



Stock Code : 2612 TT

Q2 Investor Presentation

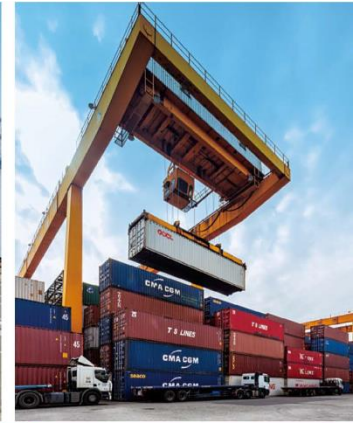
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Spokesperson

17th June 2023

Summary of Presentation

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

Outlook



Capesize Market Outlook

Freight Rates Fluctuated in 1H 2023

- Cape 5TC averaged US\$ 11,987 in first half of 2023. PRC iron ore and coal imports have normalized in first five months
- Freight rates fluctuate in short term reflecting tonnage over-supply and doubts about PRC economy rebounding from Covid-19 Pandemic

FFA Rates Still Showed Positive Expectations

- Q3/Q4 forward rates remains in contango showing positive expectations
- Due to fewer NB orders and more scrapping activities, the tonnage influx will be contained in next 2-3 years

2023 Net Fleet Growth Rate Lower Than 1.2%

- 30 new capesizes joined the global fleet so far in 2023, while 7 vintage ships were scrapped in first 6 months
- Capesize net fleet growth is about 1.17% in first half of 2023

Short-term Outlook

- PRC Iron ore imports reached record high in first five months while major port stockpile has reduced to lowest level since July 2022 which should support more imports in 2H 2023
- PRC economy is still under pressure but appetite for raw materials remains strong. CMT's 2nd Newcastlemax eco-ship will be delivered at the end of June which will contribute to Company's overall performance



Focal Points of Q3 2023



1

West Africa Dry Bulk Export

Bauxite export has been increasing so far in 2023 out of West Africa. Combining with new iron ore mine which will become operational within 3 years, the WAF region will surely benefit the long haul business for capes

2

Inflation and Interest Rate Risks

Under inflation and high interest rates, the cost of shipbuilding and capital will increase substantially which should reduce newbuilding orders and advance scrapping in coming years

3

PRC Stimulus for Housing Market

The market is watching closely for next round of government policies to support the real estate market, such as reducing down payments, interest rates, and other restrictions to purchase new homes

4

Environmental Regulations

With the enforcement of EEXI and CII starting this year, the focal point will be the ripple effect on freight arising from vessels reducing speed over extended period of time

PRC Key Economy Indicators

- PRC' s gross domestic product in Q1 grew by 4.5% y-o-y, while full year guidance is around 5.2%
- PRC' s crude steel production between January and April reached about 354 million tons, up by about 4.1% y-o-y; the country exported about 36 million tons of steel products between January and May, up by about 40.9% y-o-y
- Compared to end 2022, China Steel Price Index (CSPI) decreased by 5.6% at end-May to 106.9 points. Steel rebar prices in PRC also hit their lowest in three years
- The country imported about 481 million tons of iron ore between January and May, up by about 7.7% y-o-y, while coal imports reached about 182 million tons, up by about 89.6% y-o-y
- The Purchasing Manager Index (PMI) of PRC' s manufacturing industry was 48.8% in May, decrease 0.4% from the previous month, below the threshold

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports increase by 2% in 2023 while Brazilian export volume is expected to increase by 2% and Australian export volume to increase by 1%; global iron ore demand is projected to grow by 2% in 2023

Coal



Clarksons Platou forecasts Chinese coal imports to increase by 7% in 2023 while Australian export volume is expected to increase by 3% and Indonesian export volume to increase by 5%; global coal demand is projected to grow by 2% in 2023

Shipping Market Outlook - Supply

Newbuildings



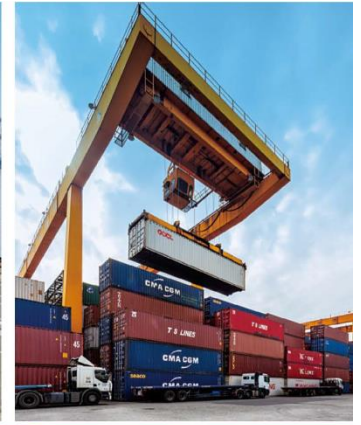
According to IHS Markit, total 50 capesize bulkers were delivered in 2022 with fleet net growth at 1.79%; 70 capesize bulkers are expected to be delivered in 2023

