

First Steamship Co., Ltd. Investor Conference



2017/12/21

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Agenda

- Company Profile
- Group Overview
- Business Development
- Financial Summary
- Business Outlook
- Q&A

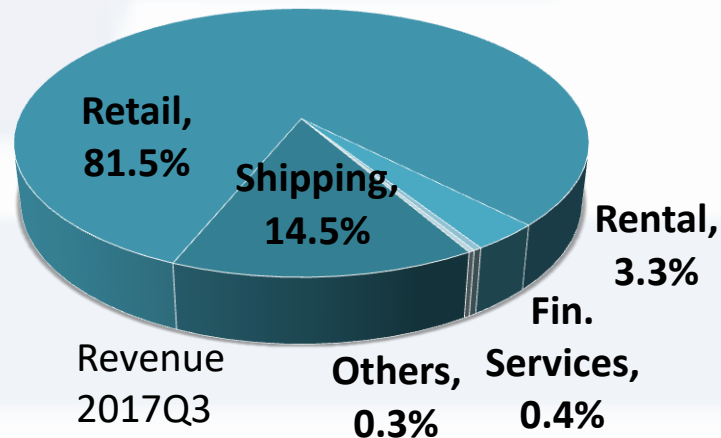
Company Profile

Basic Info

- Inception Date: 1963/10/8
- Listed Date: 1965/11/4
- Capital: NT\$6,308,831,500
- Stock Code: 2601

Business

- Operation includes shipping, retail, rental, financial leases, property development, and financial services



Group Overview

1963



Shipping



2006

Grand Ocean



Retail



2013

Mariner Finance Ltd.



Rental



2015 RSW



Property Development



2016

Morton Securities



Financial Services



2015 TESC

2017 IRC, Sandmartin,
Summit Ascent



Group Holding



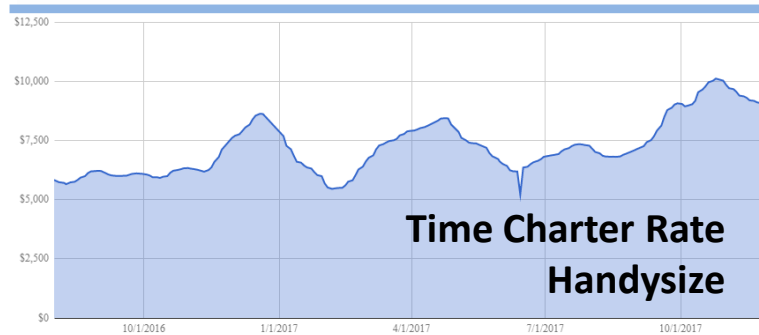
Business Development: Shipping (1)

Self-own fleet dedicated in the dry bulk ship market

- Currently own 9 vessels: 2 Handysize-type, 3 Kamsarmax-type, and 4 Supramax-type.
- Maintain high operation flexibility by switching between charter time model and joint-operation model as well as effective vessel asset management.
- Strengthen E-management and maintenance effectiveness , thereby lowering operating costs



Business Development: Shipping (2)



- Baltic Dry Index has increased over 200% since 2016 and the consensus outlook for 2018's dry bulk cargo is promising.
- This year's time charter rates for Handysize, Supramax, and Panamax all went up

Business Development: Retail (1)



- Located in 3 key regions: Middle Regions centered on Wuhan, East Regions centered on Nanjing, and South Regions centered on Fuzhou
- 3 stores re-opened on Oct. after remodeling.
- 2 new stores will open before year-end.

- Offer 3 different store positioning based on the local consumer appetite: Luxury, Fashion, and Life. Increase the market share by analyzing big data from customer shopping info and adjusting services to match local needs.

Business Development: Retail (2)

- O2O cooperation with JD.com to introduce new services



JD.COM (京東之家) opened at Nanjing Jianbei on Nov. 4th 2017

- Upgrade to incorporate shops, restaurants & entertainment, offering one-stop shopping



Movie theaters, gyms, and children play grounds were introduced on higher floors.

