

First Steamship Co., Ltd. Investor Conference



2020/12/4

Disclaimer

- The contents in this presentation and relevant messages issued at the same time were obtained from the company's internal and external information such as operation results, financial status, business development, etc.
- The company does not release any financial forecast. However, the description involving the company's opinions on its future operation and industrial development in respect of the company's finance, business and Q&A made in this presentation could be different from the future actual results. The reasons for such differences may include changes in market demand, price fluctuations, competition behavior, international economic situation, exchange rate fluctuations, upstream and downstream supply chain, and other risk factors which are out of the company's control.
- The future outlook in this presentation reflects the company's views on the future to this day. The company will not be responsible to send reminders or make updates for any future change or adjustment in those views.

Agenda

- Company Profile
- Group Overview
- Business Development
- Financial Summary
- Business Vision

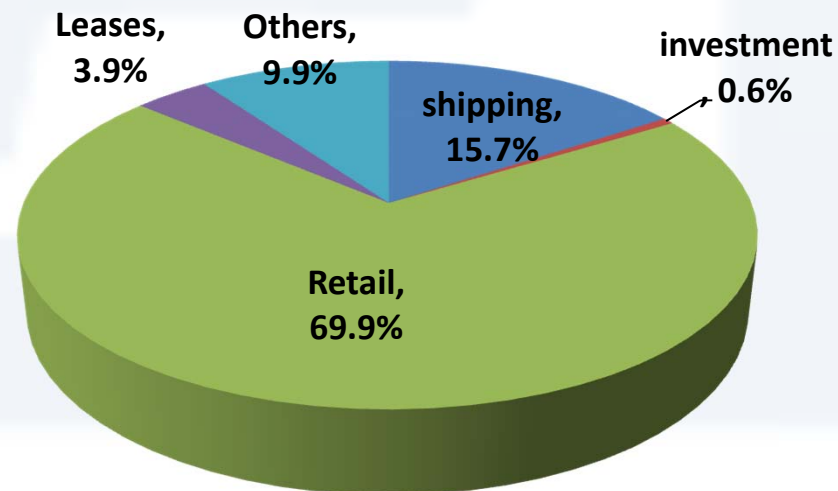
Company Profile

Basic Info

- Inception Date: 1963/10/8
- Listed Date: 1965/11/4
- Capital: NT\$6,867,626,340
- Stock Symbol: 2601

Business

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



Source: Financial Report as of 2020/9/30

Group Overview

1963



Shipping



2006

Grand Ocean



Retail



2013

Mariner Finance



Financial
Leasing



2015

RSW



Property
Development



2016

Morton Securities



Financial
Service



2015 TESC

2017 Sandmartin

2019 Da Yu Financial



Group
Holding



First Steamship Group

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.
- Acquire 2 new Kamsarmax-typed ships, estimated to be delivered in January and August 2021 respectively.
- 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 , lowering operation costs and boosting operation efficiency.



Business Development : Shipping (2)

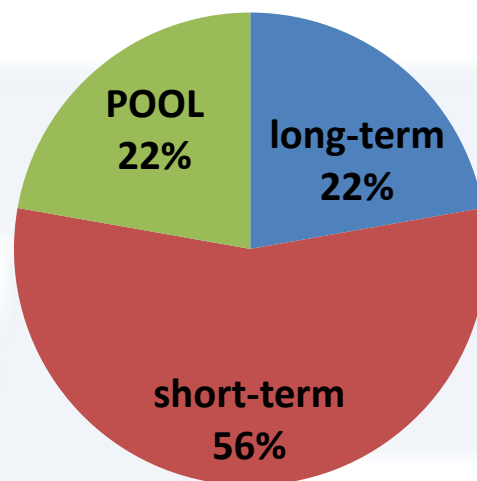
Baltic Dry Index
2018/06-2020/6



- Baltic Dry Index reached peak in the middle of 2019 and later dropped dramatically due to COVID-19.

