萬海航運股份有限公司
WAN HAI LINES LTD.

Stock code：2615

Wan Hai Lines Presentation

因為萬海 世界很近
WE CARRY, WE CARE.

Laura Su
HSBC Transport, Infrastructure & Logistics Conference
June 25, 2019

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Outline

- Company Overview
- Performance Update
- Outlook
- Appendix
- Q&A

Company Overview

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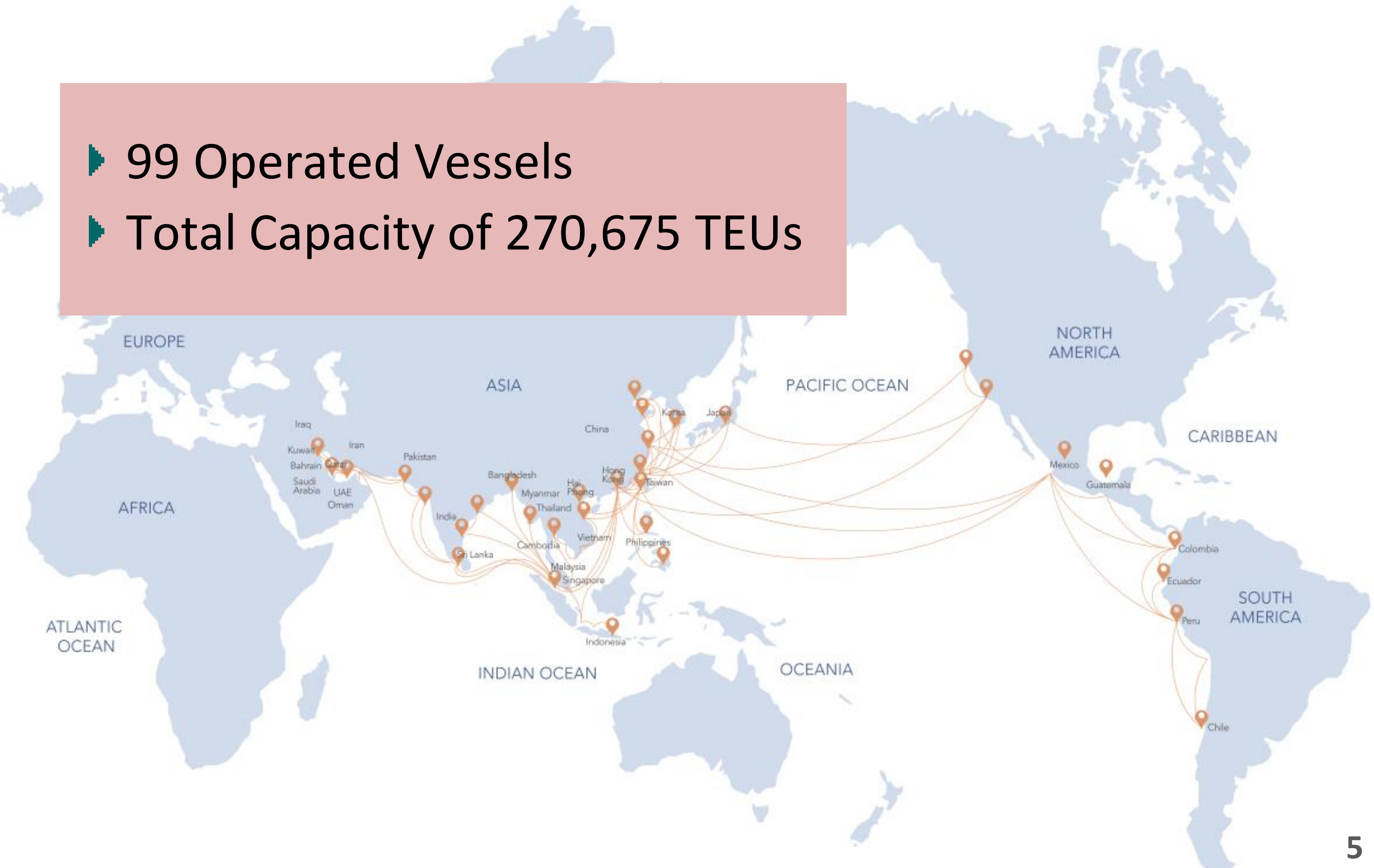
Global Service Network

- 99 Operated Vessels
- Total Capacity of 270,675 TEUs



Intra-Asia Services

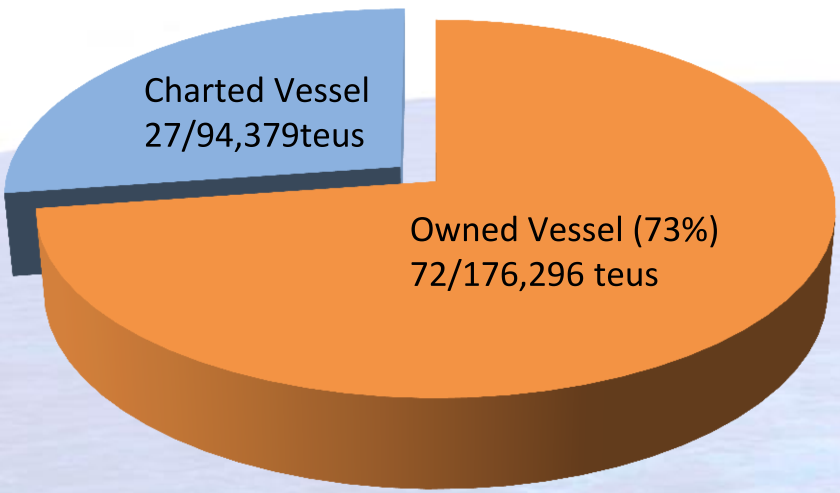
- 34 Dedicated Service Routes
- #1 in Service coverage and frequency
- 15% of Intra-Asia Market Share
- 73% of Lifting Volume

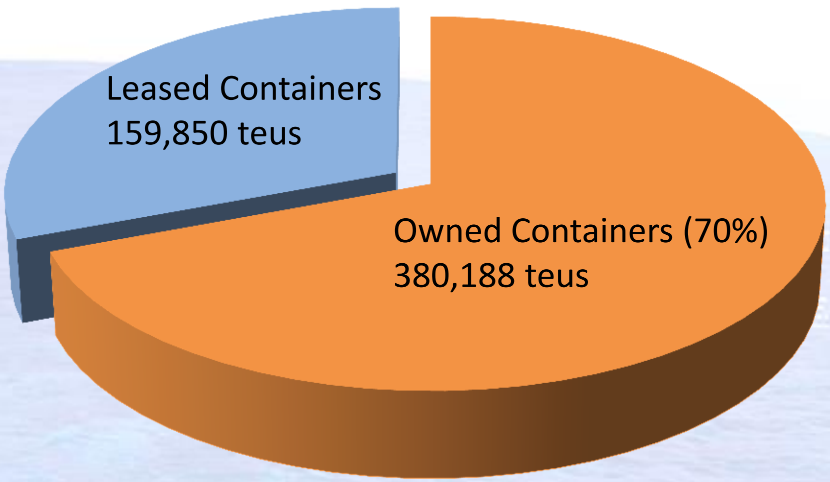
Wan Hai Lines Capacity

		Total		Owned		Chartered			Orderbook		
Rnk	Operator	TEU	Ships	TEU	Ships	TEU	Ships	% Chart	TEU	Ships	% existing
1	APM-Maersk	4,128,379	722	2,338,717	316	1,789,662	406	43.4%	43,922	14	1.1%
2	Mediterranean Shg Co	3,380,679	535	1,055,410	180	2,325,269	355	68.8%	393,568	22	11.6%
3	COSCO Group	2,843,667	466	1,441,332	167	1,402,335	299	49.3%	109,537	10	3.9%
4	CMA CGM Group	2,674,848	517	1,034,468	130	1,640,380	387	61.3%	451,468	33	16.9%
5	Hapag-Lloyd	1,689,377	235	1,047,266	112	642,111	123	38.0%			
6	ONE (Ocean Network Express)	1,546,351	215	554,918	76	991,433	139	64.1%	14,052	1	0.9%
7	Evergreen Line	1,260,799	207	578,680	114	682,119	93	54.1%	413,536	69	32.8%
8	Yang Ming Marine Transport Corp.	650,234	98	187,835	41	462,399	57	71.1%	221,800	26	34.1%
9	Hyundai M.M.	436,768	75	129,439	14	307,329	61	70.4%	396,000	20	90.7%
10	PIL (Pacific Int. Line)	405,870	122	191,174	81	214,696	41	52.9%	600	1	0.1%
11	Zim	308,071	63	9,242	2	298,829	61	97.0%			
12	Wan Hai Lines	250,396	95	164,368	69	86,028	26	34.4%	48,744	20	19.5%
13	KMTC	159,832	69	61,785	29	98,047	40	61.3%	18,354	9	11.5%
14	IRISL Group	154,415	50	96,383	46	58,032	4	37.6%			
15	Antong Holdings (QASC)	148,264	123	113,582	63	34,682	60	23.4%	24,788	19	16.7%

資料來源：Alphaliner as of May 2019

High Percentage of Owned Vessels/Containers





- The company has high percentage of owned vessels (73%) and owned containers (70%) to lower fixed cost.