- Create horizontal alliances to drive experience consumption

Business Development: Rental (1)



- Provide new-car leases as well as enterprise financial leases.
- Own approximately 400 Shanghai auto license plates, and near 100 direct leasing volumes per month.
- Operate currently in 27 cities.



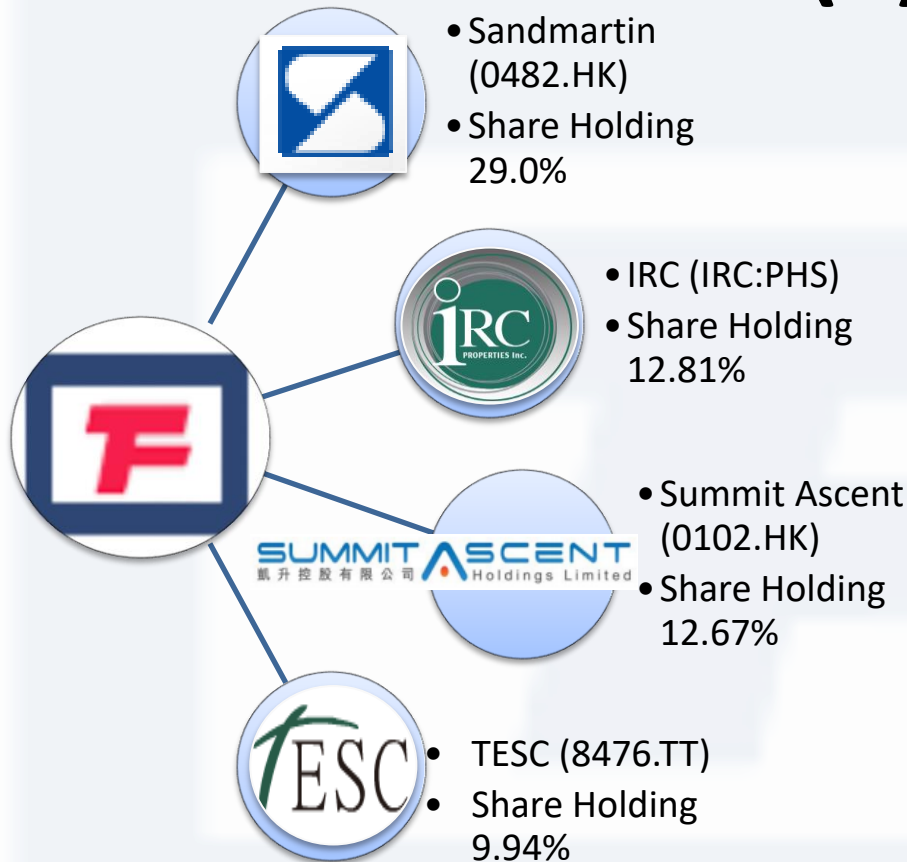
Business Development: Rental (2)

- China's financial leases and auto sales volumes swiftly increased:
 - Financial lease enterprises' assets increased 526.65 billion RMB in 2016, at an annualized rate of 32.4%; total assets amounted to 2,153.83 billion RMB.
 - Auto sales volumes went up over 28 million in 2016, equally to 13.7% YoY, and remained the NO.1 worldwide in 8 consecutive years; auto volumes totaled near 190 million.
- Mariner Finance Ltd.'s business rapidly expanded:
 - Approximately 1,100 direct auto leases for Jan.-Nov. in 2017.



Business Development: Group Holding

(1)



- Participate thoroughly in business operation.
- Aggressively leveraging group resources, assist in business expansion.
- Lead strategic planning to build mid- or long-term operation niches.
- Increase ROE by creating group cooperation synergy.