Business Development : Shipping (3)

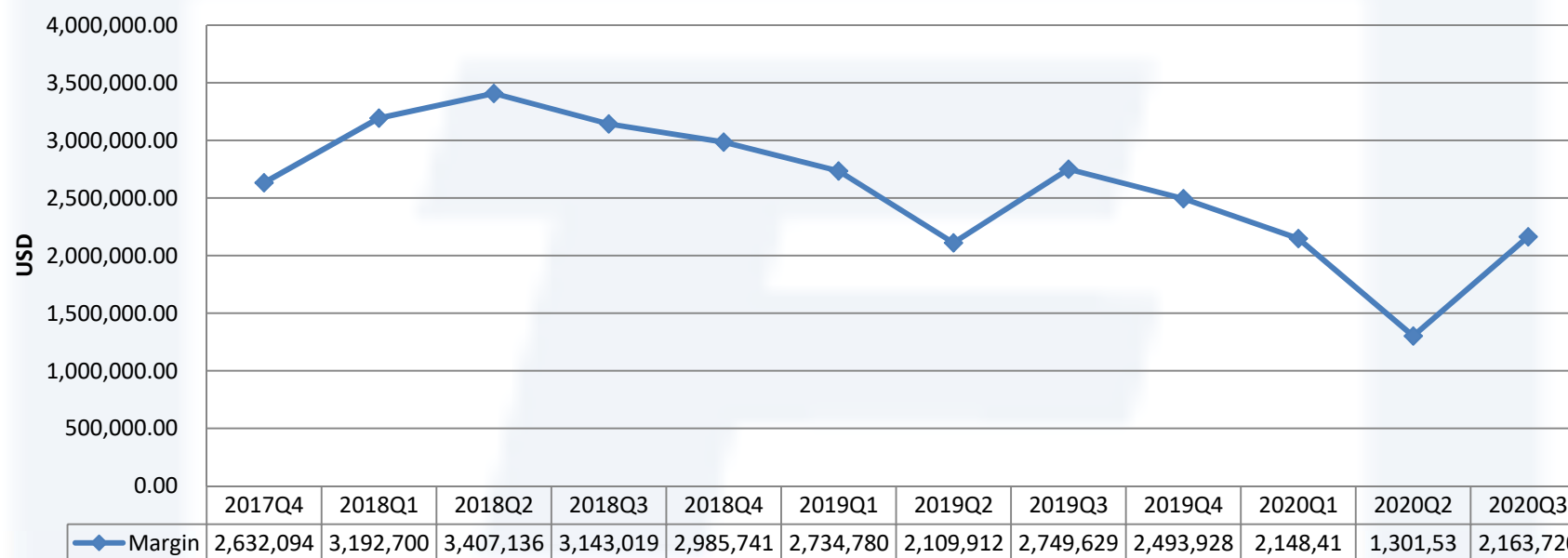
Rental Allocation



- Among 9 ships in the fleet, 2 are under long-term rental contracts with duration above 3 years, 2 are under pool operation, and the other 5 are under one-year contracts, which allocation will bring stable revenues and decrease market risks.

