



PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

股份代號：1820

2021 Interim Results

1H2021 Industry Overview

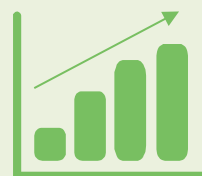
- Facing the economic downturn and the uncertainty of the COVID-19 pandemic
- The price of raw materials in the industry continued to rise
- The Group strategically expanded production plant network and enlarges share of northern, southern and eastern china markets
- Improved capacity, production efficiency and intelligence level of production plants
- Implement photovoltaic power generation and vigorously promote low-carbon emission in operation process

Results Highlights

Total Revenue
approximately
RMB1,116.7
million



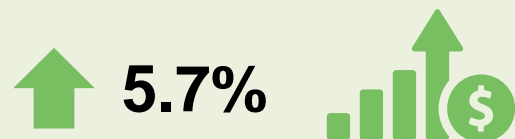
Net Profit
approximately
RMB23.3 million



Gross Profit Margin
15.9%



Gross Profit



approximately RMB178.1 million

**Basic earnings per
share RMB 0.08**



The Foshan Plant's construction is expected to be completed in September 2021 and will start production in the fourth quarter of 2021; The construction of new factory in Chuzhou, Anhui will start



Corrugated Packaging Products – Main Source of Revenue

- Corrugated packaging products are still the major revenue contributor, accounting for approximately 90.7% of the Group's total revenue