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

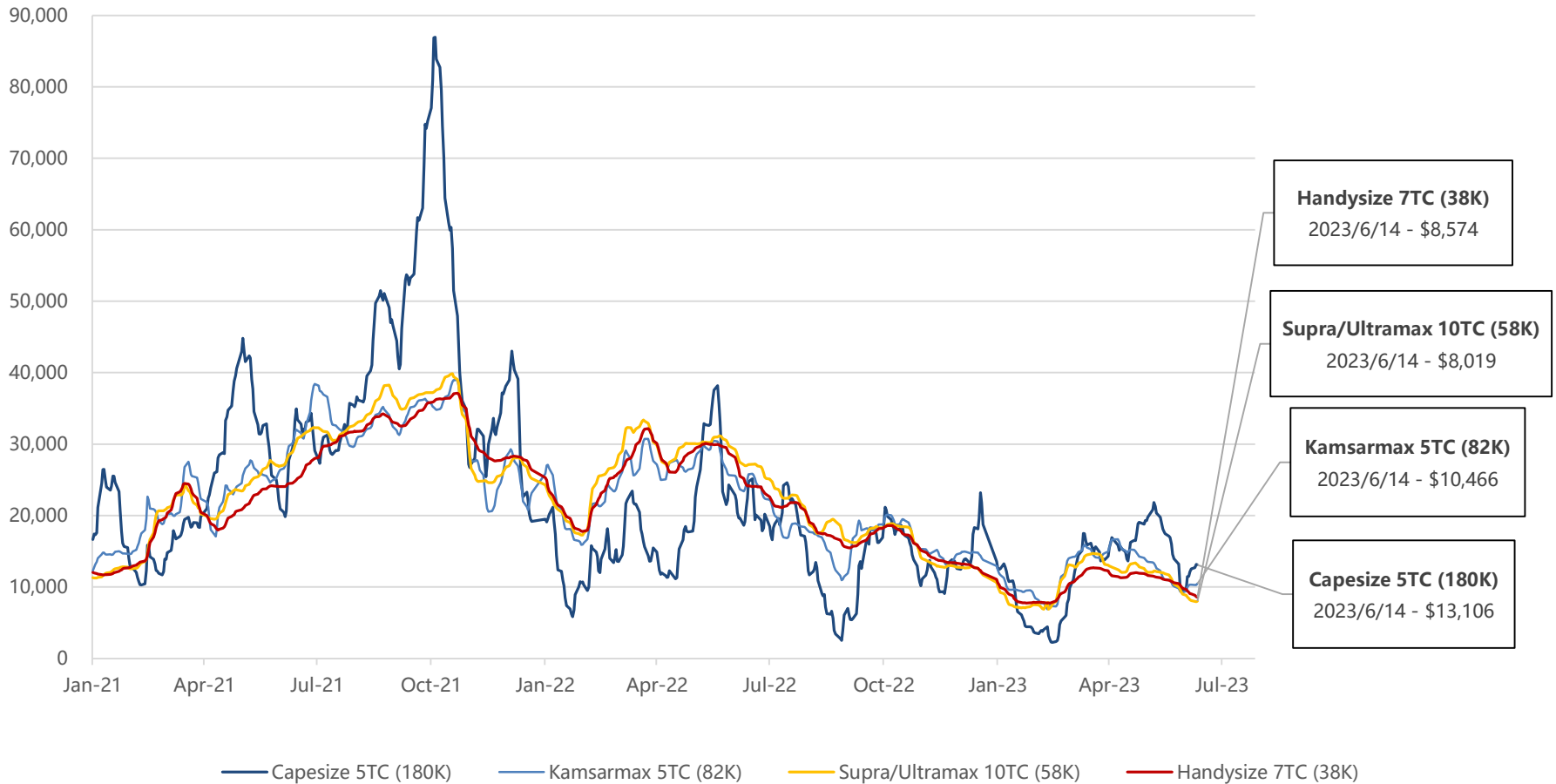
Baltic Exchange Capesize Index



Source: Clarksons Platou

2021- 2023 BCI/BPI/BSI/BHSI Indices

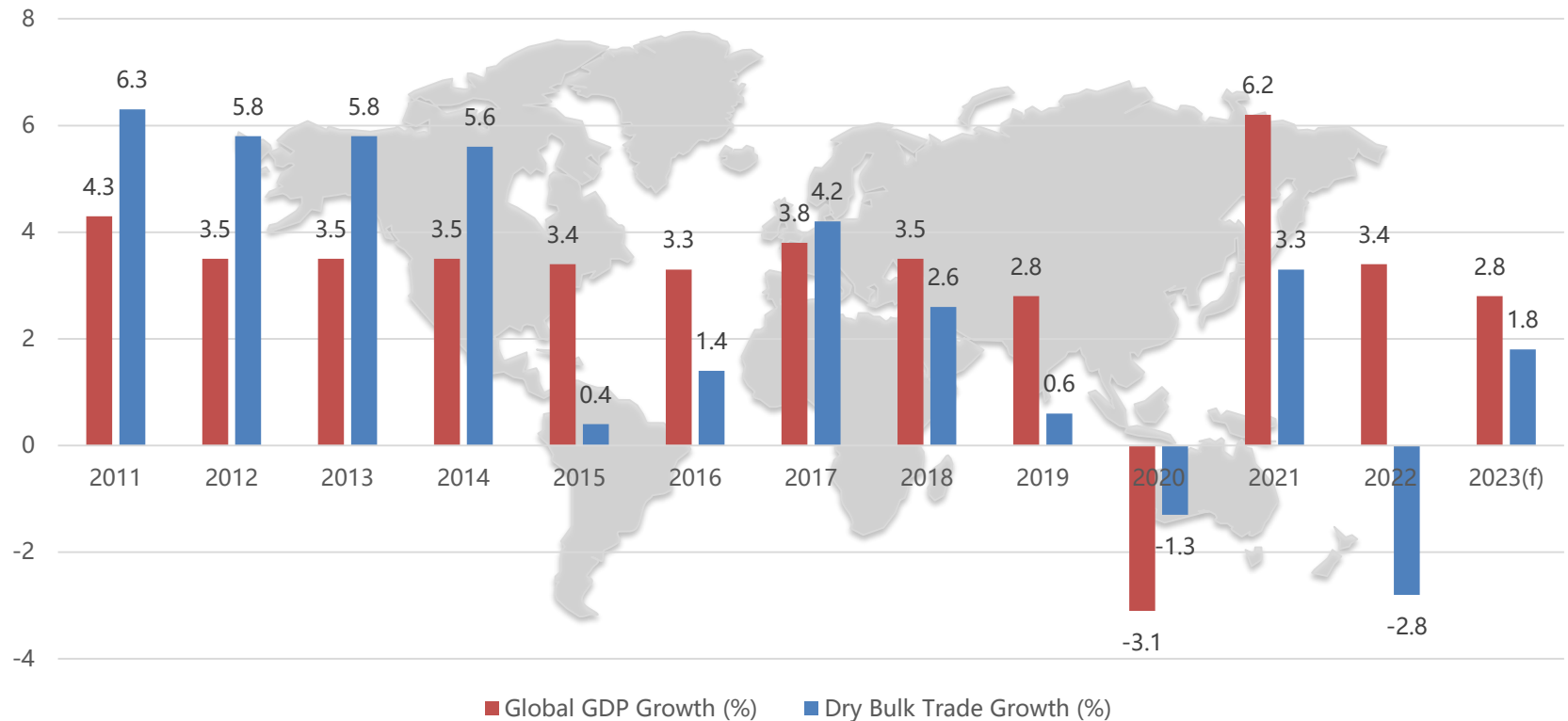
Spot TCE (US\$)



Source: Clarksons Platou

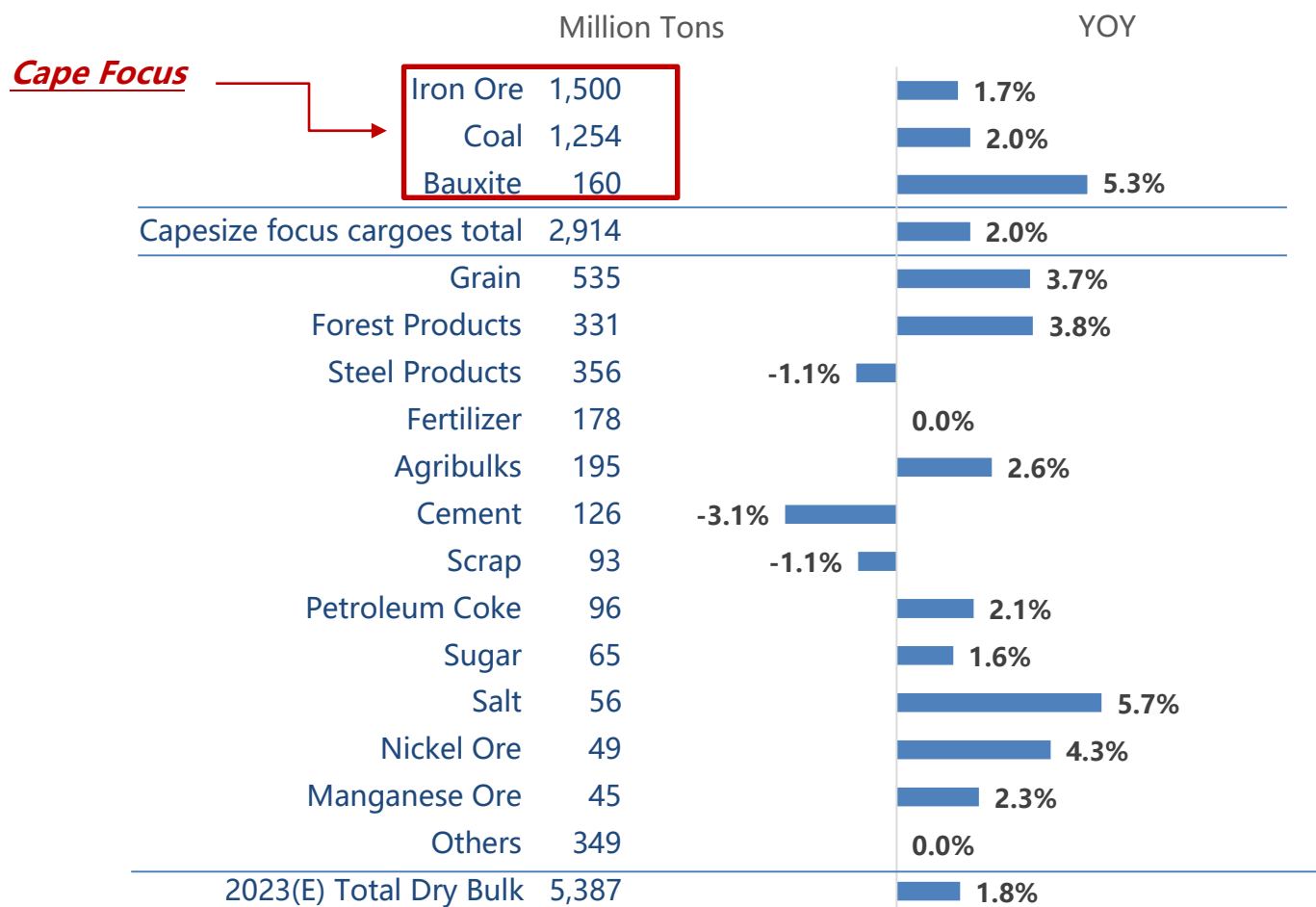
Global Economy and Dry Bulk Trade

- IMF projects global GDP to grow by 2.8% in 2023
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 1.8% in 2023