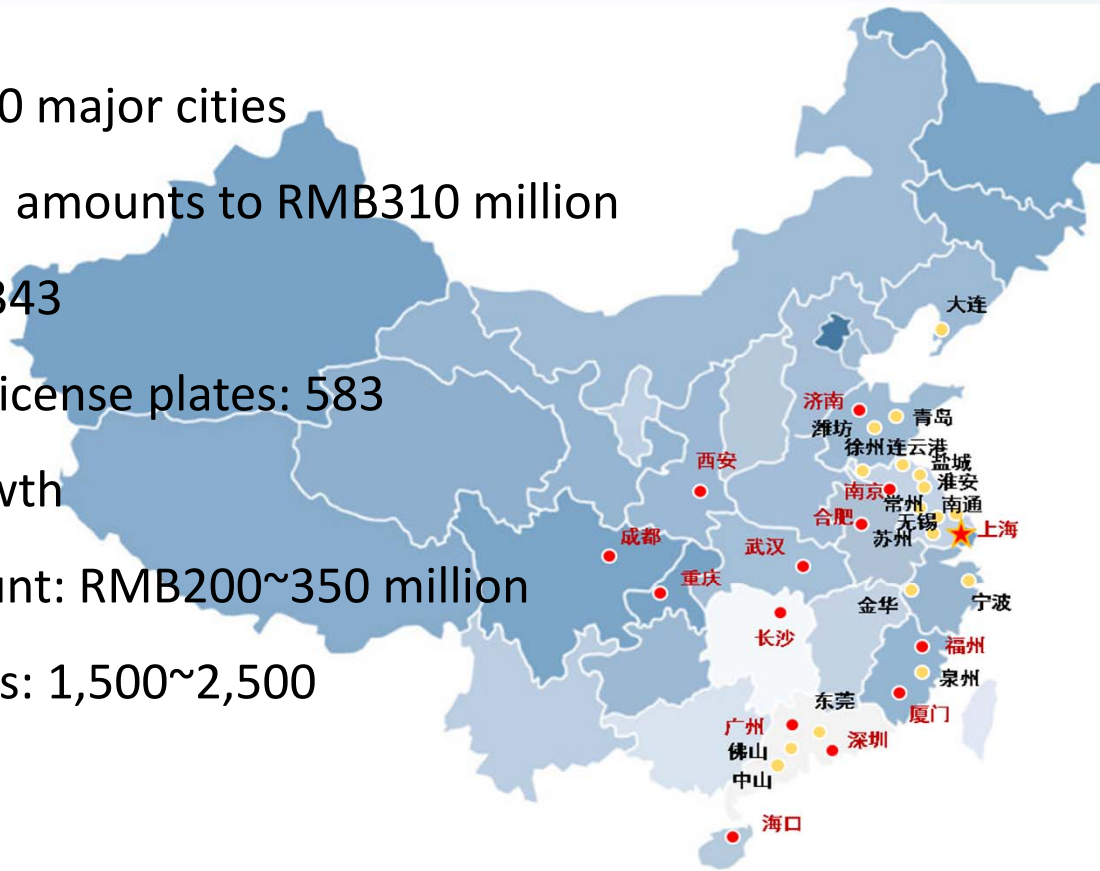
Business Development : Shipping (4)

Gross Profit of Shipping Department



Business Development : Mariner Finance (1)

- Provides financial leasing service for businesses and for individuals, including but not limited to new car leasing
- As of 2020/9/30
 - Operations in 30 major cities
 - Loan receivable amounts to RMB310 million
 - Auto leases: 3,343
 - Shanghai auto license plates: 583
- 2021 projected growth
 - New loan amount: RMB200~350 million
 - New auto leases: 1,500~2,500



Business Development : Mariner Finance (2)

■ Financial Summary

Unit: RMB Thousand

Item	2019	2018	2017
Operating Revenues	70,817	69,082	49,442
Operating Costs	27,322	27,216	20,734
Gross Profit from Operation	43,495	41,866	28,708
Operating Expenses	39,682	43,366	25,425
Net Operating Income	3,812	-1,500	3,283
Non-operating Income and Expenses	-1,924	-3,887	-3,286
Profit from Operating before Tax	1,889	-5,387	-4
Profit	1,908	-5,418	86



Business Development : Mariner Finance (3)

Due to COVID-19, the number of new car rental is 477 and the amount of new leases is RMB69 million, as of September 30, 2020. The yearly projection is expected to be 900 cars and leases approximate to RMB100 million. The next year's goal is 2,500 cars and leases of RMB200-350 million with the following 2 strategies:

Enlarge travel rentals by partnering with Ctrip

- ❑ the region increase of Ctrip's travel business expected in 2021: 100+
- ❑ the automobile increase of Ctrip expected in 2021: 12,000+