Strategic Highlights

- Low cost operator
  - Low fixed cost structure
  - Competitive handling costs driven by significant cargo volumes in key terminal hubs
- Comprehensive service network
  - Intra-Asia network leverages high-growth, multi-directional cargo volumes
  - Long-haul volumes fueled by China exports and regional feeder network
- Yield Management
  - Well diversified customer base
  - Direct sales distribution network
  - Organic volume growth limited to Port-to-Port cargoes

2^{nd} Hand Vessel Purchasing

Vessel Name	Design(Teu)	Purchase Year
WH171	1,809	Feb-09
WH172	1,809	Feb-09
WH281	1,510	Oct-14
WH282	1,510	Oct-14
WH611	5,610	May-15
WH612	5,610	May-15
WH613	5,610	May-15
WH173	1,805	Aug-17
WH175	1,805	Aug-17

New Vessel/Container Delivery Schedule

Vessel

Shipyard	Size (TEU)	Total amount	Delivery
JMU (Japan)	8 x 3,036	USD 334 M	2020-21
Guangzhou Wenchong	12 x 2,038	USD 316 M	2021-22

Container

Order	Total amount	Delivery
31,000 TEUS containers	USD 52.5 M	2019Q2-2019Q3

Update: 2019.03.31

Well-Diversified Customer Base

- More than 300,000 clients that are diversified by geography and industry
  - In 2019, no single customers accounted for more than 1% of WHL’s volume or consolidated operating revenues
  - WHL’s customers include retailers, manufacturers of automobiles, automotive parts, chemicals, machinery and electronic products as well as freight forwarders and agents
  - Both Taiwan- based enterprises as well as companies with multinational operations

Key Terminal Holdings

1987 – Opened Pier 63 terminal in Kaohsiung

1996 – Opened Pier 31 terminal in Taichung

2003 - Opened Ohi-5 Terminal in Tokyo, Japan

2009 – Opened Taipei Port project with JV partners, Evergreen and Yang Ming Lines

2010 - Opened Caimep, Vietnam Port project with JV partners, SNP, MOL and Hanjin Transportation

2018-Opened Haiphong, Vietnam Port project with JV partners, SNP, MOL and ITOCHU

2019- Purchase Vietnam Da Nang Port Joint Stock Company stock (20%)

Performance Update

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A. Performance of 2018

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Operating Revenue

Remark: operating revenue includes O/F, DET/DEM, slottage, DOC

Main Carrier Operating Margins 2018

Carriers Financial Performance 2018

US$ M	Revenue	Op. profit	Margin %
Maersk	28,366	429	1.5%
CMA CGM	23,476	610	2.6%
COSCO+OOCL	16,891	382	2.3%
Hapag-Lloyd	13,605	509	3.7%
ONE	10,880	-586	-5.4%
EMC	5,604	3	0.1%
Yang Ming	4,698	-194	-4.1%
HMM	4,185	-455	-10.9%
Zim	3,248	34	1.0%
Wan Hai	2,213	37	1.7%

Results for container shipping business only, where separately reported and translated to US$ from local currency reports where applicable

- Maersk EBIT is estimated
- COSCO Shipping excludes Ports, includes OOCL for full year
- ONE based on net profits for fiscal year Apr-Mar
- EMC not consolidated for Evergreen Group
- MSC & PIL results are not published

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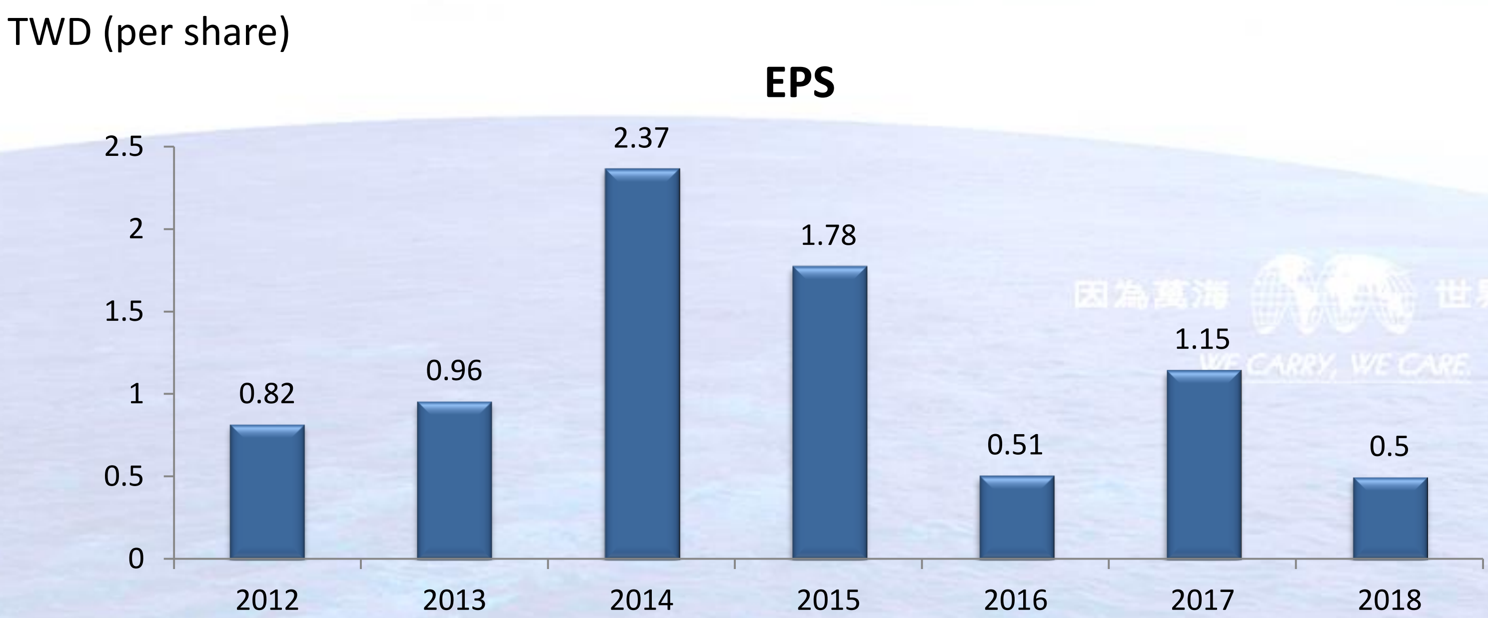
* Source: Alphaliner Newsletter No.18 ,2019

Income Statement Highlights

US$M	2017	2018	YoY%
Operating Revenue	**2,002.1**	**2,220.8**	**10.92%**
Gross Profit	234.4	166.4	-29.04%
Operating Income	103.5	32.9	-68.23%
Profit, attribute to owners of the parent	**83.7**	**37.2**	**-55.61%**
EPS (NTD)	**1.15**	**0.5**	**-56.52%**