Corrugated packaging products

Corrugated boxes



Corrugated pallets



Corrugated display stands



Heavy duty packaging products



Corrugated sheet boards

Corrugated sheet boards

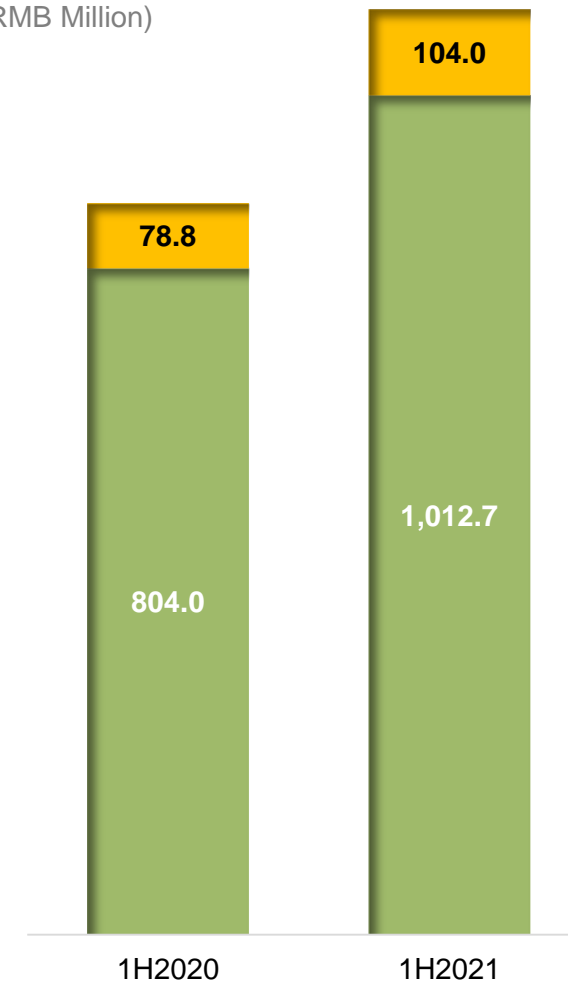


Continuous sheet boards

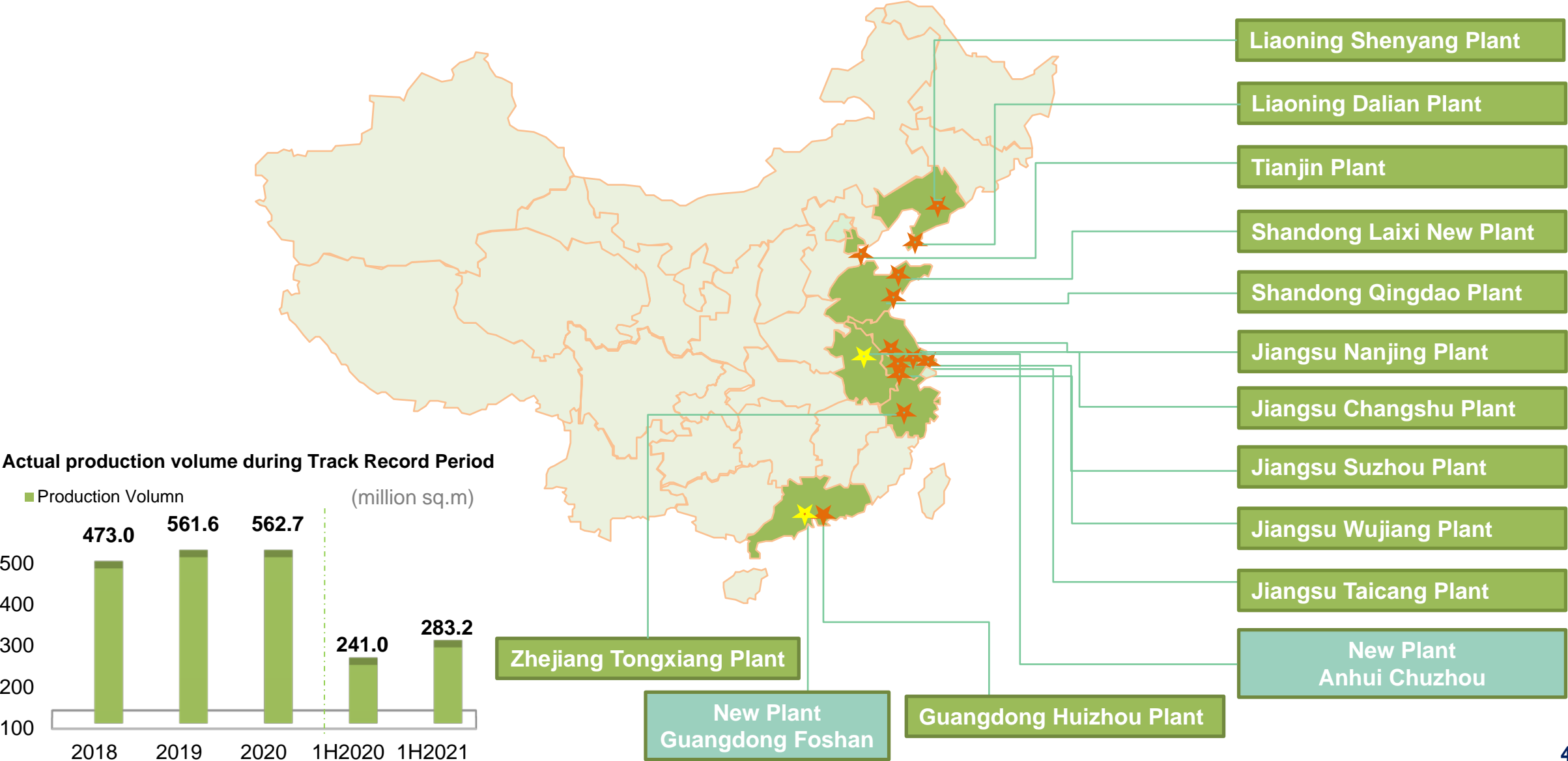


- Corrugated sheet boards
- Corrugated packaging products

(RMB Million)



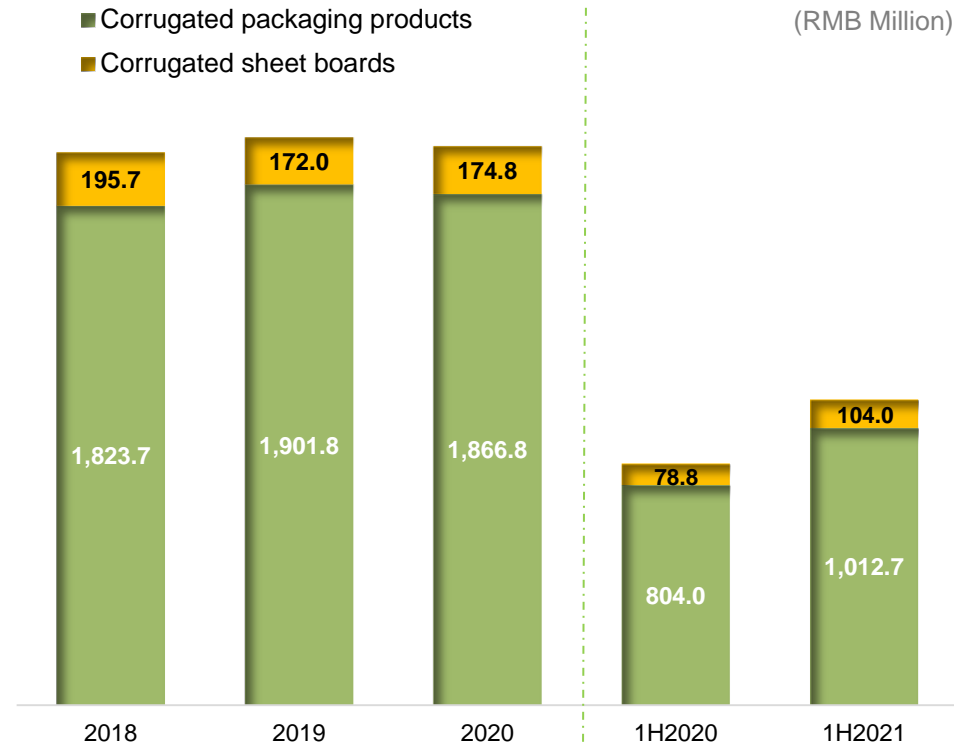
Further Expands Production Plant Network