Increase High-quality Client Portfolio

- ❑ Add high-quality long-haul and short-haul auto rental businesses
- ❑ Add auto rental for foreign businesses and public utilities

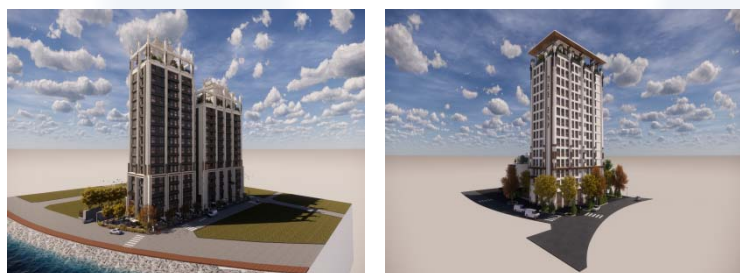


Business Development : Mariner Finance (4)

- In Nov. 2020, the company officially acquired 55% stake of Zhu-Ke technology Co., Ltd. (Shanghai), and become a major strategic partner of Shanghai Ctrip Commerce Co., Ltd.
 - After the transaction, the company owns 55% of Zhu-Ke technology Co., Ltd. (Shanghai) and Ctrip Travel Information Technology (Shanghai) Co., Ltd. owns another 45%. While Ctrip Travel Information Technology (Shanghai) Co., Ltd. is 100% held by Ctrip Travel Network Technology (Shanghai) Co., Ltd., a 100% subsidiary held by Ctrip.com (Hong Kong) Limited.
1. The big 4 players in China's car renting market occupies 30% of market shares, and more than 30,000 mid-and-small car renting enterprises compete to share a cut in the rest 70% of markets.
 2. The major goal of the alliance is to integrate Zhu-Ke's car and financing resources and C-Trip's mass portal volume and travel information, escalating the alliance industry position and building tremendous advantage by tying this business from online volume to travel field. By so, the alliance is expected to achieve a real-time car resource deployment, to optimize the utility of car resources, and united the rest 70% of competing market.
 - C-Trip control the online orders and information and, with huge source of car, C-Trip act as a command center provide real-time deployment of transportation force by dynamically deploying car resource to each local market whose demand and supply shall realize the optimum profit.
 - Local car renting company and sub-channel operator join the alliance to earn the allocated volume, increasing the utility of cars and managing the local operation on the daily basis.
 - Zhu-Ke will be the integrated operator and the car resource management center, offering asset activation solutions to car manufactures, car resellers, and allied local operators.

