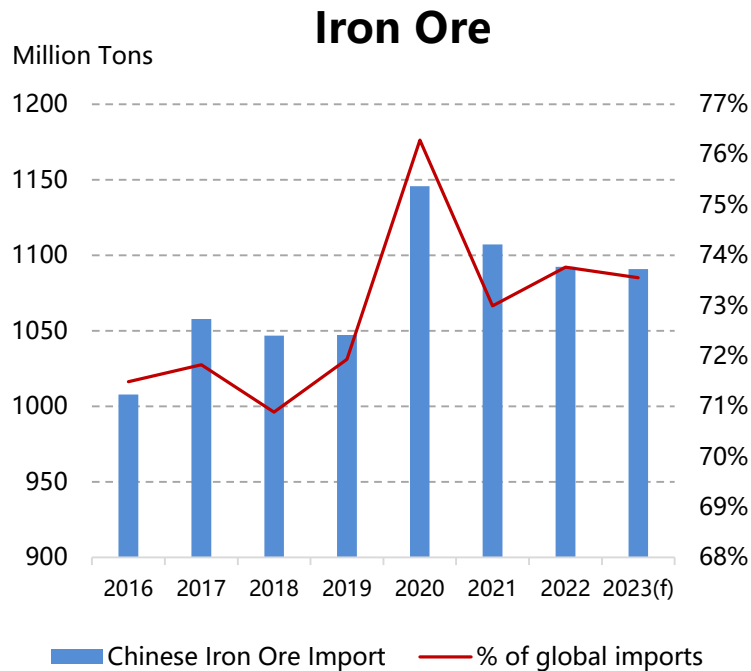
Global Coal Prices



Source: MacroMicro

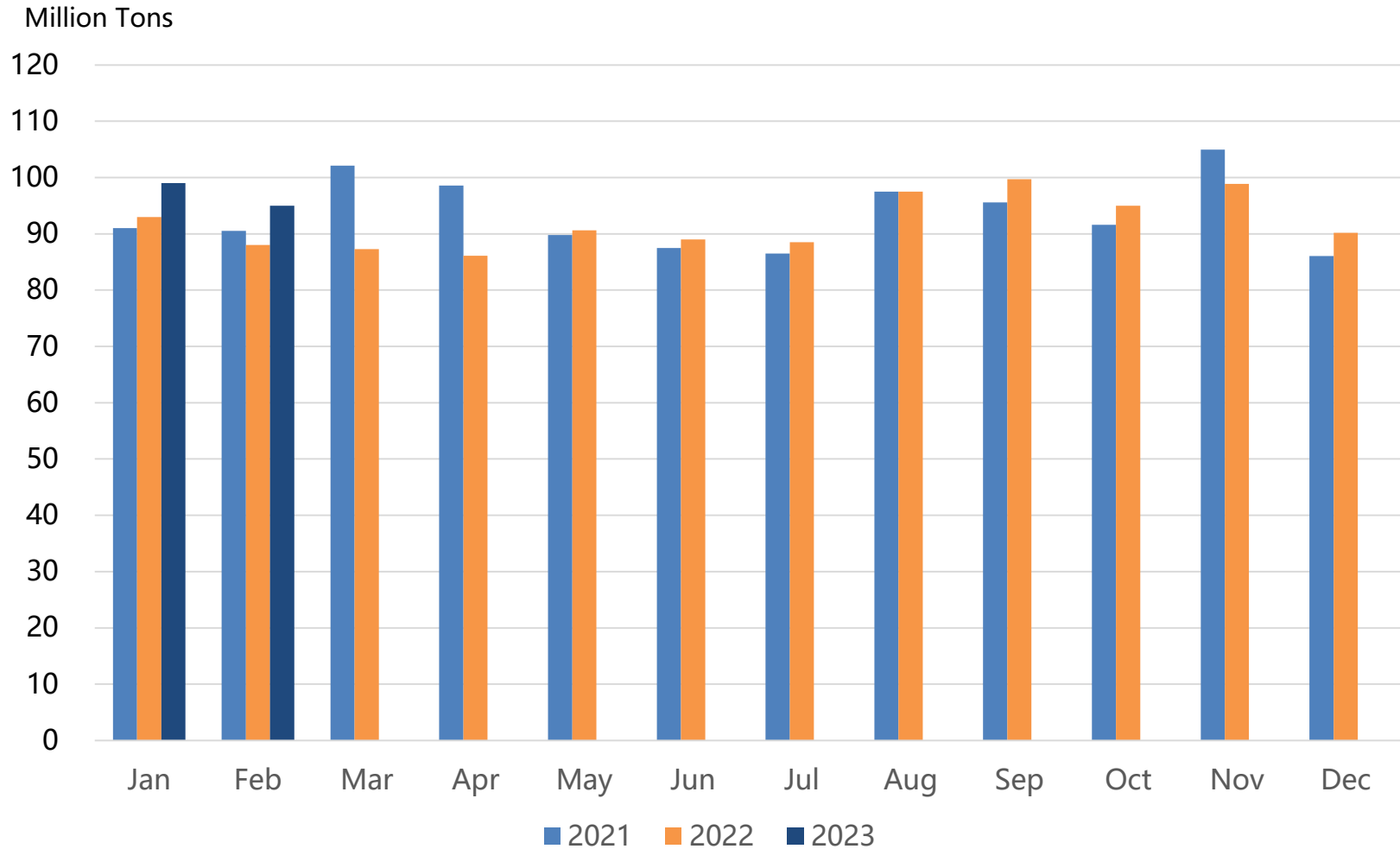
PRC Commodity Imports

- PRC' s demand for iron ore is projected at the same level in 2023 to 1.09 billion tons
- PRC' s demand for coal imports is projected at the same level in 2023 to 230 million tons