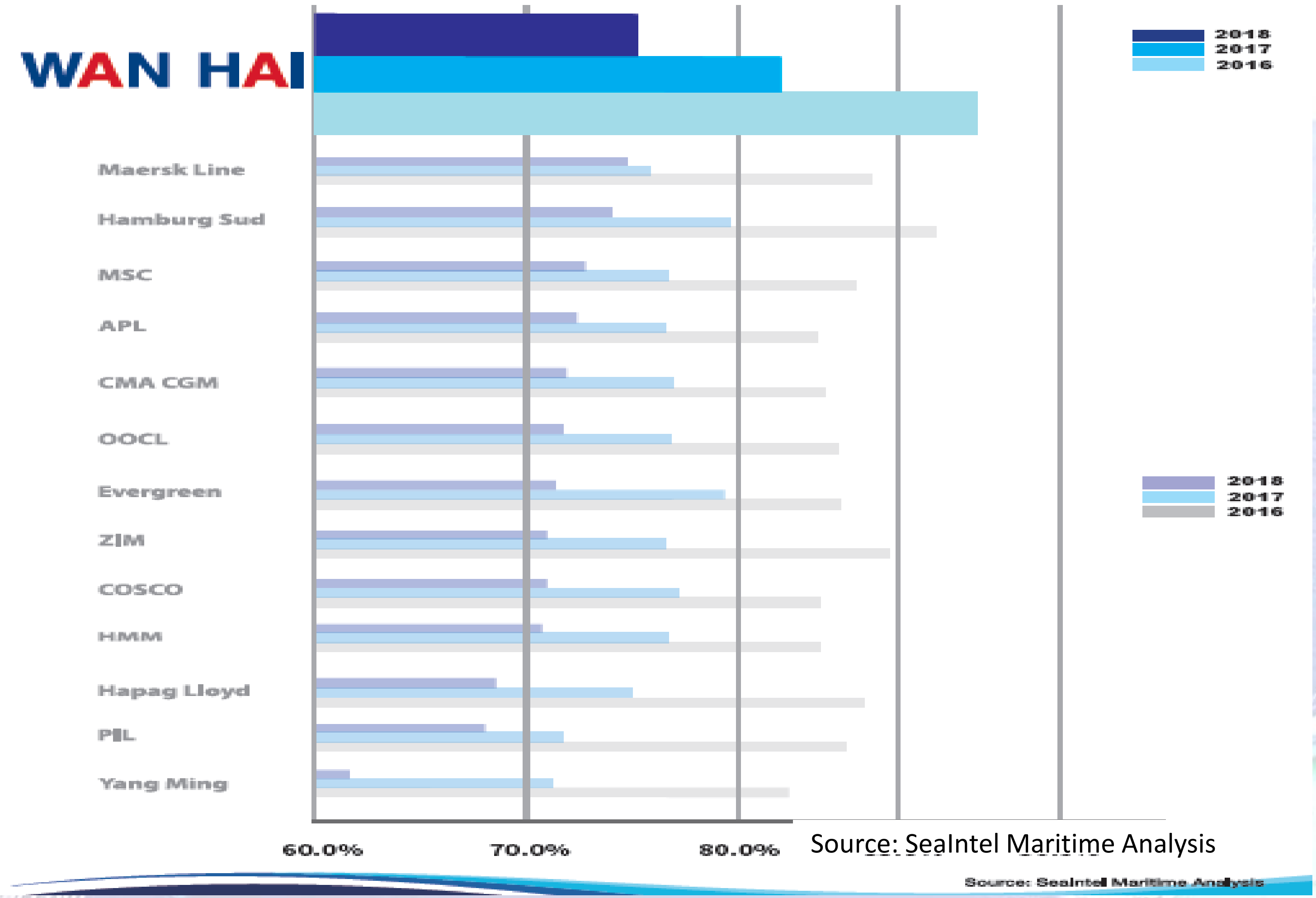
Earnings Per Share (EPS)&Dividend Payout Ratio



Dividend payout ratio	97.56%	83.33%	84.39%	67.42%	78.43%	43.48%	122.00%

Carrier On-time Performance in 2018

- WAN HAI LINES ranked No. 1 in schedule reliability for the 3rd consecutive year 2016,2017&2018



Source: SeaIntel Maritime Analysis

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B. Quarterly Update 2019 Q1

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2019Q1 vs 2018Q1 Performance