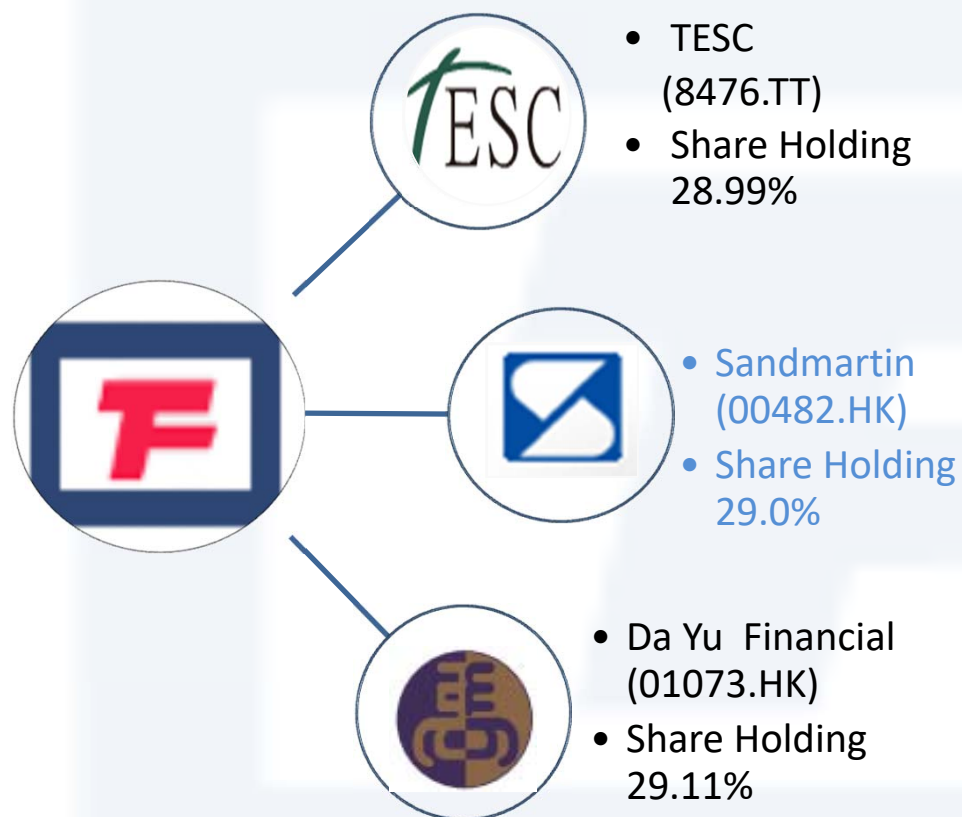


Business Development: Royal Sun Way



- Expert in rental and sale of real estates, and investments in infrastructure, in new town development, and in new community development, etc.
- “River & Tree” JV Project:
 - Accumulated profit of NT52,641 thousand dollars from apartment sales in 1st Phase, and land sales in 2nd & 3rd Phase.
 - Building permit in 3rd Phase acquired, and a JV project will be launched next year accordingly.
- A project in Tucheng Dist., New Taipei City is expected for pre-sales in 2021 Q2.
- A project in Wushi Port, Yilan County will start with acquiring groundwater right (hot spring) to enhance value.

Business Development: Group's Holding



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

(Source: Announcements of September 30, 2020)