Business Development: Group Holding

(2)



Sandmartin International Holdings Ltd. (0482.HK)

Strategic deployment assistance from satellite TV equipment production to platform operation



IRC Properties Inc. (IRC:PHS)

Professional property development with collaboration between Taiwan's low-cost funding and land resources in Philippines



Summit Ascent Holdings Limited (0102.HK)

Integrated resort expansion in Vladivostok, benefiting from economies of scale



Taiwan Environment Scientific Co., Ltd. (8476.TT)

Environmental service exploration in China and South East Asia by leveraging group resources

Investment: Summit Ascent (1)



- TIGRE DE CRISTAL is the first integrated resort built in Vladivostok, thereby obtaining first moving advantages.
- Current effective gaming tax rates are way lower than those of other jurisdictions.
- Since 8 Aug. 2017, citizens of 18 countries (China, Korea, Japan, etc.) have enjoyed 8 days free e-VISA for Vladivostok, creating enormous demands for local tourism and entertainment business.

Investment: Summit Ascent (2)

| Unit: HKD '000 | 2017 H1 | 2016 H1 | YoY (%) |
|-------------------|------------|------------|------------|
| Revenue | 206,360 | 95,095 | 117% |
| EBITDA | 54,562 | 31,650 | 72% |

- Revenue surged substantially as the number of tourists increased over the last year.
- Rolling chip volumes in 2017H1 rose 143% YoY.



Financial Summary: Consolidated P&L

Unit: NT\$ Million

| Item | 2016 | 2015 | YOY | 2017Q3 | 2016Q3 | YOY |
|--|---------|---------|------|--------|--------|------|
| Revenue | 7,616 | 8,497 | -10% | 5,056 | 5,547 | -9% |
| Cost of Goods Sold | 2,152 | 2,239 | -4% | 1,465 | 1,611 | -9% |
| Gross Profit | 5,464 | 6,258 | -13% | 3,591 | 3,936 | -9% |
| Op. Expenses | 4,889 | 5,094 | -4% | 3,039 | 3,660 | -17% |
| Op. Income | 575 | 1,164 | -51% | 552 | 276 | 100% |
| Non-Op. Income/ Expenses | (1,128) | (2,016) | 44% | (106) | (978) | 89% |
| Profit before Tax | (553) | (852) | 35% | 446 | (702) | 164% |
| Income Tax Expenses | 407 | 487 | -17% | 269 | 276 | -2% |
| Profit Attributable to Owners of Parent | (1,086) | (1,488) | 27% | 213 | (974) | 122% |
| EPS (NT\$) | (2.93) | (4.01) | 27% | 0.43 | (2.63) | 116% |



Financial Summary: BU Overview

Unit: NT\$ Million

Shipping

Revenue

738

Profit before Tax

53

Revenue

706

Profit before Tax

(512)

Retail

Revenue

4,124

Profit before Tax

195

Revenue

4,613

Profit before Tax

417

Rental

Revenue

172

Profit before Tax

(20)

Revenue

217

Profit before Tax

(141)

2017
Q1-Q3

2016
Q1-Q3



Financial Summary: Retail BU

Grand Ocean
(5907.TT)

Unit: Million RMB

| Item | 2017Q3 | 2016Q3 | YOY |
|-------------------------|--------|--------|------|
| Revenue | 919 | 936 | -2% |
| COGS | 205 | 169 | 21% |
| Gross Profit | 714 | 767 | -7% |
| Op. Income | 610 | 666 | -8% |
| Op. Income | 104 | 100 | 4% |
| Non-Op. Income/ Exp. | (61) | (49) | 26% |
| Profit before Tax | 43 | 52 | -16% |

- RMB/NTD depreciated around 2% for 2017Q3 vs. 2016Q3, making financial statements in NTD not comparable YoY.
- Gross Profit in RMB fell 7% YoY, but Op. Income gained 4% benefiting from effective expense control.
- Due to exchange loss around \$112M, Profit before Tax slid 16% YoY.

Business Outlook

2018

Sandmartin, IRC
Summit Ascent, TESC
Resource collaboration
creating synergy

Rental
Biz expansion &
Market share gain

Retail
Benefits from new-store &
remodeling effects

Shipping
Charter-rate improvement

2017



THANK YOU