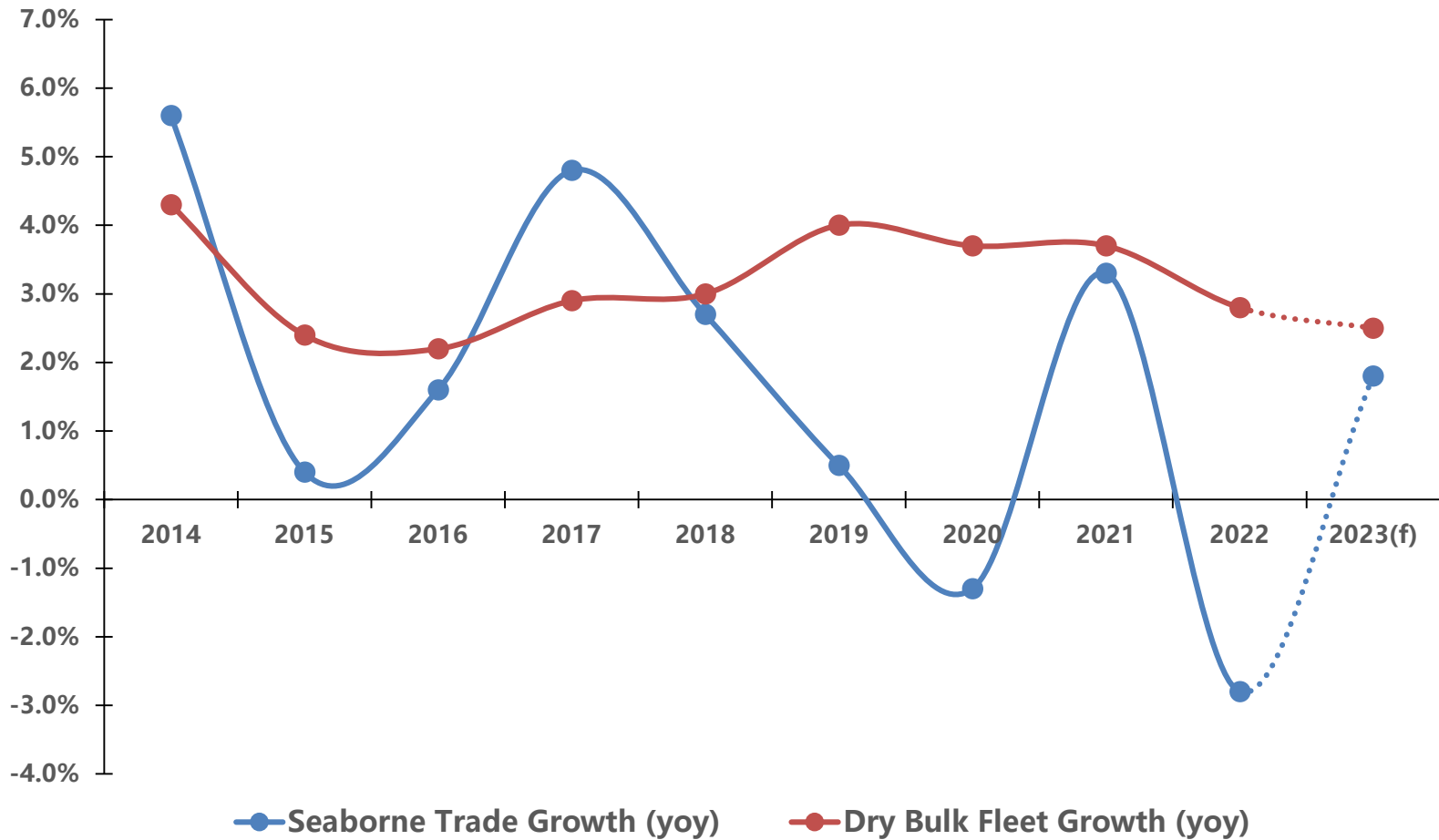
Source: IMF & Clarksons Platou

Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

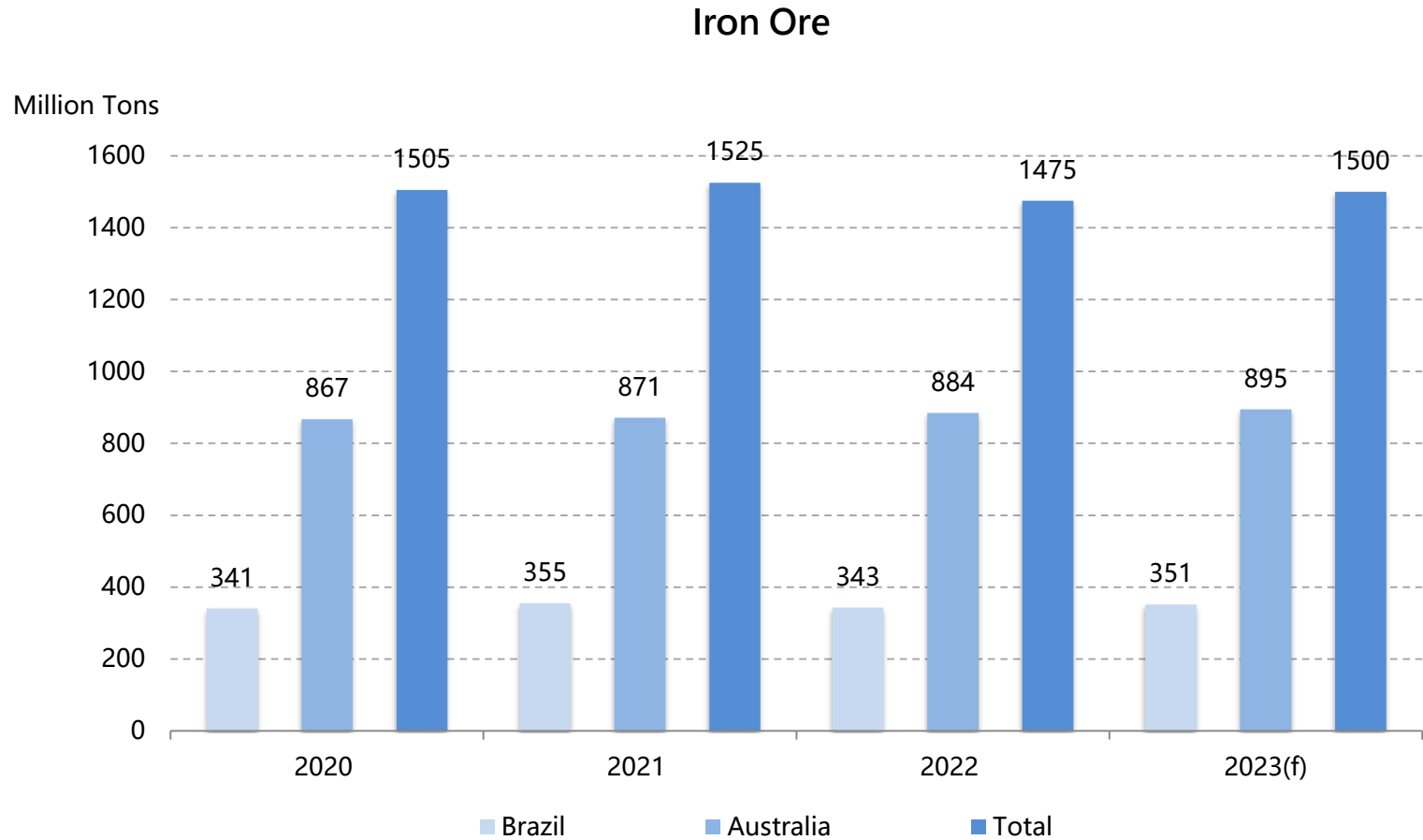
Dry Bulk Seaborne Trade vs. Fleet Growth



Source: Clarksons Platou

Global Iron Ore Exports

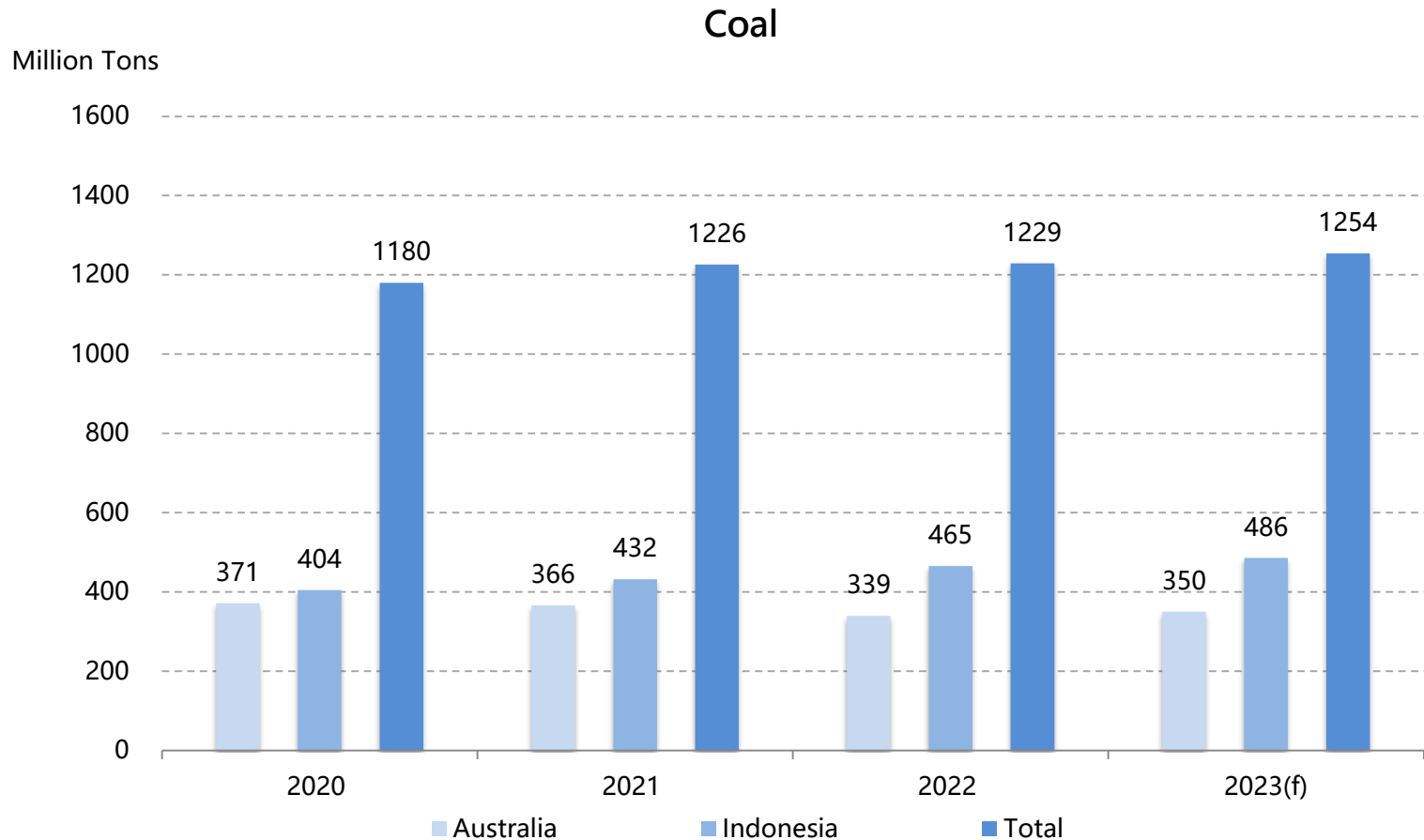
Clarksons Platou forecasts global iron ore exports increase by 2% in 2023