Revenue
562.37
USD$M
+10%

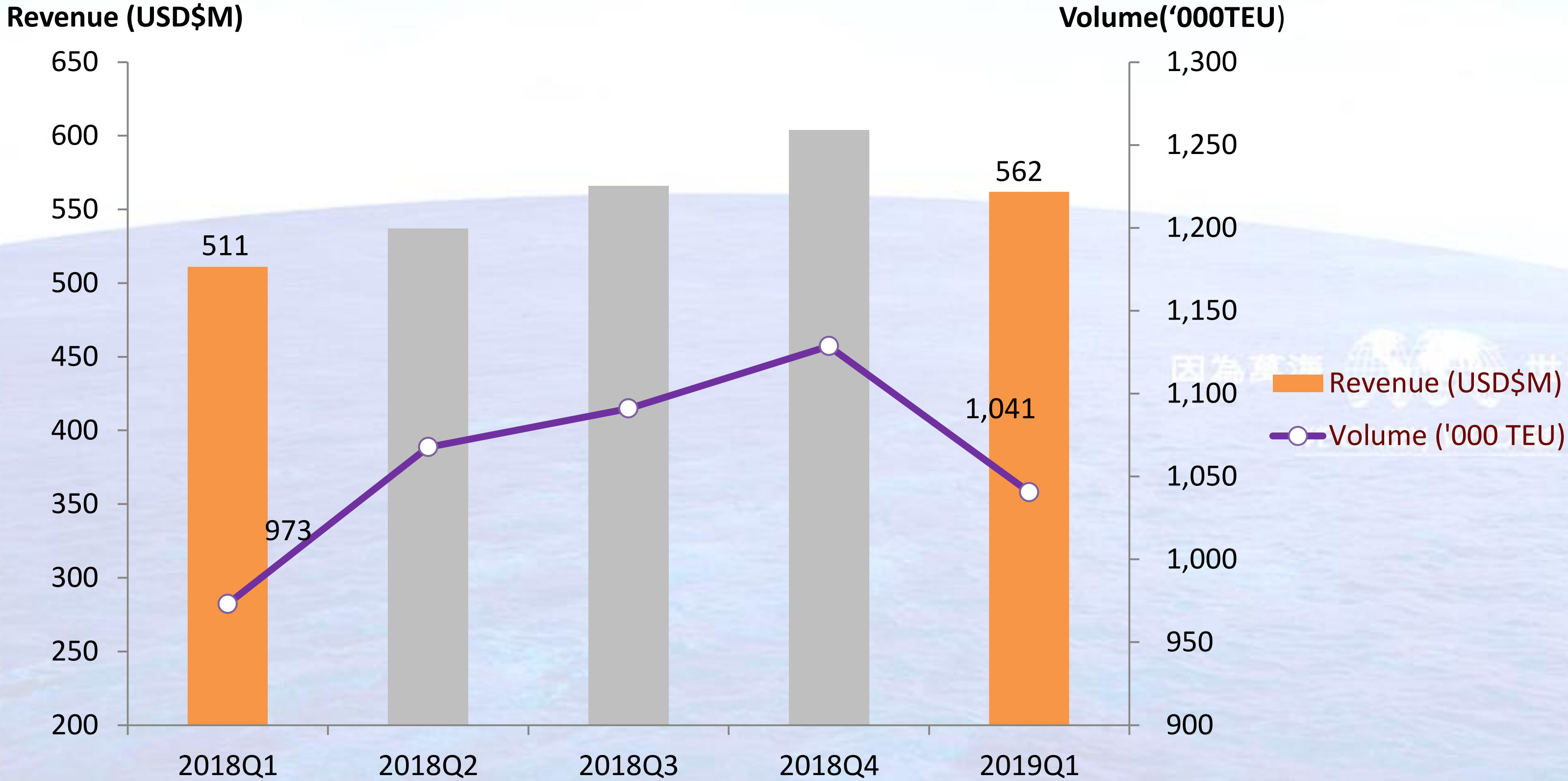
Gross Porfit
63.43
USD$M
+72%

Net Profit
33.88
USD$M
+588
%

EPS

2019Q1	2018Q1
NT$0.47	**NT$0.06**

Volume & Revenue 2019Q1



EPS(NTD)	0.06	0.12	0.19	0.13	0.47

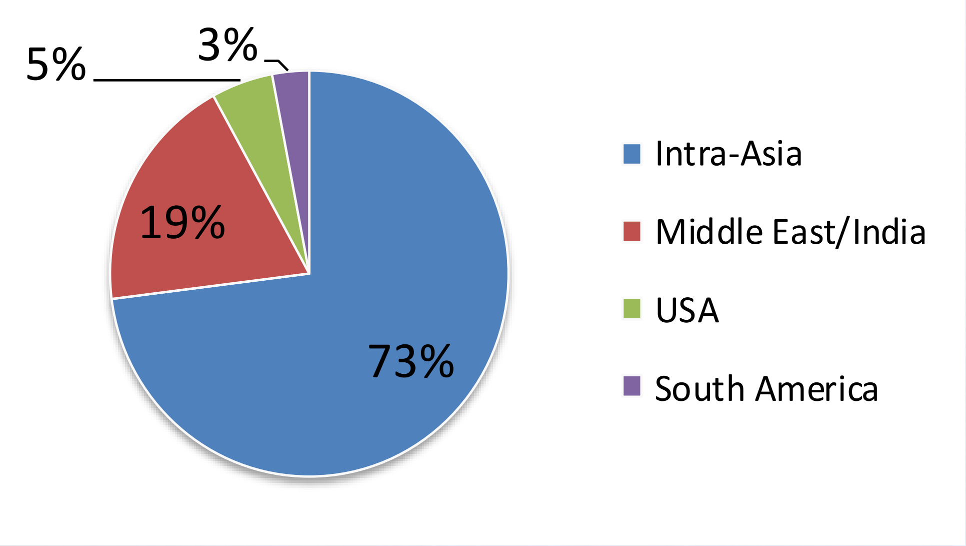
- 2019Q1 Operating revenue YOY +10% (USD)
- 2019Q1 Volume YOY +7%

Income Statement Highlights

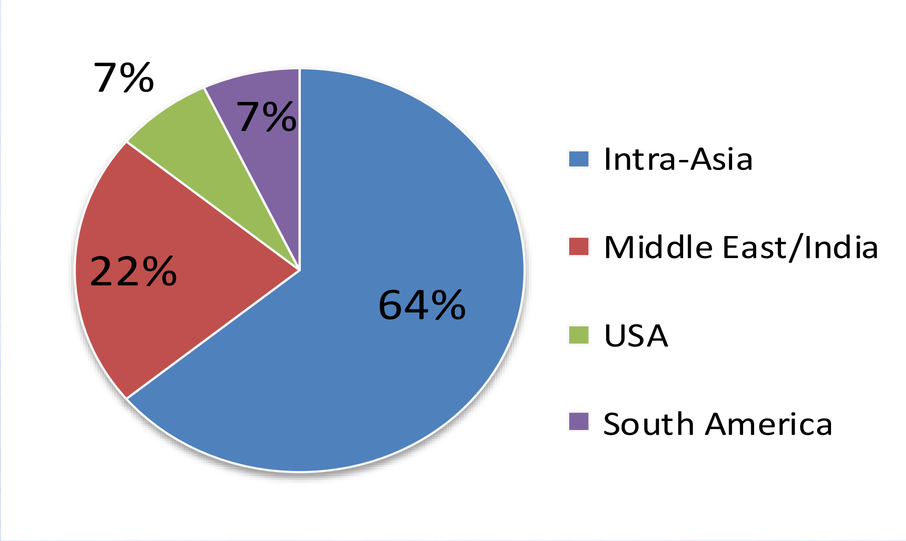
US$M	2018 Q1	2019 Q1	YoY%
Operating Revenue	**510.61**	**562.37**	**10%**
Gross profit	36.96	63.43	**72%**
Operating Income	5.00	29.25	**485%**
Profit,attribute to owners of the parent	4.92	33.88	**588%**
EPS (NTD)	**0.06**	**0.47**	**683%**