Business Development: Grand Ocean



Financial Summary

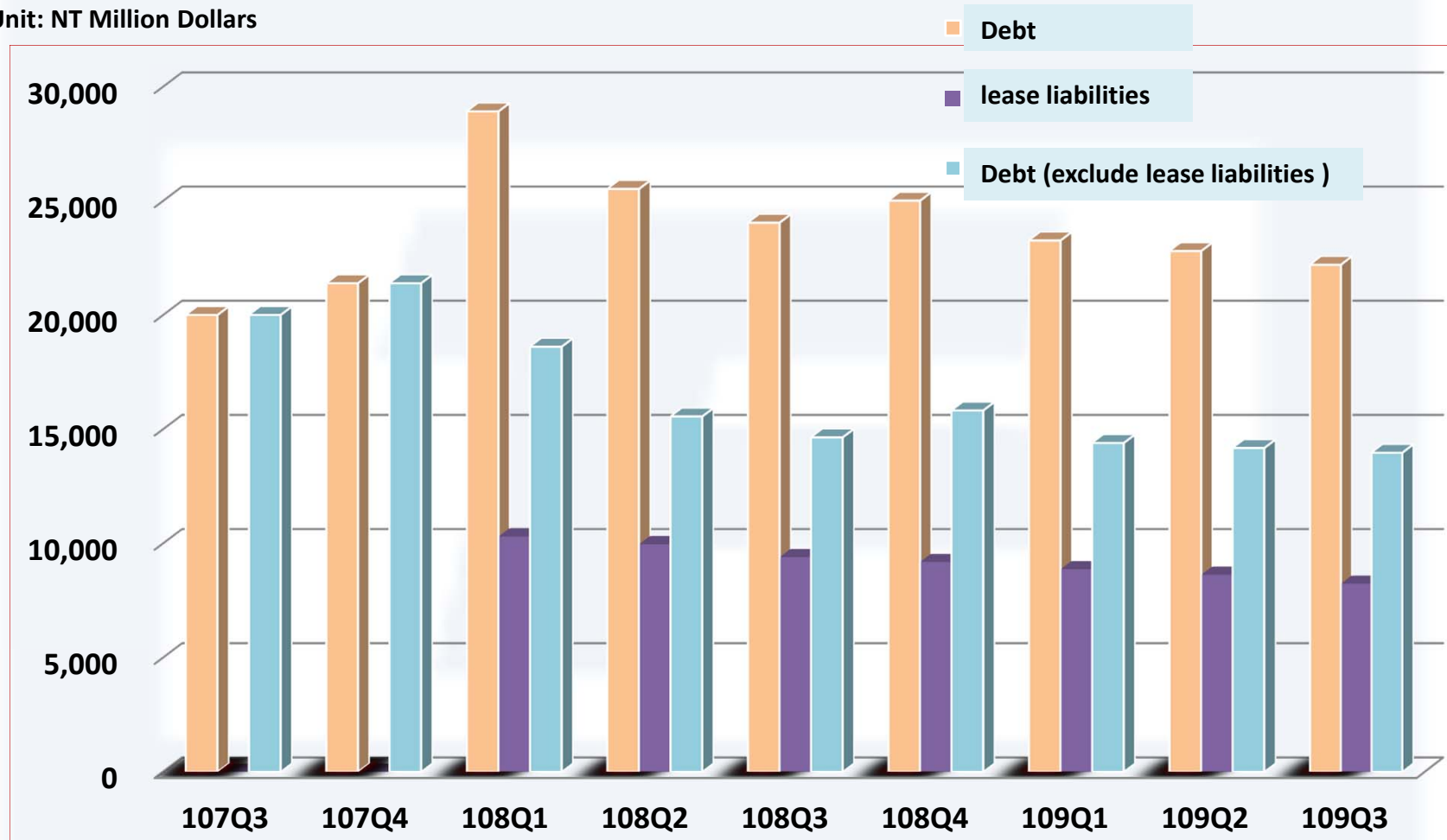
- **Financial Analysis**
- **Consolidated Statements of Comprehensive Income**

Financial Analysis

- **Trend of Financial Liability**
- **Trend of the Debt to Net Worth Ratio**
- **Trend of Revenues, Operating Income, and Profit**