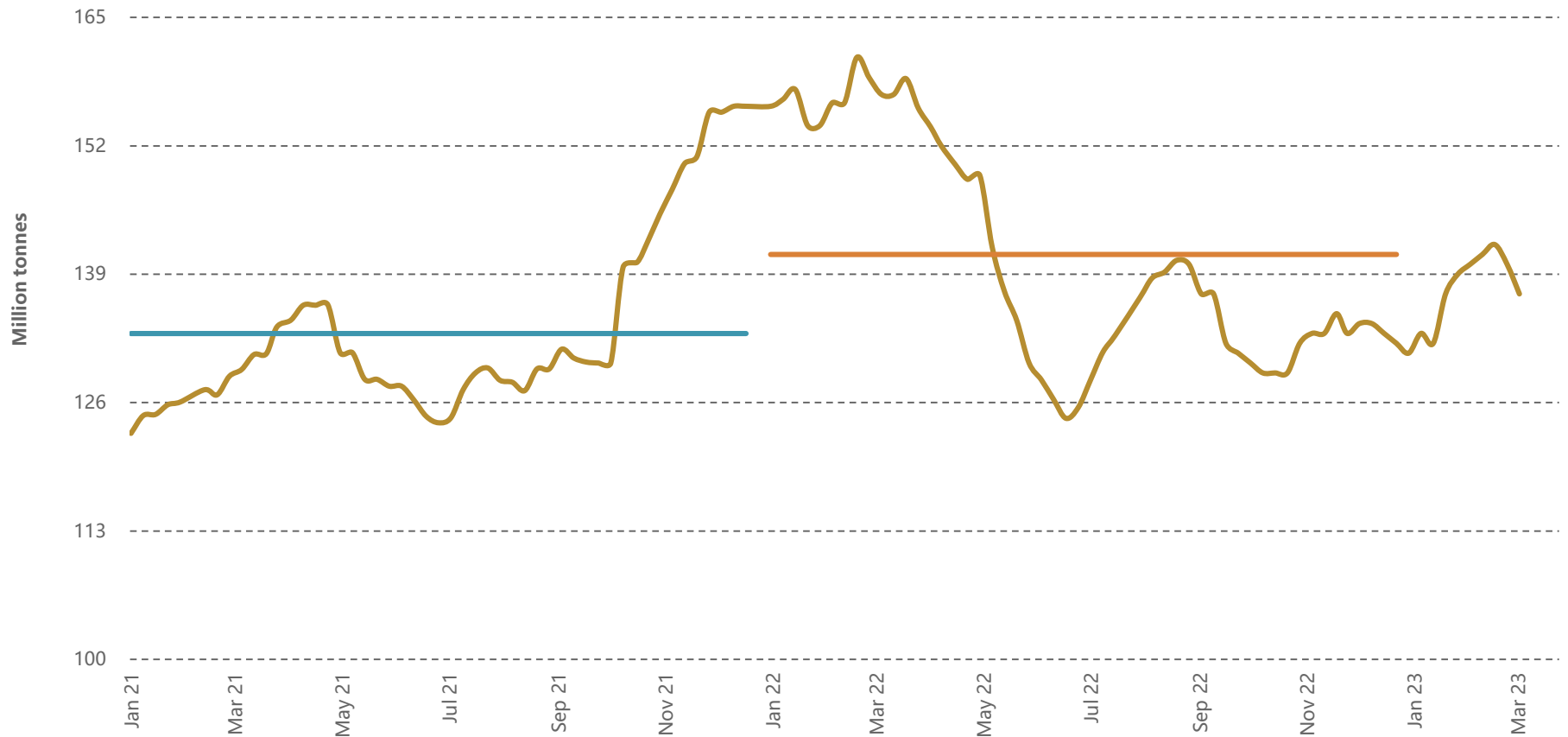
Source: Clarksons Platou

PRC Iron Ore Imports



Source: Thurlstone Research

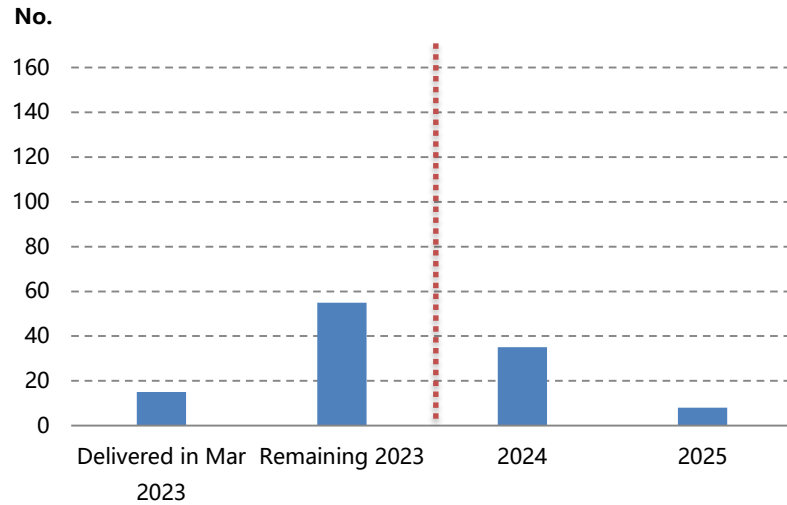
Iron Ore Stockpiles at PRC Ports



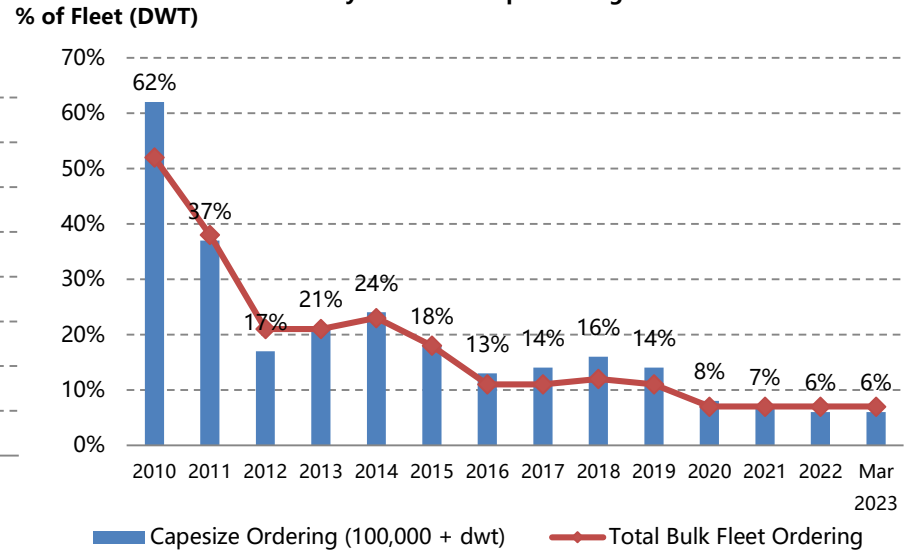
Source: MacroMicro

Newbuilding Orders are Limited