Volume and Revenue Breakdown

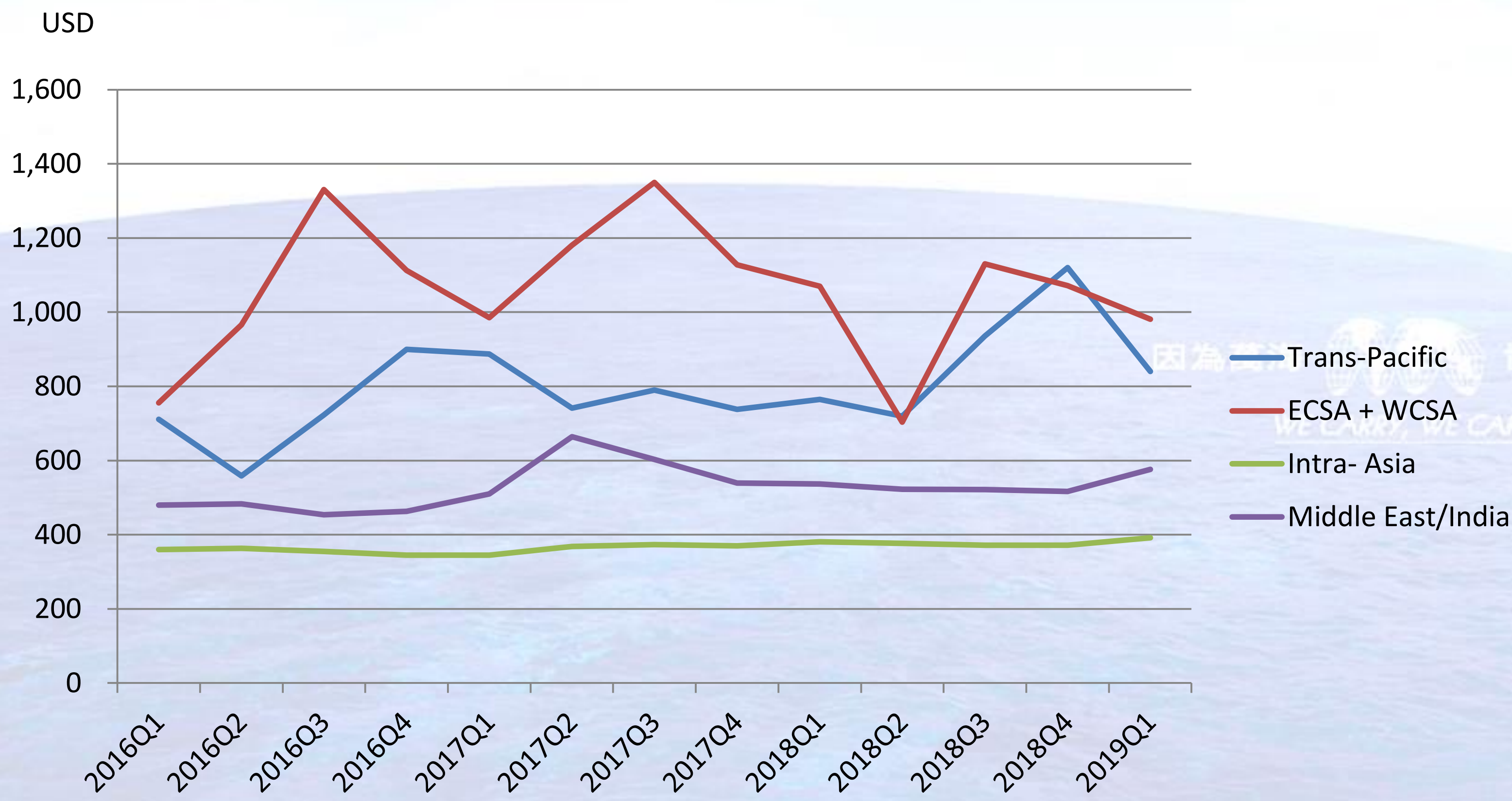
YTD 2019 Q1 Volume



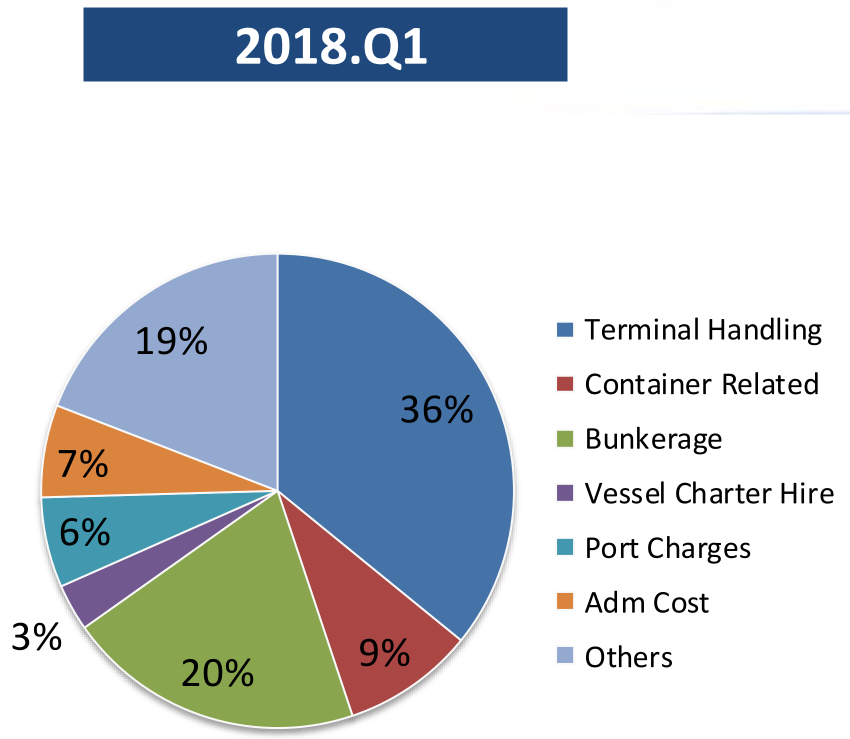
YTD 2019 Q1 Revenue

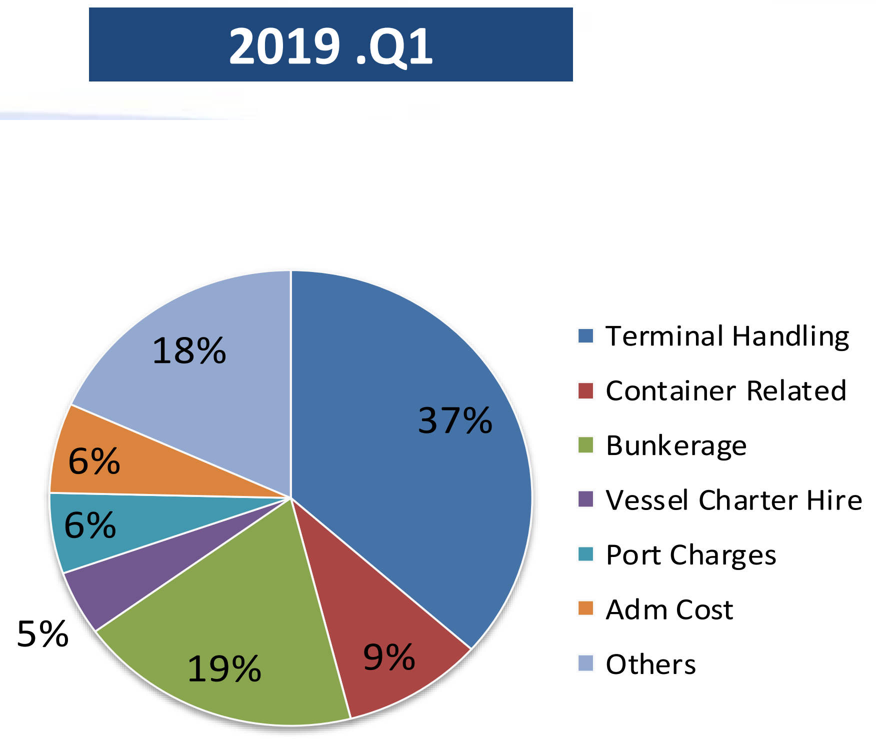


Freight Rate (Intra-Asia/ME/TP/SA)