Source: Clarksons Platou

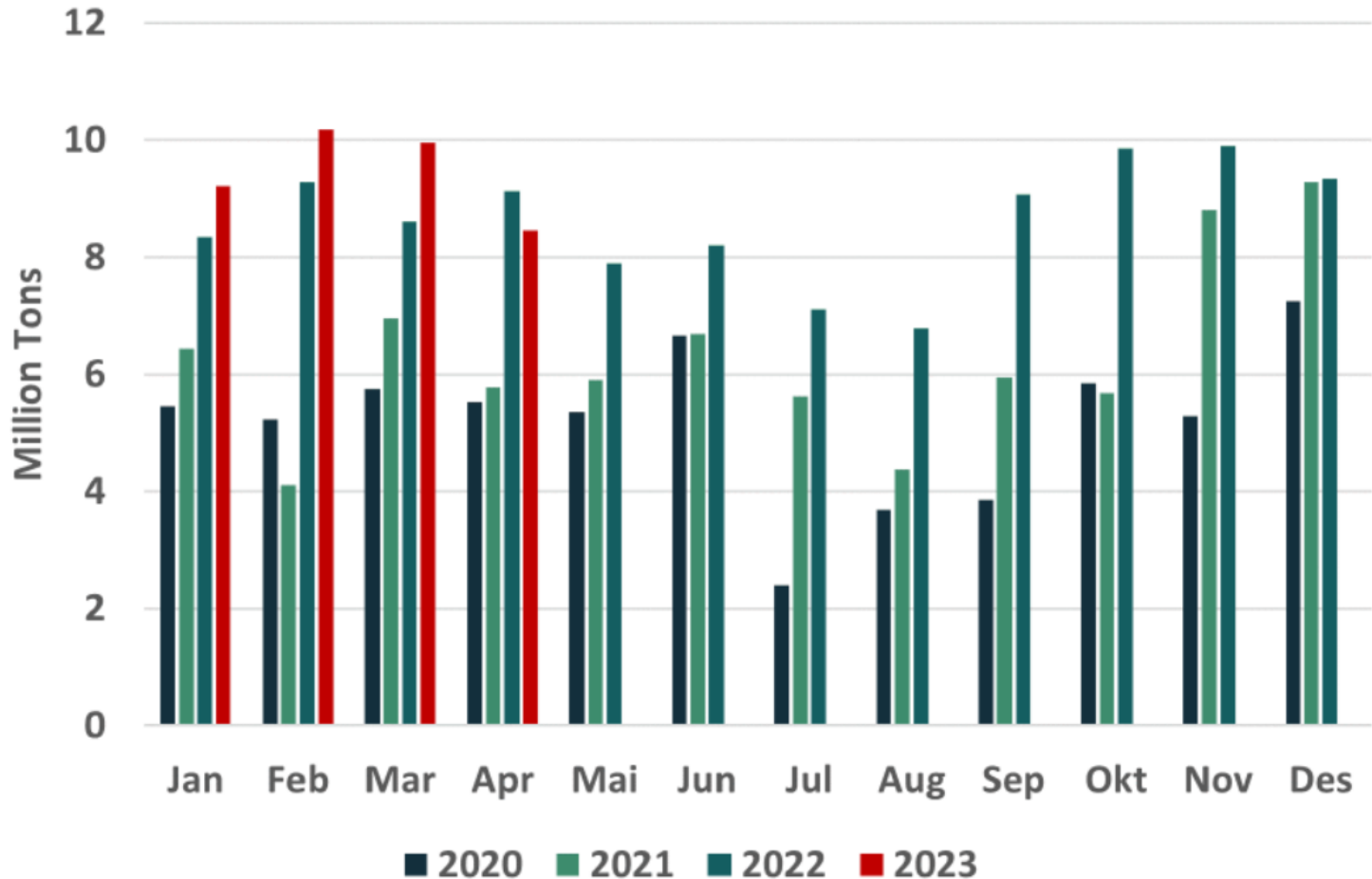
Global Coal Exports

Clarksons Platou forecasts global coal exports to grow by 2% in 2023



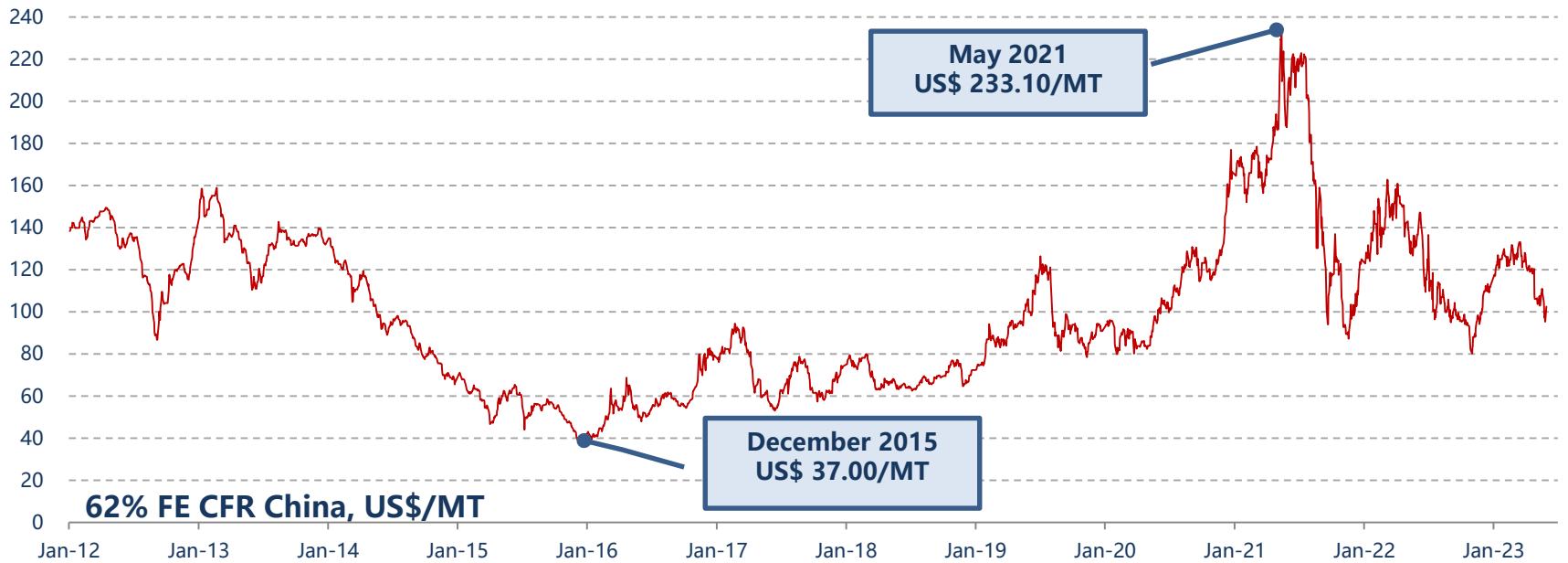
Source: Clarksons Platou

Global Bauxite Exports



Source: Fearnleys