Capesize Orderbook for delivery



Dry Bulk New Ship Ordering

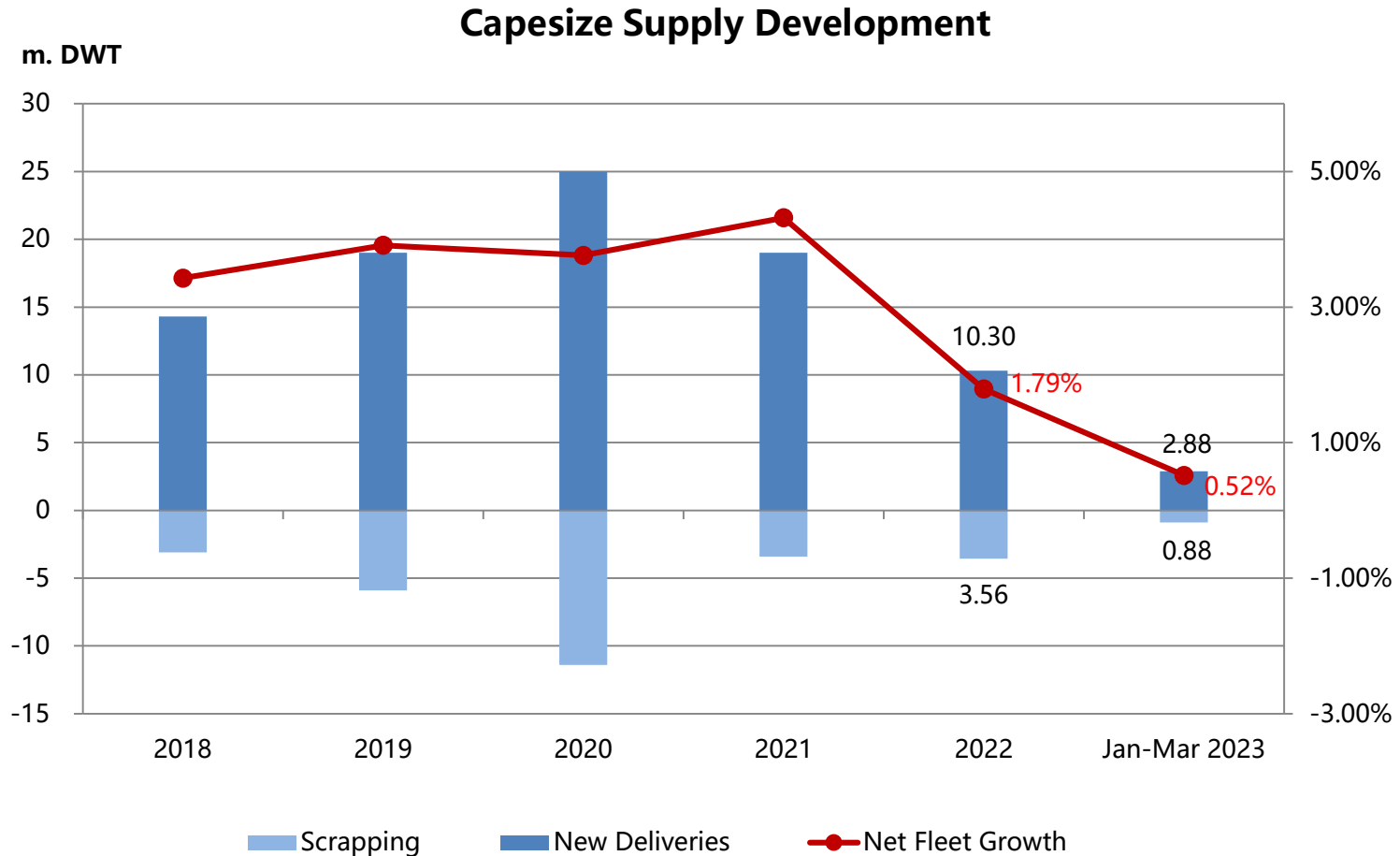


■ Capesize Ordering (100,000 + dwt)
 —◆— Total Bulk Fleet Ordering

	ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	MAR 2023 SCRAPPING AS % OF EXISTING FLEET
 Handysize (10,000 - 40,000 dwt)	7%	12.9	23%	0.00%
 Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	8%	11.4	20%	0.00%
 Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	9%	11.4	25%	0.00%
 Capesize (100,000 + dwt)	6%	9.9	13%	0.00%
Total Dry Bulk > 10,000 dwt	7%	11.7	19%	0.01%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates



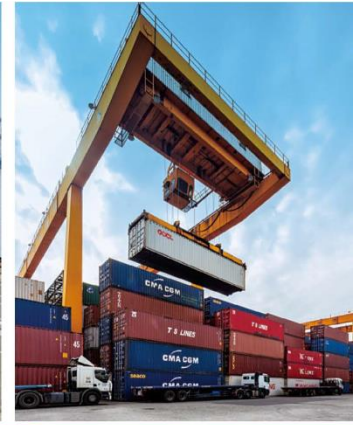
Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2021	2022		MAR 2023	
208,000 DWT	NB	67.0	67.0	0%	68.0	1%
180,000 DWT	NB	60.5	60.5	0%	61.0	1%
180,000 DWT (ECO)	5-YR	47.0	43.0	-9%	44.0	2%
180,000 DWT	10-YR	33.0	28.0	-15%	29.0	4%
176,000 DWT	15-YR	21.0	18.5	-12%	18.5	0%

Source: Clarksons Platou & Internal Assessment

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

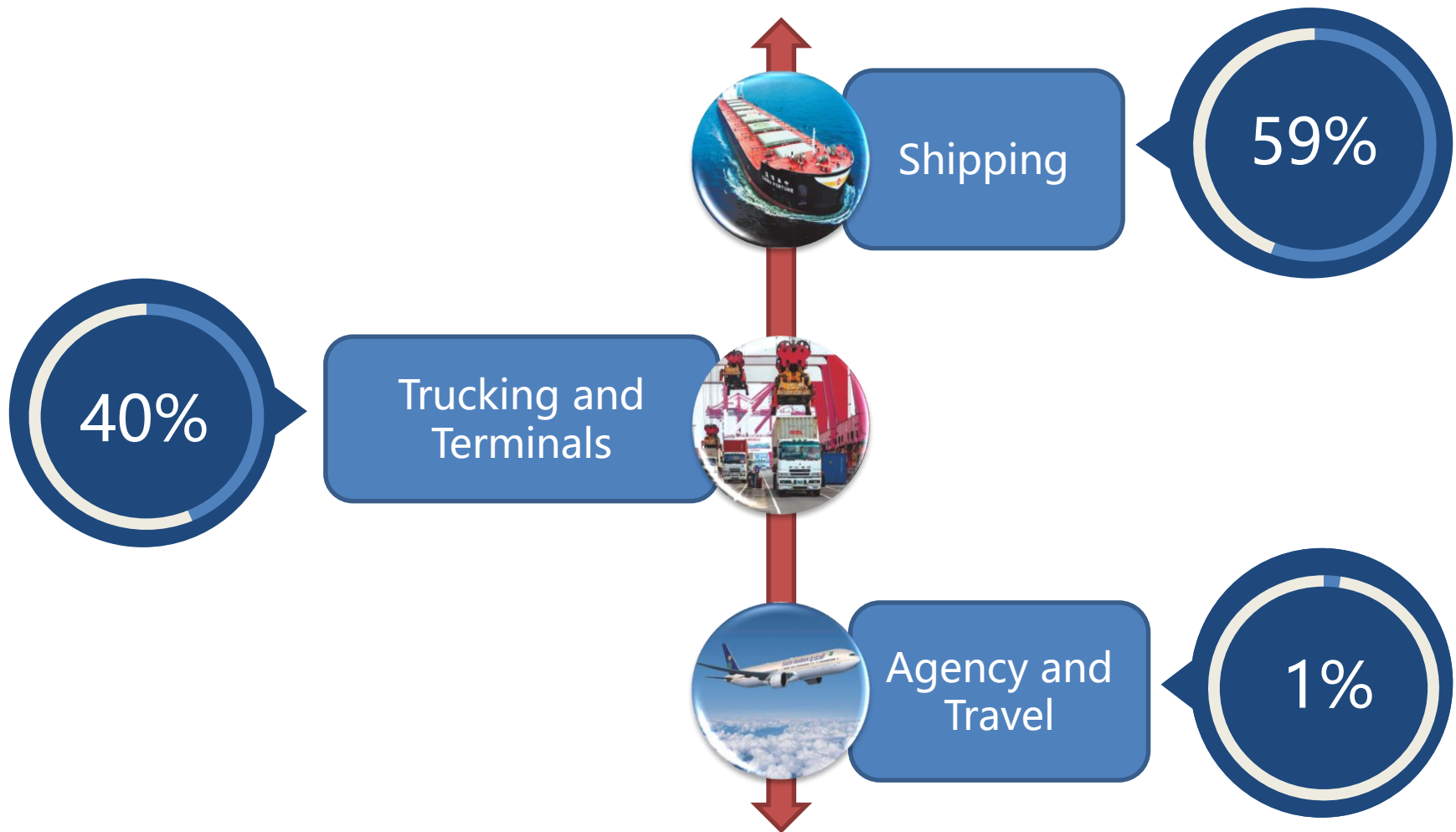
Terminals :