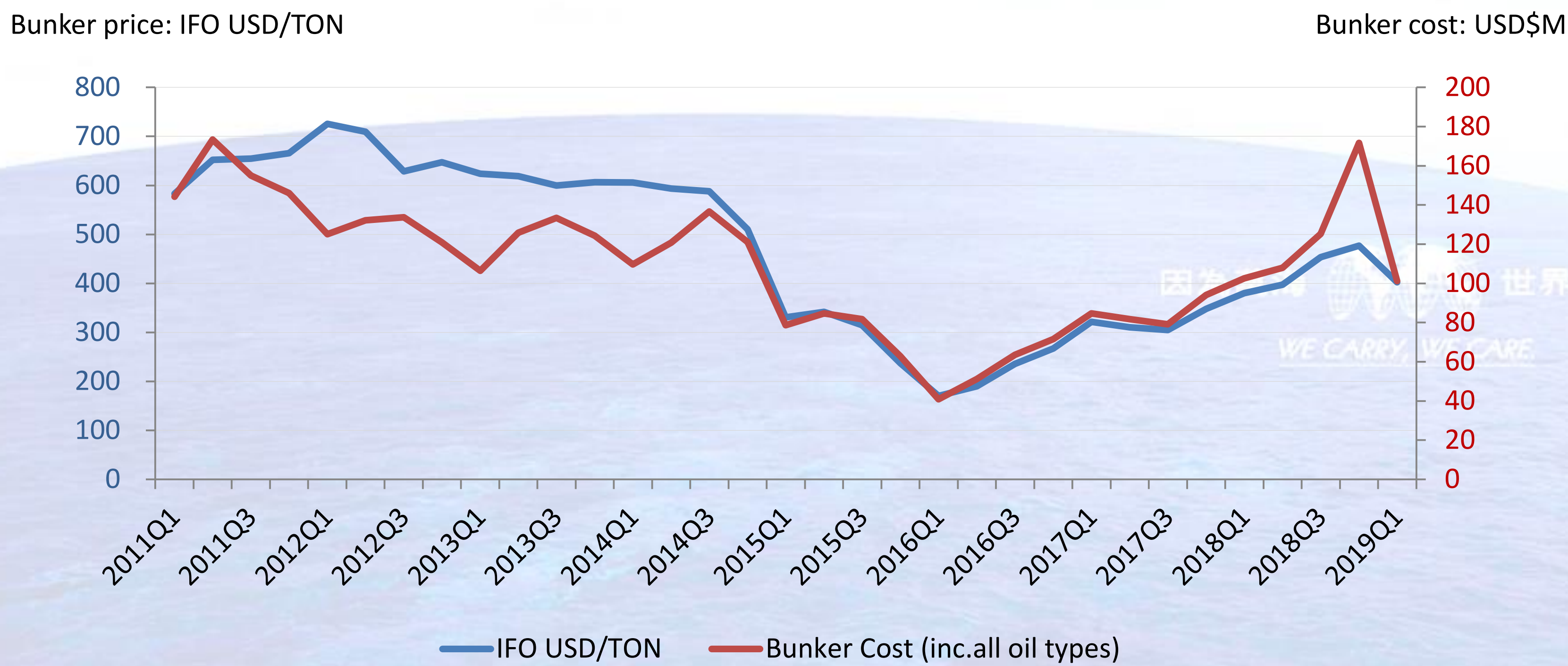
Cost Structure



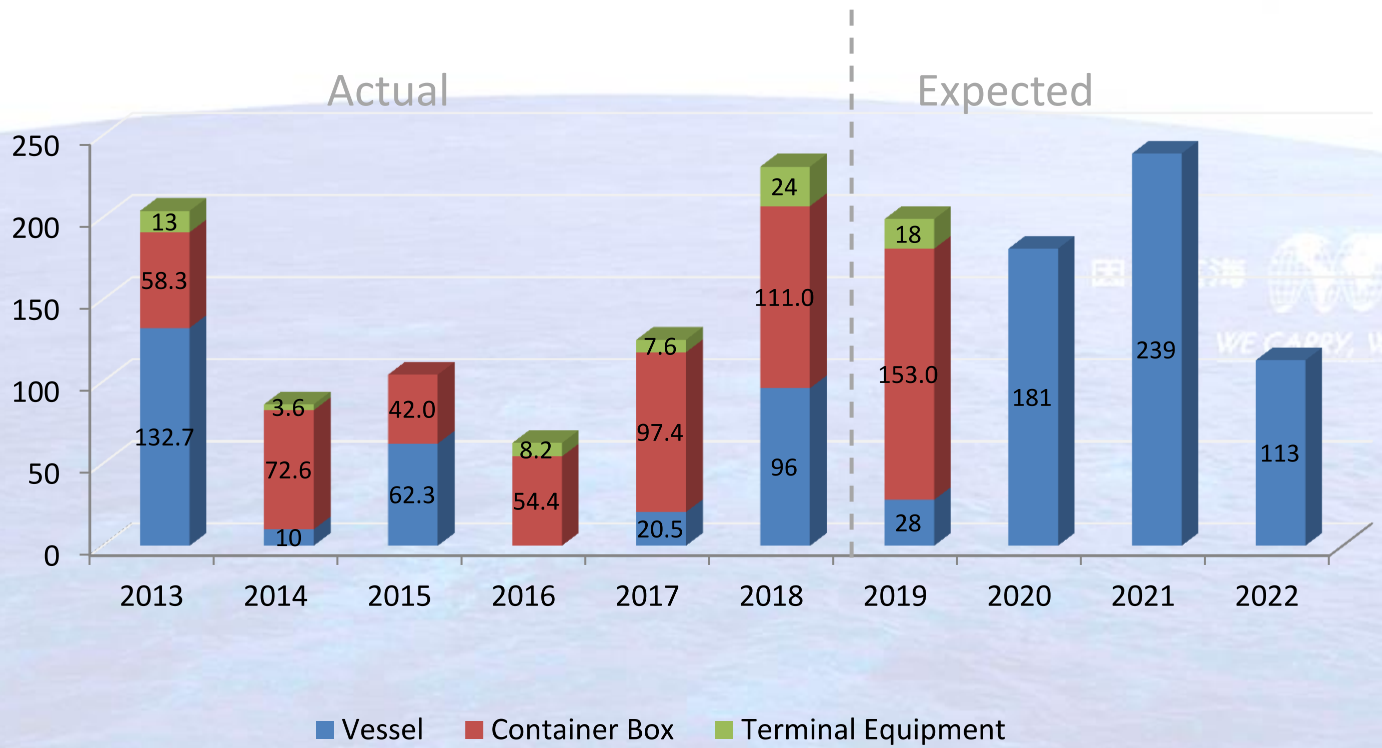


Remark: Others includes items such as WHL terminal, vessel repair, crew expenses, slottage and commission

Bunker Costs



Capital Expenditures Schedule



Outlook

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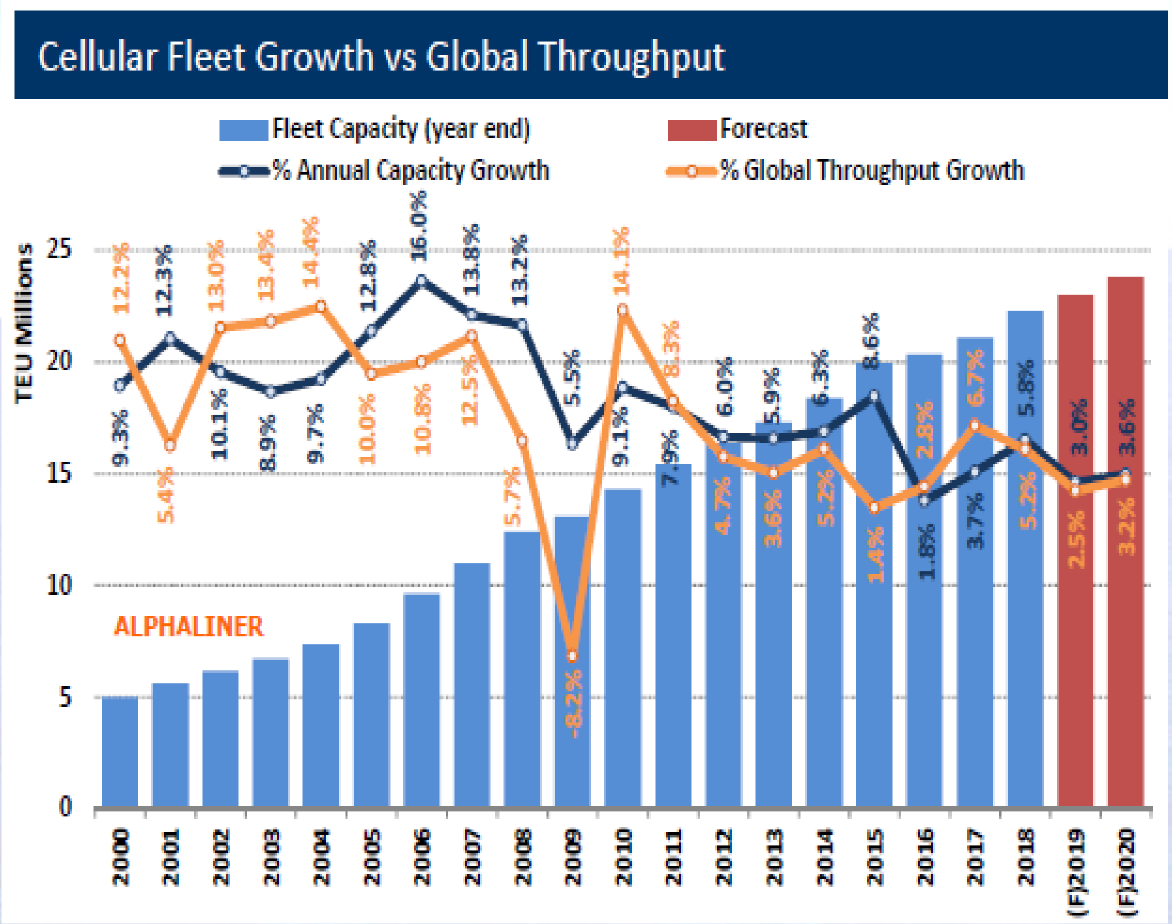
Supply and Demand Gap Narrowing



Alphaliner forecasts 2019 market capacity growth slightly higher than market volume growth rate.

Capacity 3.0% vs Cargo2.5%

In 2020, market capacity is also forecasted to be higher than market volume growth rate .