Iron Ore Price Trend



Source: SSY

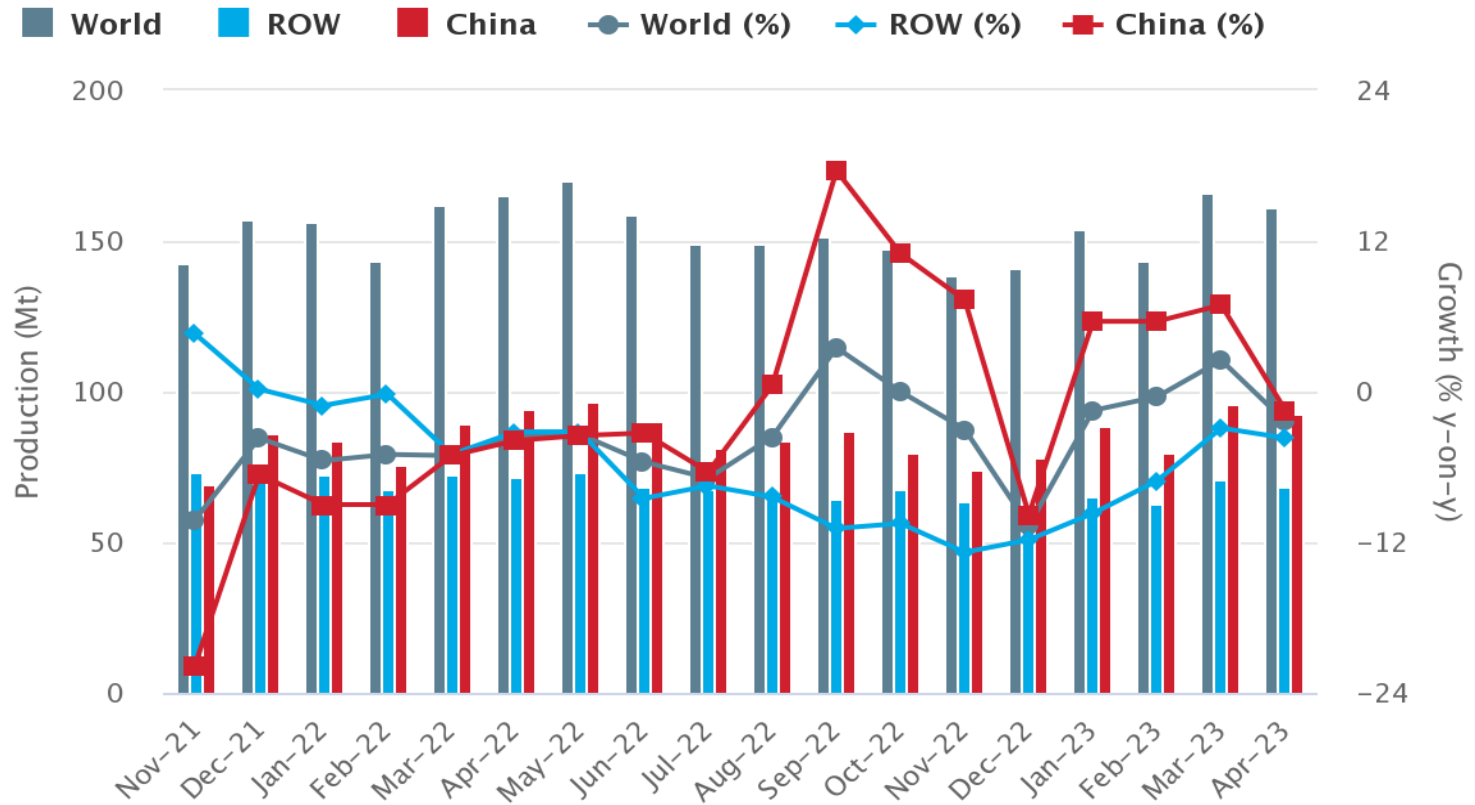
PRC Crude Steel Price



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

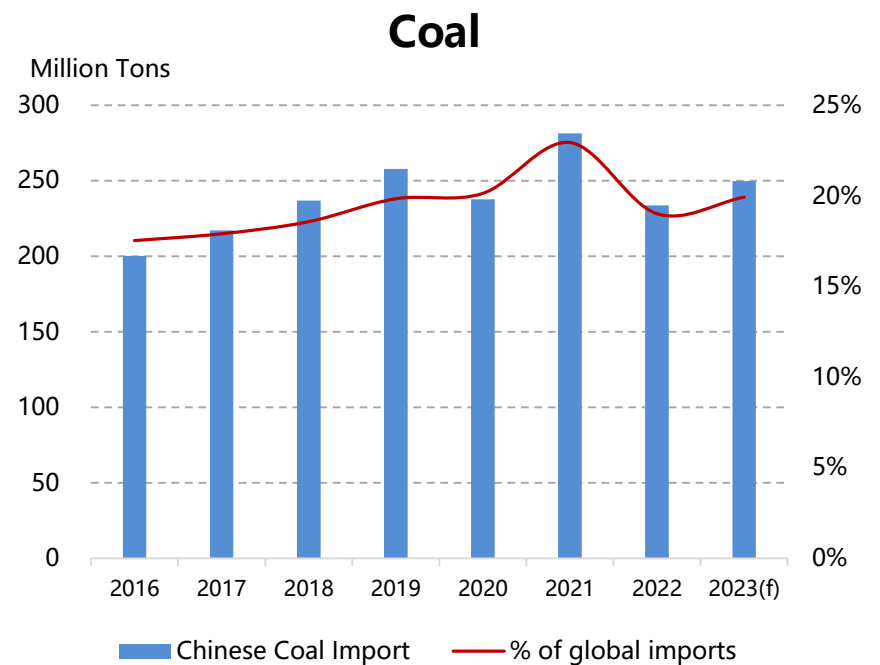
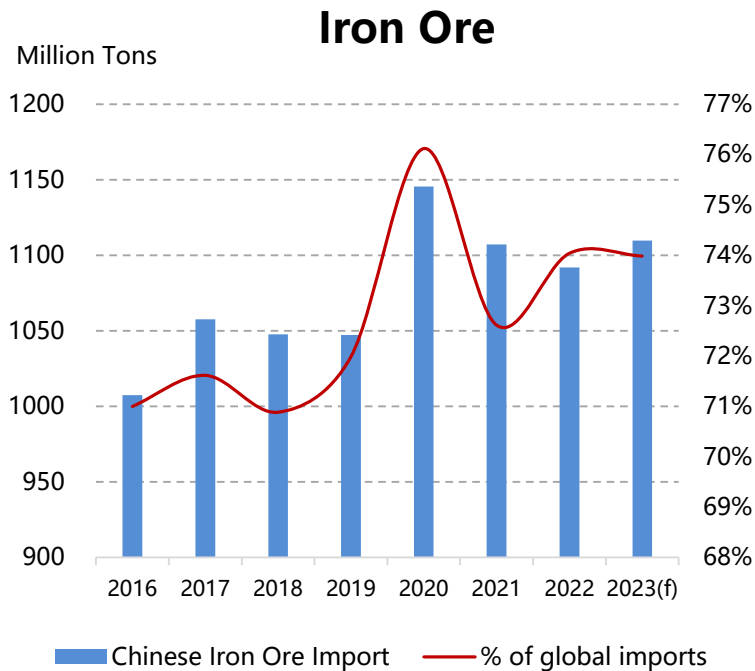
Global Coal Prices