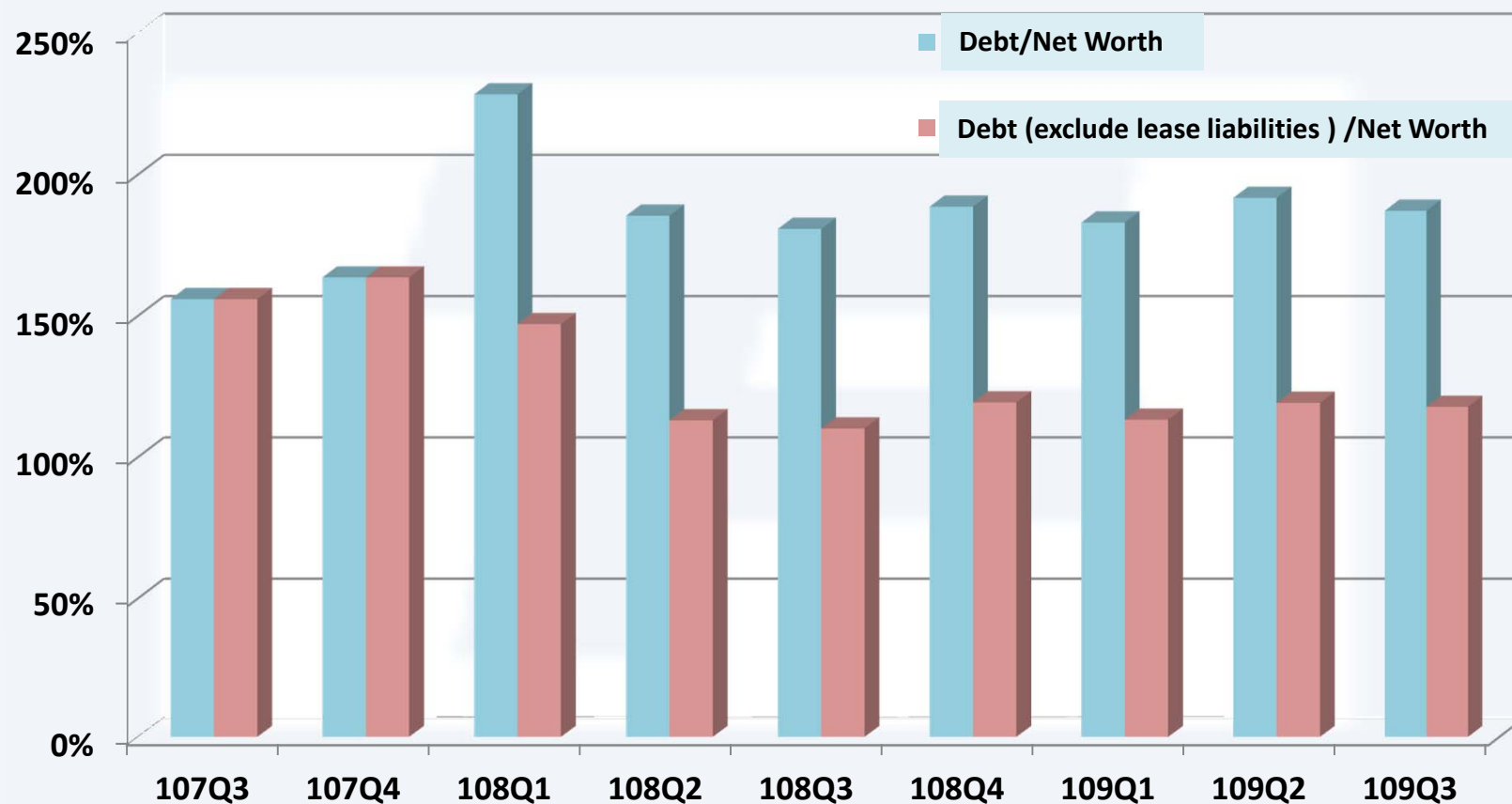
Trend of Financial Liability

Unit: NT Million Dollars



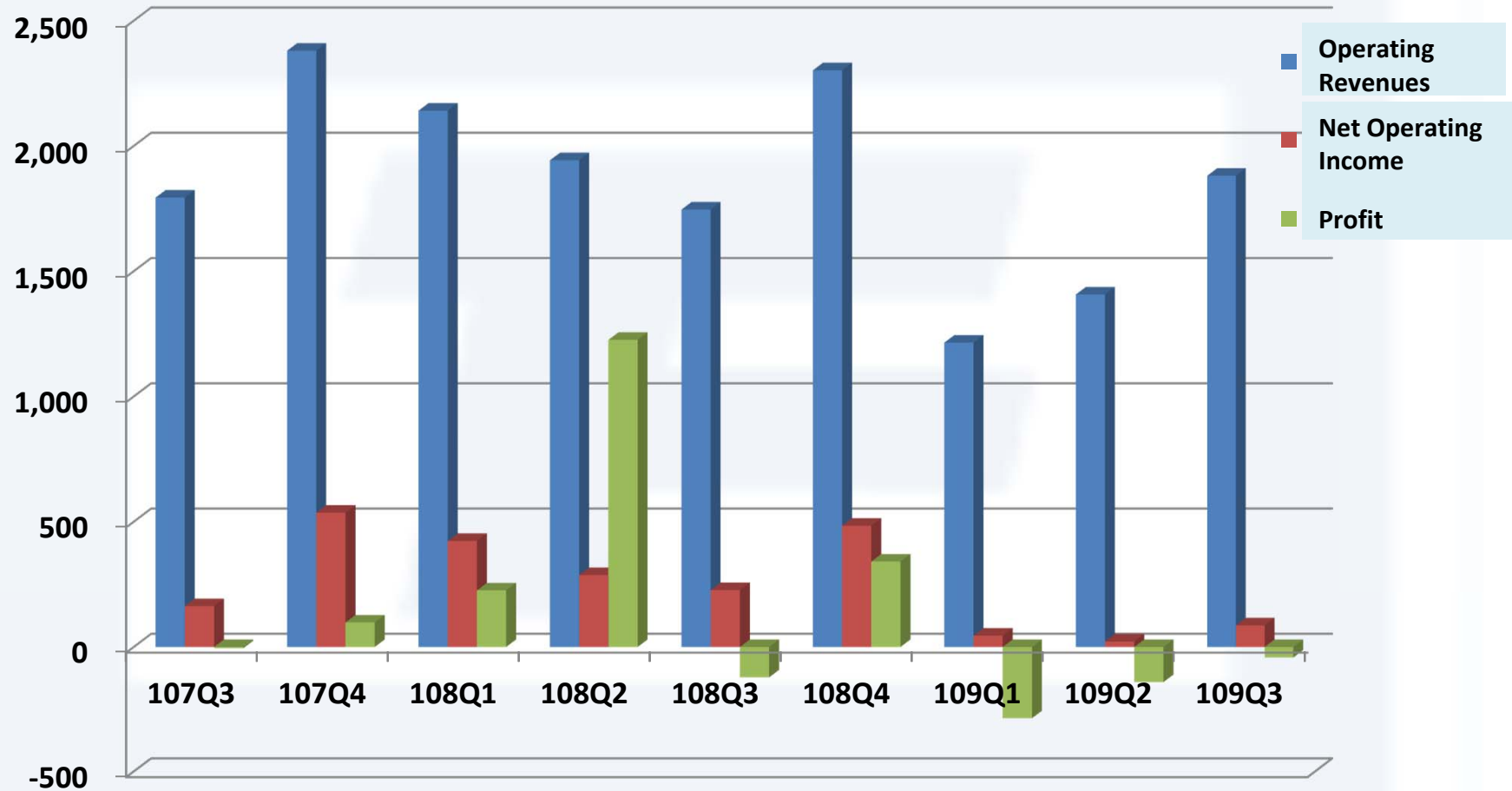
Trend of the Debt to Net Worth Ratio

Debt/Net Worth



Trend of Revenues, Operating Income, and Profit

Unit: NT Million Dollars



Consolidated Statements of Comprehensive Income

Unit: NT Million Dollars

Item	2020.1-9	%	2019	%	2018	%
Operating Revenues	4,503	100	8,132	100	8,044	100
Operating Costs	2,079	46	2,672	33	2,311	29
Gross Profit from Operation	2,424	54	5,460	67	5,733	71
Operating Expenses	2,271	51	4,039	49	4,425	55
Net Operating Income	153	3	1,421	18	1,308	16
Non-operating Income and Expenses	-544	-12	594	7	-868	-11
Profit from Operating before Tax	-391	-9	2,015	25	440	5
Tax Expenses	78	2	344	4	221	3
Profit (Owners of Parent)	-357	-8	1,404	17	6	0
Basic EPS (NTD)	-0.53		2.23		0.01	

Consolidated Statements of Comprehensive Income

Unit: NT Million Dollars

Item	2020 Q3	%	2019 Q3	%
Operating Revenues	1,881	100	1,746	100
Operating Costs	963	51	579	33
Gross Profit from Operation	918	49	1,167	67
Operating Expenses	832	44	940	54
Net Operating Income	86	5	227	13
Non-operating Income and Expenses	-81	-5	-297	-17
Profit from Operating before Tax	5	0	-70	-4
Tax Expenses	47	3	52	3
Profit (Owners of Parent)	-21	-1	-120	-7
Basic EPS (NTD)	-0.03		-0.17	



Thank You



First Steamship Group