Capacity 3.6% vs Cargo3.2%

資料來源: Alphaliner Monthly Monitor Report May 2019

Right Partners for the Right Market

msc

Ocean Alliance

EVERGREEN

COSCO SHIPPING

OOCL

CMA CGM

APL

THE Alliance

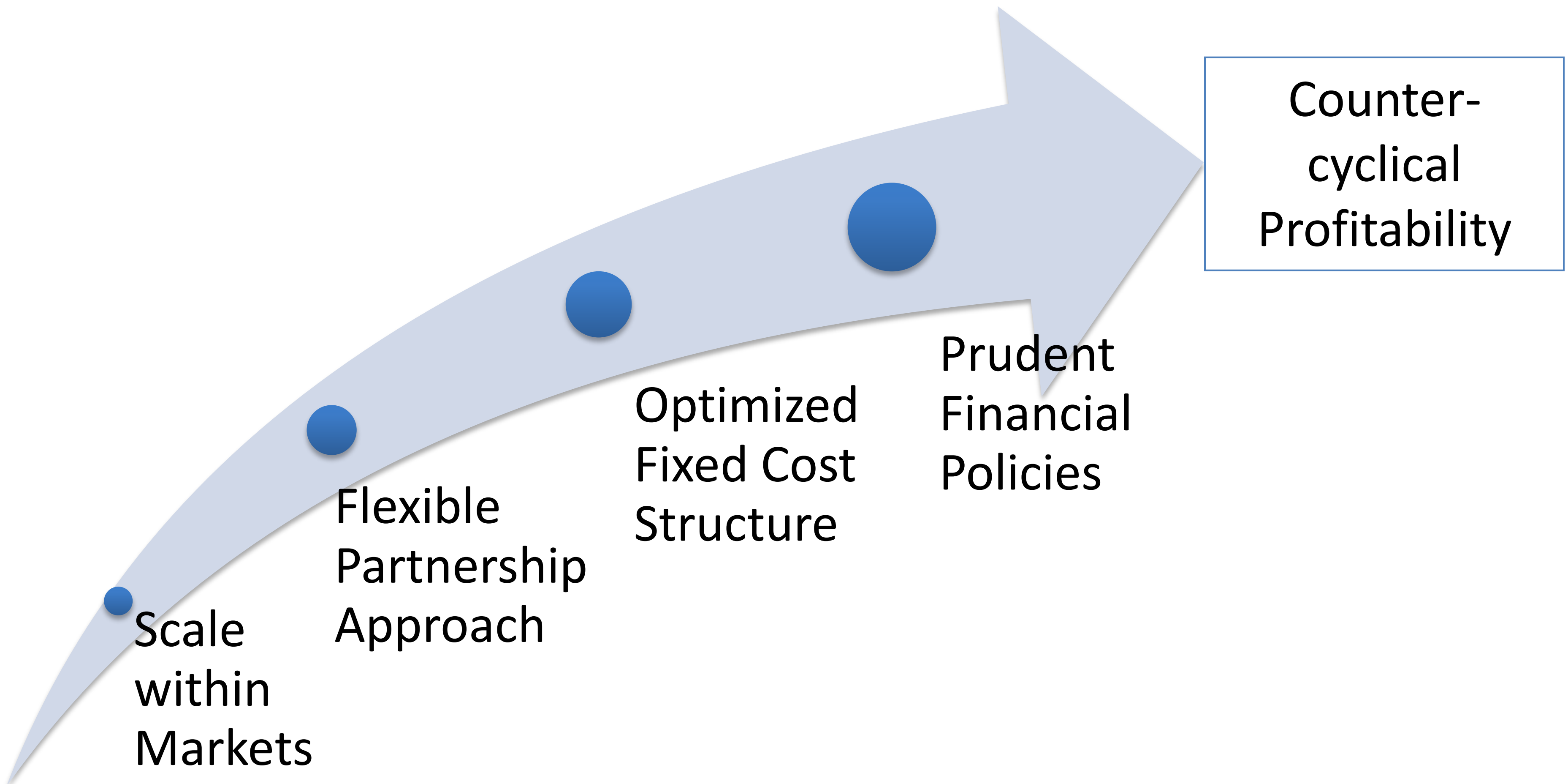
ONE OCEAN NETWORK EXPRESS

Independent

BTL

RCL

Sound Operating Fundamentals



Appendix

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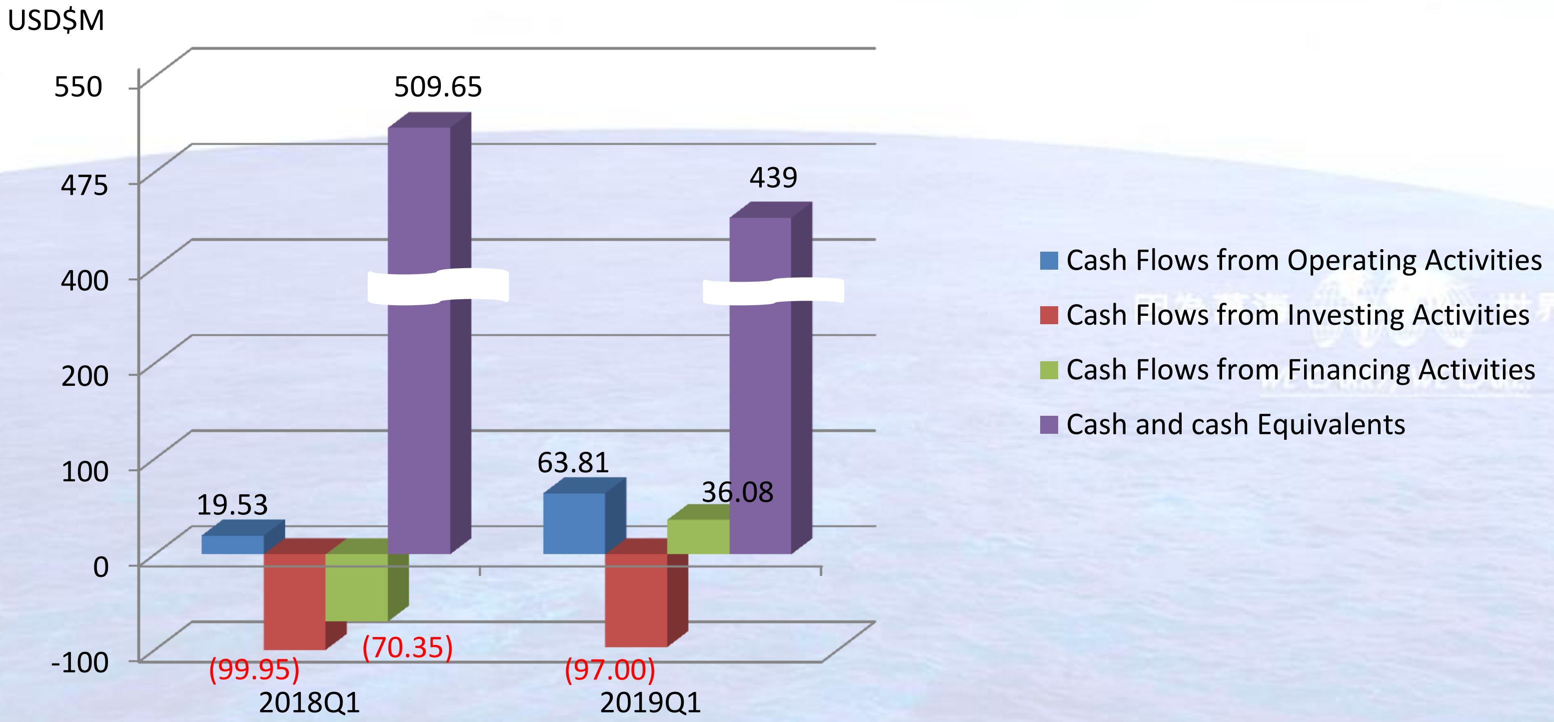
Balance Sheet Highlights

US$M	Mar 31 2018	Mar 31 2019
Non- Current Assets	1,686.9	1,962.8
Current Assets	813.2	760.1
Total Assets	2,500.1	2,723.0
Non- Current Liabilities	669.5	882.9
Current Liabilities	672.4	671.0
Total Liabilities	1,341.8	1,553.9
Equity	1,151.4	1,160.9
Minority Interests	6.8	8.2
Total Equity	1,158.3	1,169.1

Cash Flow Highlights



NTD Debt Issuance

Tranche	2014-1	2016-1	2017-1	2019-1
Tenor	5 Yr & 7 Yr	5 Yr	5 Yr	3Yr&5Yr
Coupon	5 Yr - 1.65% 7 Yr - 1.95%	1.18%	1.55%	3 Yr - 0.95% 5 Yr - 1.05%
Amount (NTD Bn)	5 Yr - 1.00 7 Yr - 0.80	3.00	2.10	3 Yr - 1.50 5 Yr - 3.30
Interest Payment	Annually	Annually	Annually	Annually
Security	Unsecured	Unsecured	Unsecured	Unsecured

Business History

- Started container liner services with Taiwan - Japan Trade in 1976
- Expanded Intra-Asia services to include the entire East Asian market by 1993, establishing itself as the largest container liner operator in the region
- Launched East Asia- Middle East/India Service in 1998
- Launched Trans-Pacific service in 2000 via slot purchase followed by the launch of own service the following year;
- Launched Far East-Europe service in 2004
- Launched Black Sea service in 2007
- Launched East Africa service in 2010
- Launched S. Africa/East Coast S. America Service in 2010
- Launched West Coast S. America Service in 2011
- Launched Independent Mindanao Service, Far East to Pakistan / Mundra Express Service in 2014
- Launched Independent Kansai / Haiphong Service II, Independent South China / Vietnam / Malaysia Service in 2015
- Launched China – India Service II (CI2) in 2016
- Launched Independent Cambodia Service in 2017
- Launched Red Sea Service/ Indonesia-Malaysia/Japan-Korea/New China-Vietnam service in 2018
- Launched Haiphong—Pacific service/China-Philippines service/China-Vietnam and Cambodia service

Awards for Past Four Years

2018	Ranked Number One in schedule reliability for the 3rd consecutive year 2016-2018 7th time winner of "Container Shipping Line of the Year India - Far East Trade Lane " by MALA
2017	Ranked Number One in schenule reliability for the 2nd consecutive year - 2016 & 2017 6th time winner of"Container Shipping Line of the Year Indai - Far East Trade Lane"by MALA 2th time winner of"Container Shipping Line of the Year - Far East Trade Lane"by Gujarat Junction
2016	Ranked Number One in liner schedule reliability in 2016 "Container Shipping Line of the Year - Far East Trade Lane"by Gujarat Junction 2016 "Best Green Shipping Line 2016"by AFLAS 5th time winner of"Container Shipping Line of the Year Indai - Far East Trade Lane"by MALA AEO qualifier certified by Customs Administration, MOF, Taiwan.
2015	Best Shipping Agent,Customer Service for Colombo - Intra Asia Sector Asian Freight, Logistics and Supply Chain Awards 2015 4th time winner of"Container Shipping Line of the Year Indai - Far East Trade Lane"by MALA

Awards for Past Four Years


臺灣永續指數成分股證明

CERTIFICATE OF MEMBERSHIP

FTSE Russell

以茲證明

This is to certify that

萬海航運股份有限公司

Wan Hai Lines Ltd.