Source: MacroMicro

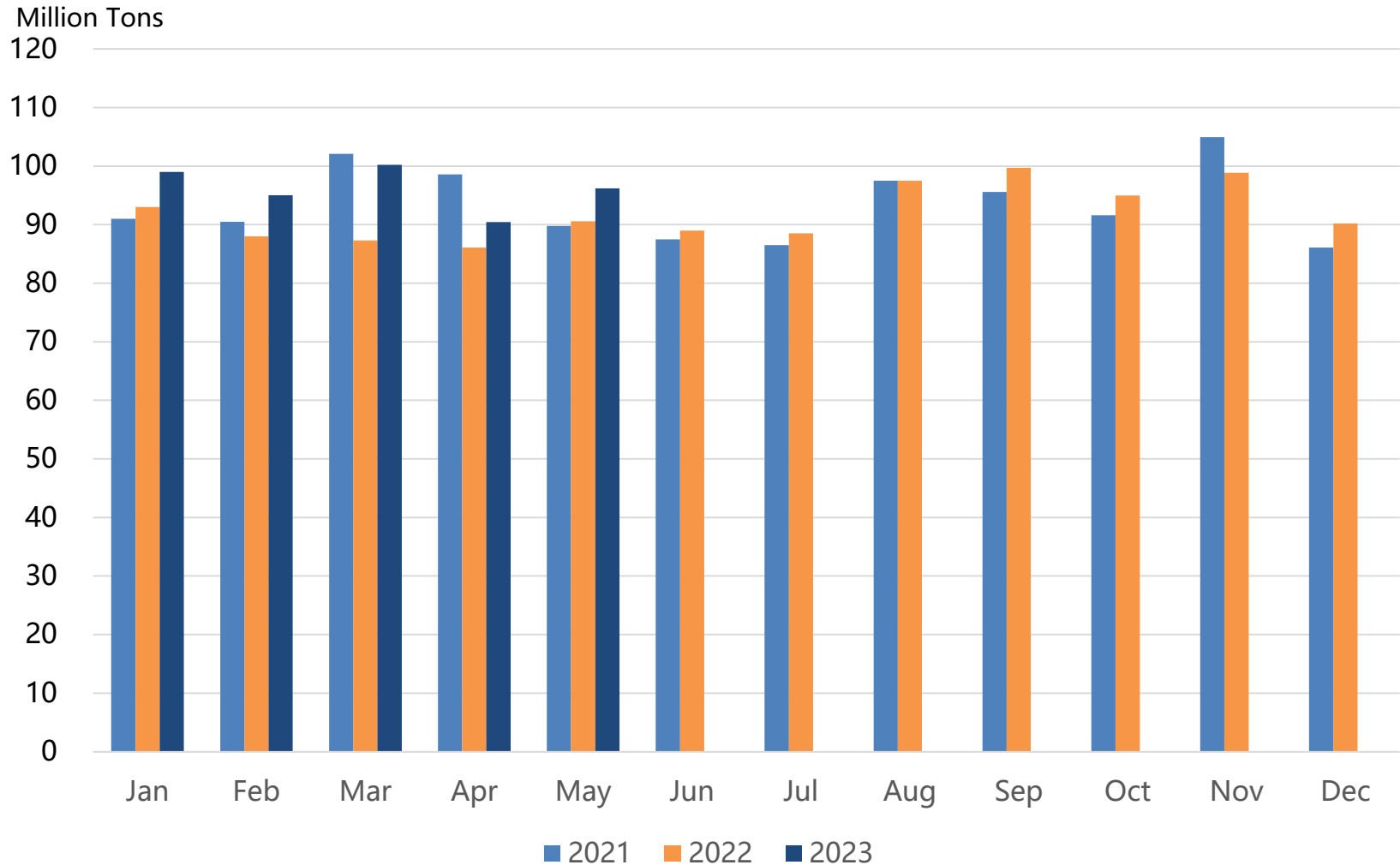
PRC Commodity Imports

- PRC' s demand for iron ore is projected to increase by 2% in 2023 to 1.11 billion tons
- PRC' s demand for coal imports is estimated to increase by 7% in 2023 to 250 million tons



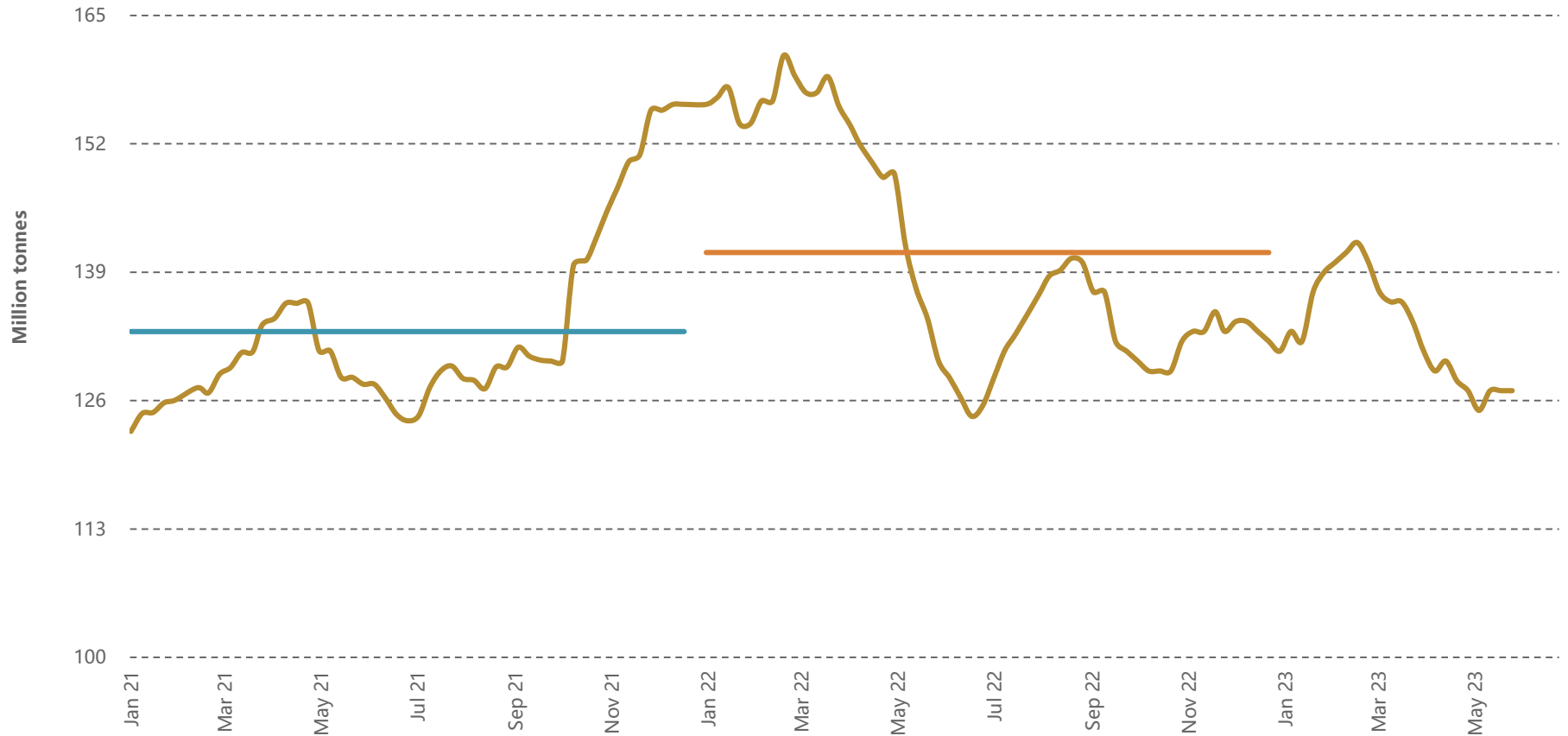
Source: Clarksons Platou

PRC Iron Ore Imports



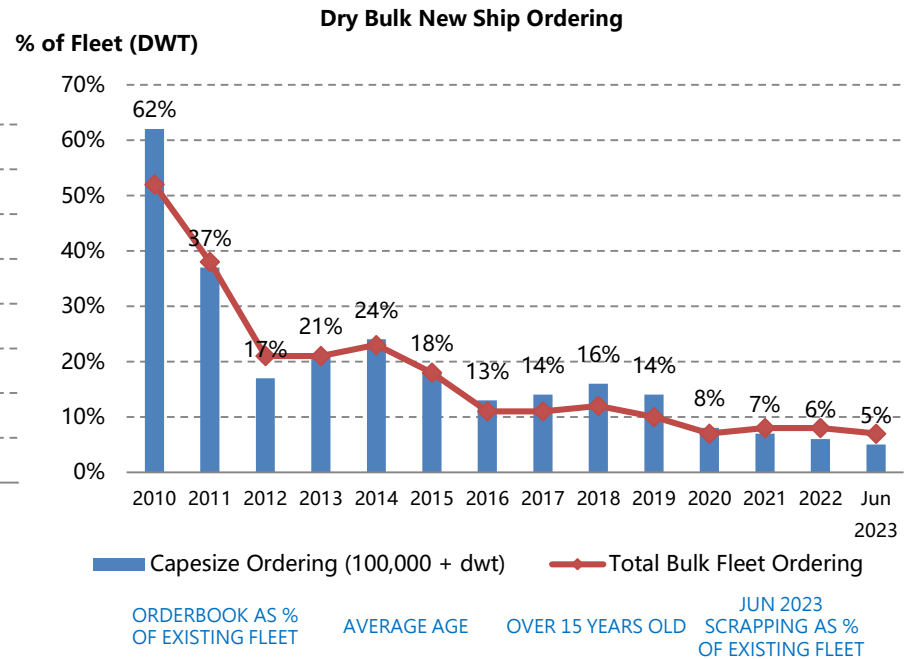
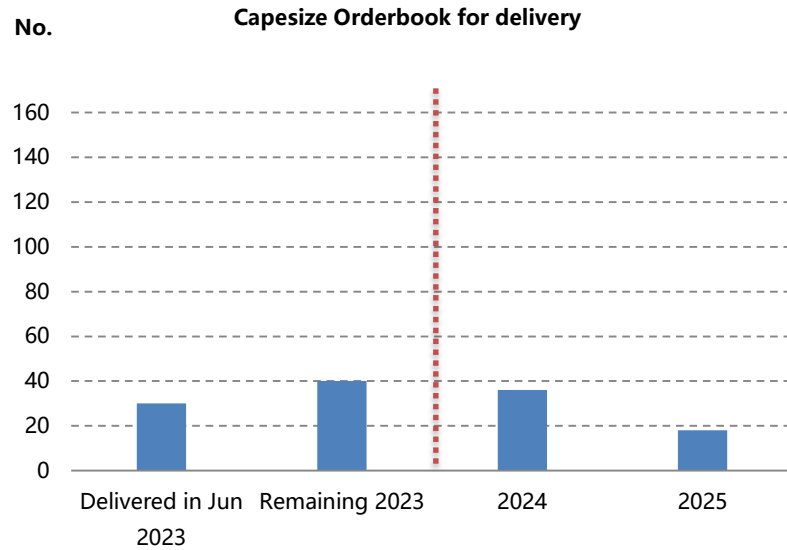
Source: Thurlstone Research