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

Entities Revenue Ratio for 2022



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



Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

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



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

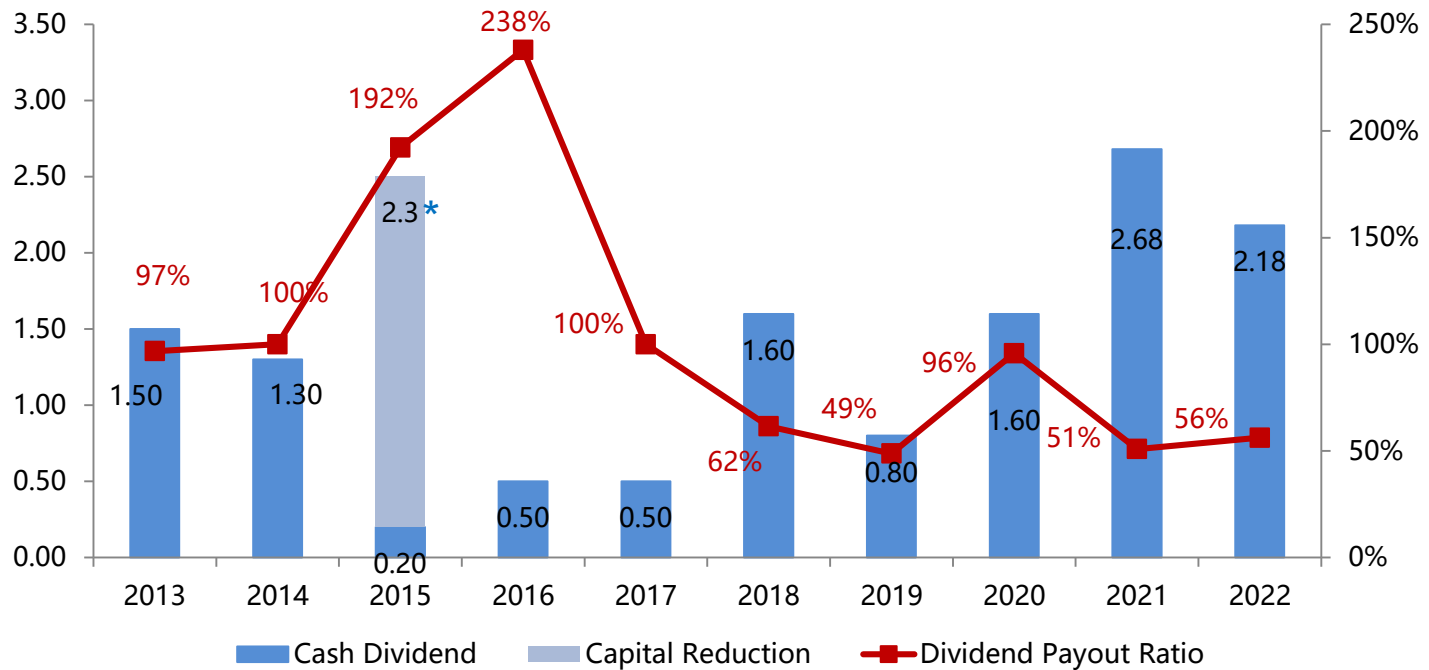
2018-2022 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2018	2019	2020	2021	2022
Revenue	3,820	3,763	3,132	3,554	4,410
Net Profit/(Loss)	514	324	320	1,031	758
EPS	2.60	1.64	1.67	5.27	3.88
Cash and cash equivalents	3,345	3,288	3,221	3,057	3,989
Total liabilities	10,237	10,022	9,735	8,650	8,799
Total equity	10,187	9,934	9,750	10,428	11,652
ROE %	5.2%	3.2%	3.3%	10.3%	6.87%
ROA %	3.5%	2.5%	2.3%	5.8%	4.45%
Liability %	50%	50%	50%	45%	43%