入選FTSE4GOOD臺灣指數公司臺灣永續指數成分股企業

is a constituent company in the FTSE4Good TIP Taiwan ESG Index

FTSE4Good TIP Taiwan ESG Index

TIP Taiwan Index Plus

April 2019

The FTSE4Good TIP Taiwan ESG Index is designed to identify companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards.

臺灣永續指數介紹

臺灣永續指數為臺灣指數公司與國際指數公司富時羅素共同合編，為國內第一檔完整結合E(環境)、S(社會)、G(公司治理)與財務指標篩選的投資型ESG指數，可彰顯入選成分股企業於實踐ESG永續發展工作的績效表現。

公司治理100指數成分股 (按證券代碼排序)

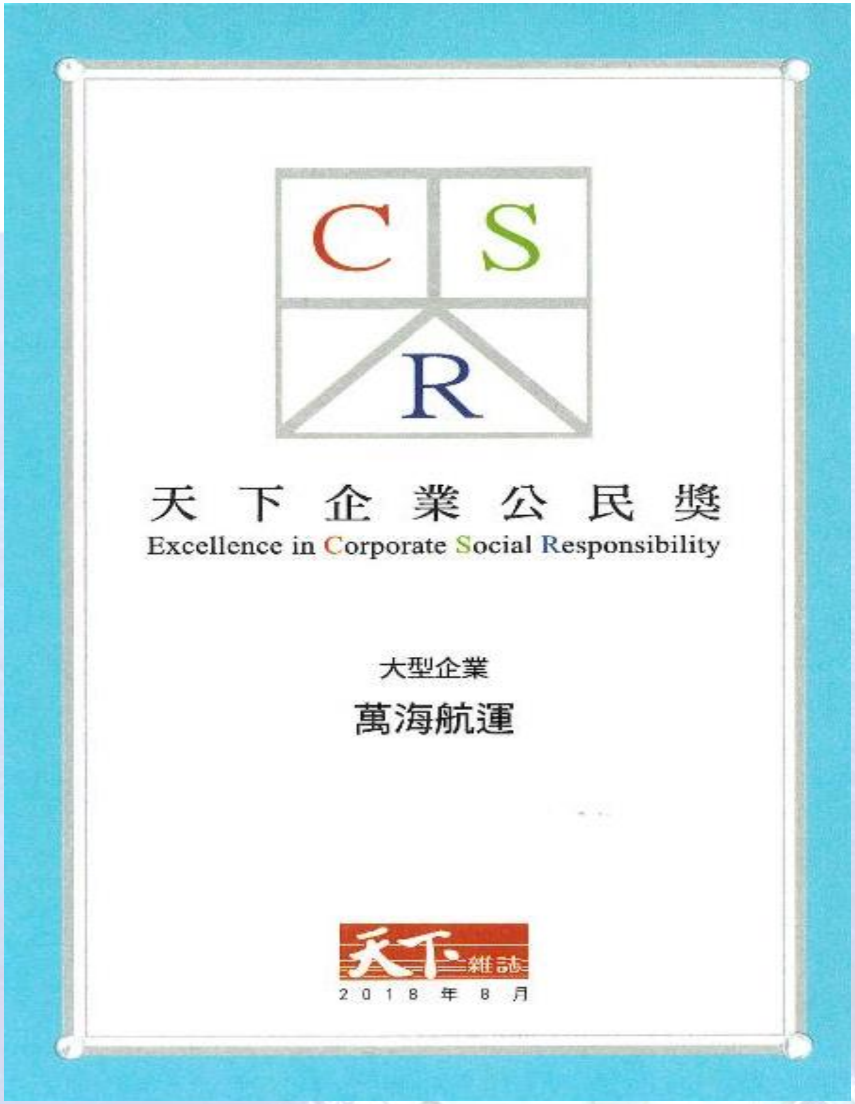
證券代號	公司名稱	證券代號	公司名稱	證券代號	公司名稱	證券代號	公司名稱
1102	亞泥	2344	華邦電	2838	聯邦銀	3443	創意
1216	統一	2356	英業達	2851	中再保	3481	群創
1301	台塑	2357	華碩	2855	統一證	3665	貿聯-KY
1303	南亞	2360	致茂	2856	元富證	3673	TPK-KY
1309	台達化	2377	微星	2867	三商壽	3702	大聯大
1314	中石化	2382	廣達	2880	華南金	3711	日月光投控
1326	台化	2385	群光	2881	富邦金	4904	遠傳
1402	遠東新	2395	研華	2882	國泰金	4919	新唐
1434	福懋	2408	南亞科	2883	開發金	4938	和碩
1504	東元	2409	友達	2884	玉山金	5871	中租-KY
1605	華新	2412	中華電	2885	元大金	5880	合庫金
1609	大亞	2441	超豐	2886	兆豐金	6005	群益證
1717	長興	2454	聯發科	2887	台新金	6024	群益期
2002	中鋼	2603	長榮	2888	新光金	6202	盛群
2006	東和鋼鐵	2606	裕民	2889	國票金	6239	力成
2023	燁輝	2610	華航	2892	第一金	6285	啟碁
2049	上銀	2615	萬海	2912	統一超	6409	旭隼
2204	中華	2618	長榮航	3017	奇鋐	6412	群電
2207	和泰車	2633	台灣高鐵	3023	信邦	6505	台塑化
2227	裕日車	2634	漢翔	3034	聯詠	8454	富邦媒
2303	聯電	2723	美食-KY	3036	文曄	8464	億豐
2308	台達電	2801	彰銀	3045	台灣大	9904	寶成
2317	鴻海	2809	京城銀	3167	大量	9933	中鼎
2324	仁寶	2823	中壽	3231	緯創	9940	信義
2330	台積電	2834	臺企銀	3413	京鼎	9941	裕融

Awards for Past Four Years

臺灣高薪100指數成分股

證券代號	公司名稱	證券代號	公司名稱	證券代號	公司名稱	證券代號	公司名稱
1102	亞泥	2344	華邦電	2801	彰銀	3035	智原
1216	統一	2352	佳世達	2812	台中銀	3036	文曄
1301	台塑	2354	鴻準	2834	臺企銀	3231	緯創
1303	南亞	2356	英業達	2836	高雄銀	3443	創意
1304	台聚	2357	華碩	2845	遠東銀	3454	晶睿
1305	華夏	2362	藍天	2880	華南金	3596	智易
1326	台化	2374	佳能	2881	富邦金	3702	大聯大
1477	聚陽	2376	技嘉	2882	國泰金	4915	致伸
1704	榮化	2377	微星	2883	開發金	4919	新唐
1722	台肥	2379	瑞昱	2884	玉山金	4938	和碩
2002	中鋼	2382	廣達	2885	元大金	5388	中磊
2013	中鋼構	2385	群光	2886	兆豐金	5434	崇越
2029	盛餘	2392	正崴	2887	台新金	5880	合庫金
2103	台橡	2395	研華	2889	國票金	6166	凌華
2204	中華	2401	凌陽	2890	永豐金	6176	瑞儀
2207	和泰車	2404	漢唐	2891	中信金	6196	帆宣
2227	裕日車	2408	南亞科	2892	第一金	6202	盛群
2301	光寶科	2412	中華電	2897	王道銀行	6277	宏正
2303	聯電	2454	聯發科	3005	神基	6285	啟碁
2312	金寶	2458	義隆	3006	晶豪科	6412	群電
2317	鴻海	2489	瑞軒	3008	大立光	6505	台塑化
2324	仁寶	2610	華航	3010	華立	8016	矽創
2330	台積電	2615	萬海	3014	聯陽	8163	達方
2331	精英	2618	長榮航	3033	威健	8213	志超
2337	旺宏	2634	漢翔	3034	聯詠	9933	中鼎

資料來源：證交所。



Corporate Social Responsibility (CSR)

- Second-hand container donation

Corporate Social Responsibility (CSR)

- Container Kitchen

萬海航運股份有限公司
WAN HAI LINES LTD.

Q & A

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