Iron Ore Stockpiles at PRC Ports



Source: MacroMicro

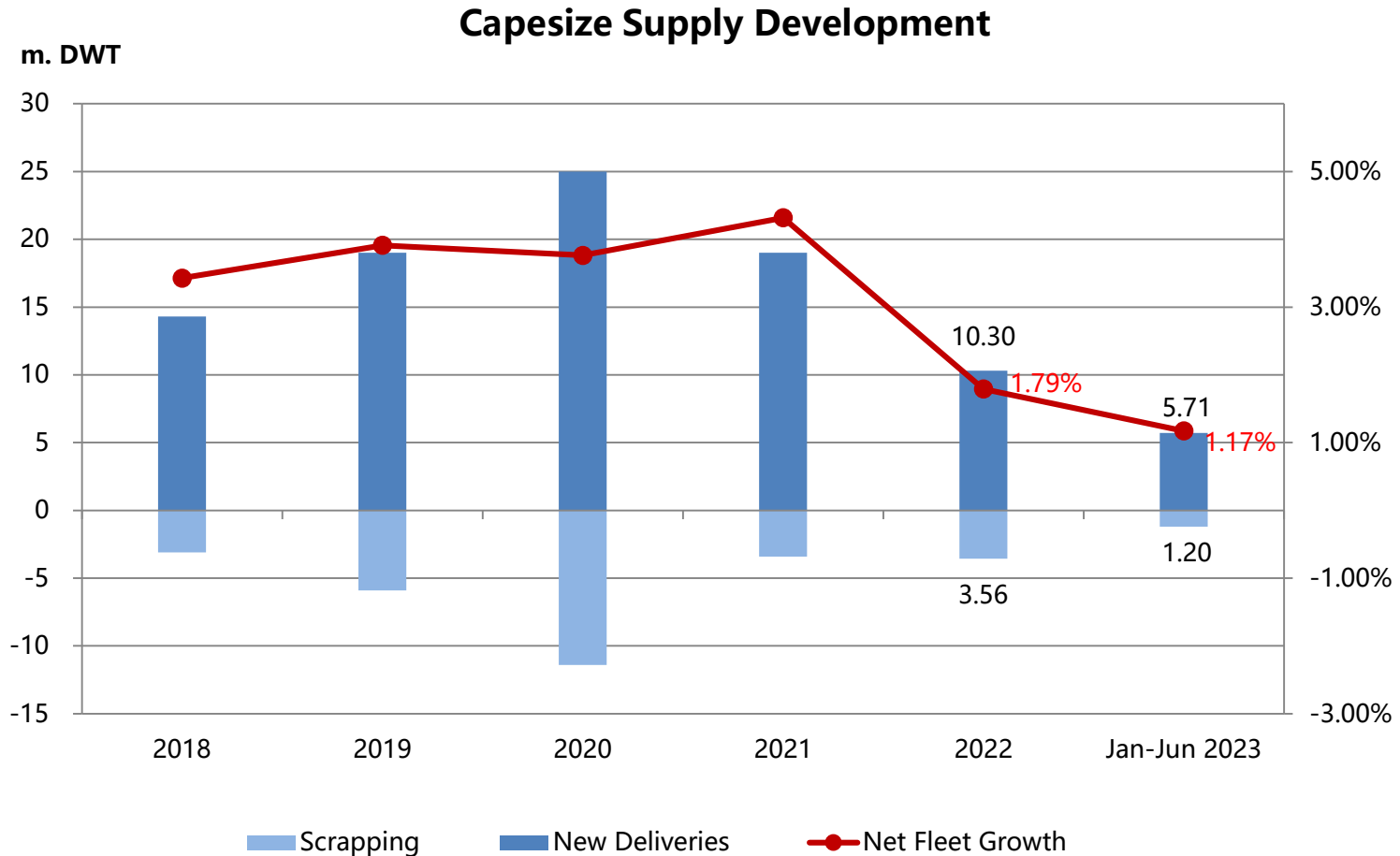
Newbuilding Orders are Limited



	ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	JUN 2023 SCRAPPING AS % OF EXISTING FLEET
 Handysize (10,000 - 40,000 dwt)	8%	13.0	23%	0.90%
 Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	8%	11.6	20%	0.13%
 Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	9%	11.5	26%	0.20%
 Capesize (100,000 + dwt)	5%	10.0	13%	0.20%
Total Dry Bulk > 10,000 dwt	7%	11.8	19%	0.19%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates



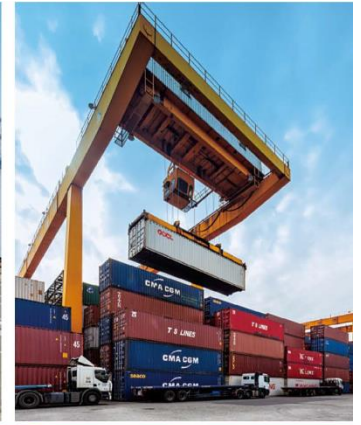
Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

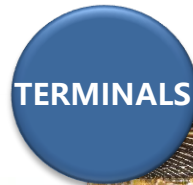
TYPE		PRICE (IN US\$ MILLION)				
YEAR		2021	2022		JUN 2023	
208,000 DWT	NB	67.0	67.0	0%	70.0	4%
180,000 DWT	NB	60.5	60.5	0%	63.0	4%
180,000 DWT (ECO)	5-YR	47.0	43.0	-9%	53.0	23%
180,000 DWT	10-YR	33.0	28.0	-15%	32.0	14%
176,000 DWT	15-YR	21.0	18.5	-12%	20.0	8%

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

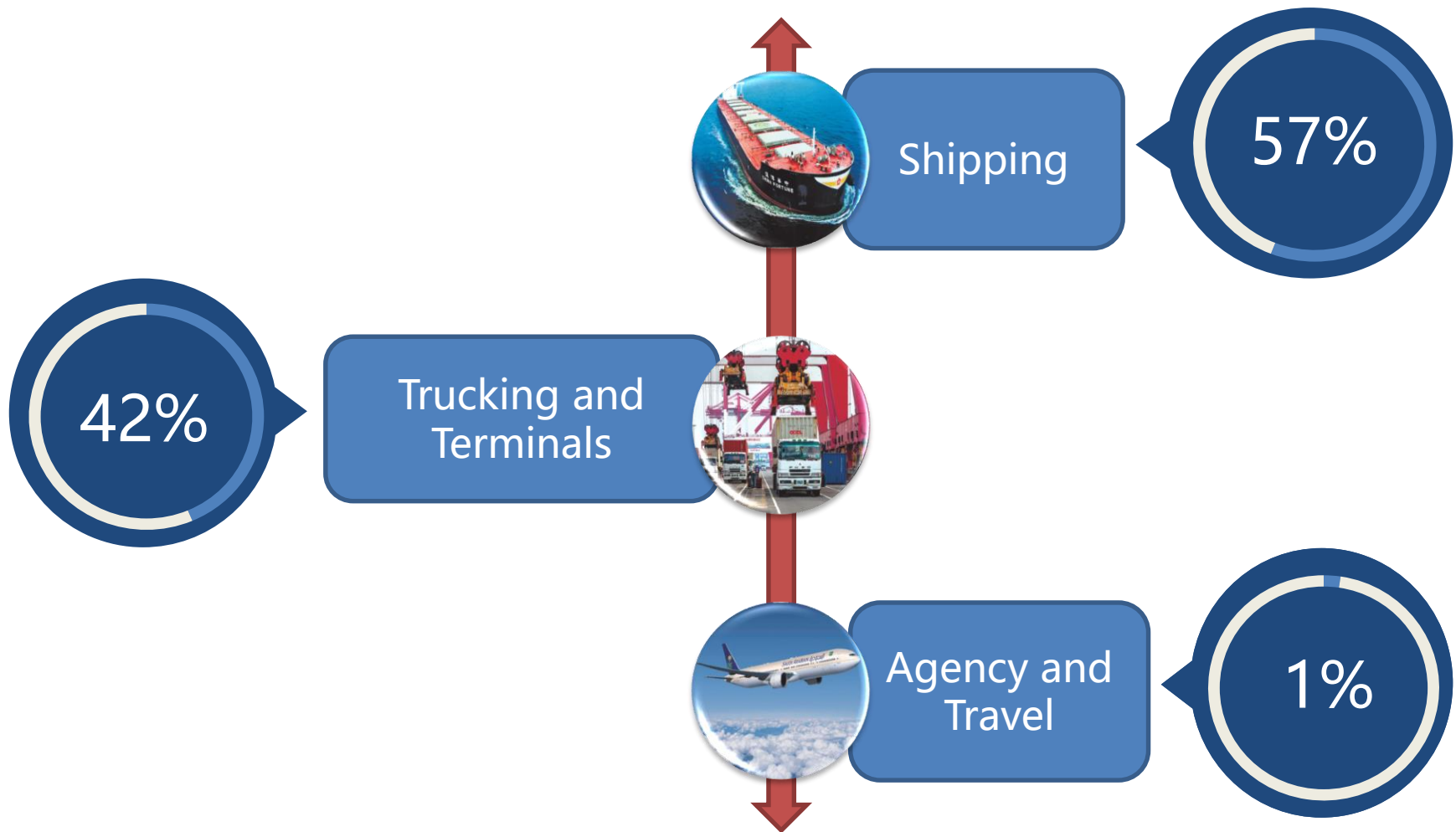
Terminals :