Dividends Distribution

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash dividends/ Capital Reduction (NT\$)	1.50	1.30	2.50*	0.50	0.50	1.60	0.80	1.60	2.68	2.18
EPS (NT\$)	1.55	1.30	1.30	0.21	0.50	2.60	1.64	1.67	5.27	3.88



*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, 2022	Dec 31, 2021
Current assets	4,974	4,409
Property, plant and equipment	13,875	12,261
Intangible assets	5	8
Other non current assets	1,597	2,400
Total assets	20,451	19,078
Liabilities and Equity		
Current liabilities	3,290	3,221
Non Current liabilities	5,509	5,429
Total liabilities	8,799	8,650
Equity attributable to owners of parent		
Common stock	1,975	1,975
Capital surplus	53	53
Retained earnings	9,568	9,317
Other equity interest	47	(935)
Non-controlling interests	9	18
Total equity	11,652	10,428
Total liabilities and equity	20,451	19,078

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2022	2021
Operating Revenues	4,409,999	3,553,782
Operating costs	3,024,721	2,779,417
Gross profit	1,385,278	774,365
Operating expenses	456,075	420,378
Net operating income	929,203	353,987
Non operating income and expenses	(88,010)	759,013
Profit before tax	841,193	1,113,000
Less: tax expenses	83,222	81,992
Profit	757,971	1,031,008
Other comprehensive income, net	994,840	(61,552)
Comprehensive income	1,752,811	969,456
Earnings per share	3.88	5.27

Appendix 3 : Corporate Bonds Issuance

Tranche	2020-the first secured -A	2020-the first secured -B	2020-the first secured -C	2020-the first secured -D
Amount (NT\$ 100M)	10	5	5	5
Tenor	5 Years	5 Years	5 Years	5 Years
Due Date	28-Aug-2025	28-Aug-2025	28-Aug-2025	28-Aug-2025
Interest Rate	0.64%	0.64%	0.66%	0.66%
Interest Payment	Annually	Annually	Annually	Annually
Guarantee Bank	Mega Bank	Shanghai Commercial Bank	Mega Bank	Shanghai Commercial Bank

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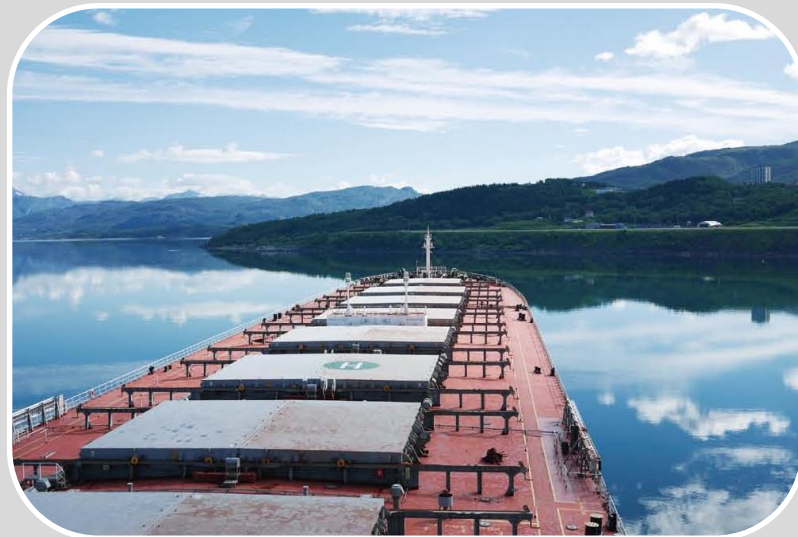
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Thank You !