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

Entities Revenue Ratio for 2023Q1



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
QINGDAO BEIHAI SHIPBUILDING HEAVY INDUSTRY CO.,LTD



Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

Newbuilding
210,000 DWT

China Venture
中華興業輪
210,269 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.

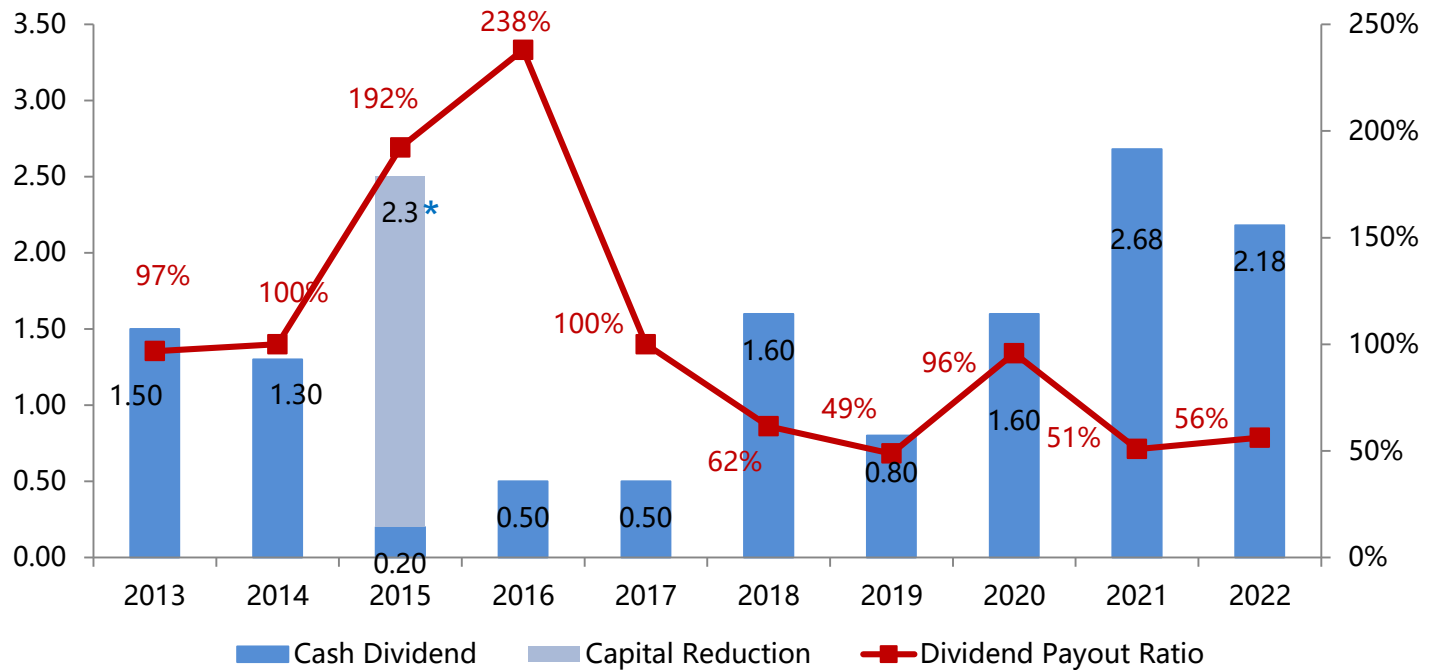
2018-2023 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2018	2019	2020	2021	2022	2023 1Q
Revenue	3,820	3,763	3,132	3,554	4,410	929
Net Profit/(Loss)	514	324	320	1,031	758	171
EPS	2.60	1.64	1.67	5.27	3.88	0.88
Cash and cash equivalents	3,345	3,288	3,221	3,057	3,989	4,213
Total liabilities	10,237	10,022	9,735	8,650	8,799	10,712
Total equity	10,187	9,934	9,750	10,428	11,652	11,296
ROE %	5.2%	3.2%	3.3%	10.3%	6.87%	5.98 %
ROA %	3.5%	2.5%	2.3%	5.8%	4.45%	4.17 %
Liability %	50%	50%	50%	45%	43%	49%

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	March 31, 2023	Dec 31, 2022	March 31, 2022
Current assets	5,347	4,974	4,826
Property, plant and equipment	14,813	13,875	12,813
Intangible assets	5	5	7
Other non current assets	1,843	1,597	2,274
Total assets	22,008	20,451	19,920
Liabilities and Equity			
Current liabilities	4,245	3,290	3,544
Non Current liabilities	6,467	5,509	5,730
Total liabilities	10,712	8,799	9,274
Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	9,310	9,568	8,974
Other equity interest	-50	47	(372)
Non-controlling interests	8	9	16
Total equity	11,296	11,652	10,646
Total liabilities and equity	22,008	20,451	19,920

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2023 1Q	2022	2022 1Q
Operating Revenues	929,368	4,409,999	1,006,675
Operating costs	710,632	3,024,721	723,807
Gross profit	218,736	1,385,278	282,868
Operating expenses	120,102	456,075	116,329
Net operating income	98,634	929,203	166,539
Non operating income and expenses	84,280	(88,010)	53,707
Profit before tax	182,914	841,193	220,246
Less: tax expenses	11,445	83,222	35,963
Profit	171,469	757,971	184,283
Other comprehensive income, net	(96,651)	994,840	563,690
Comprehensive income	74,818	1,752,811	747,973
Earnings per share	0.88	3.88	0.94

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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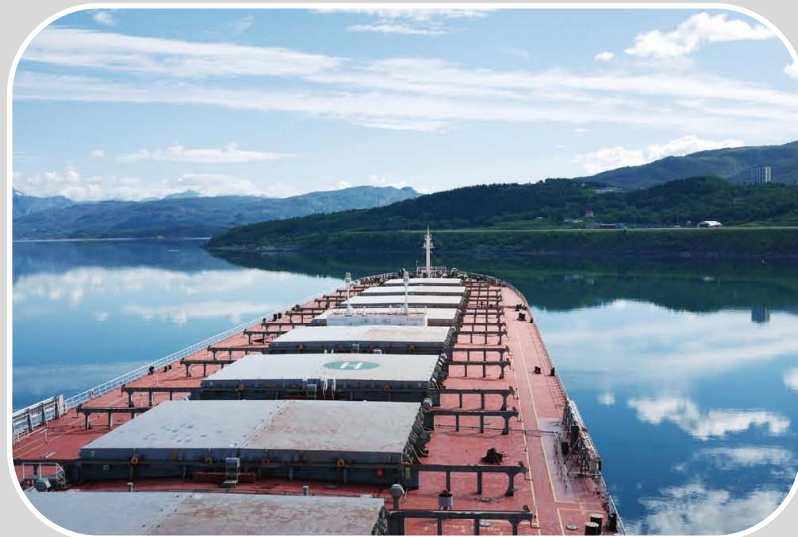
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Thank You !