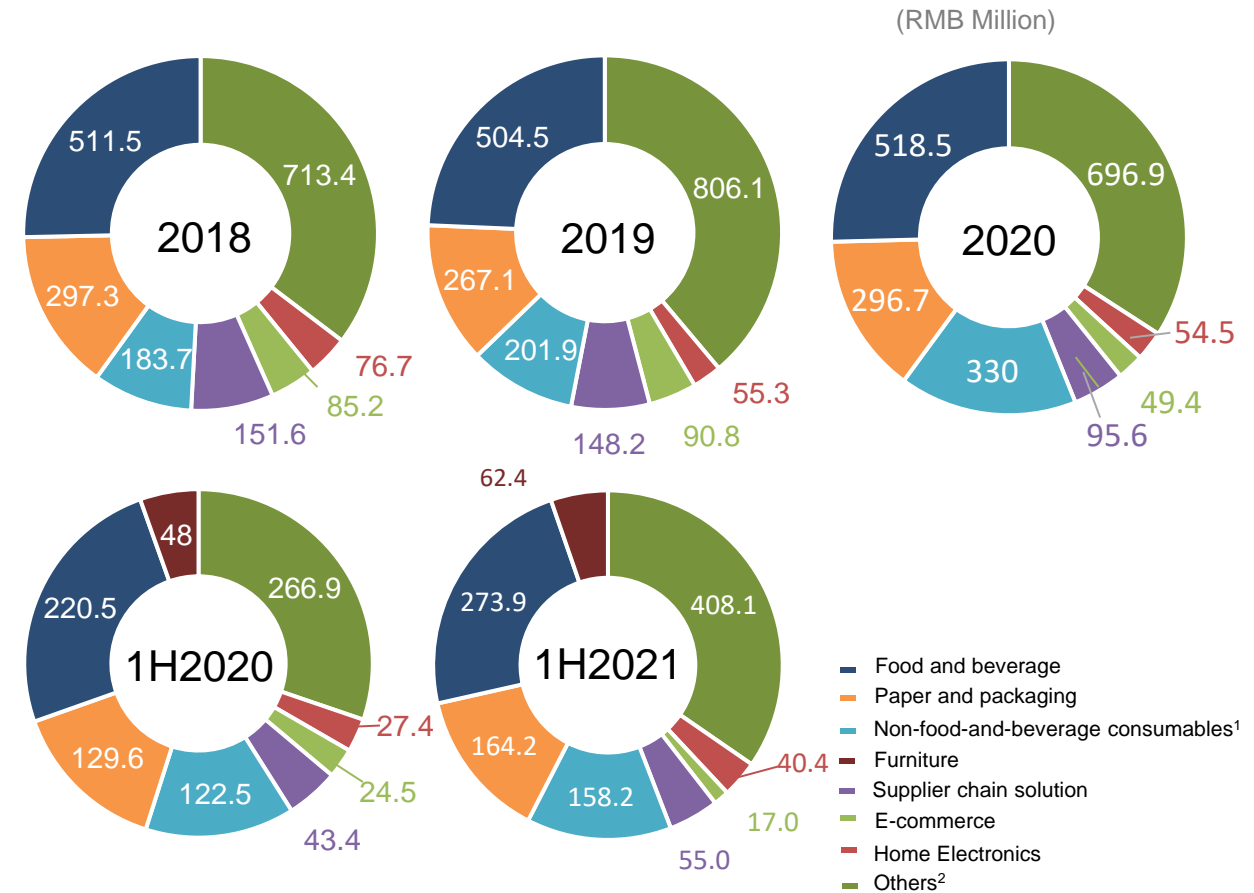


Financial Review

Revenue by products



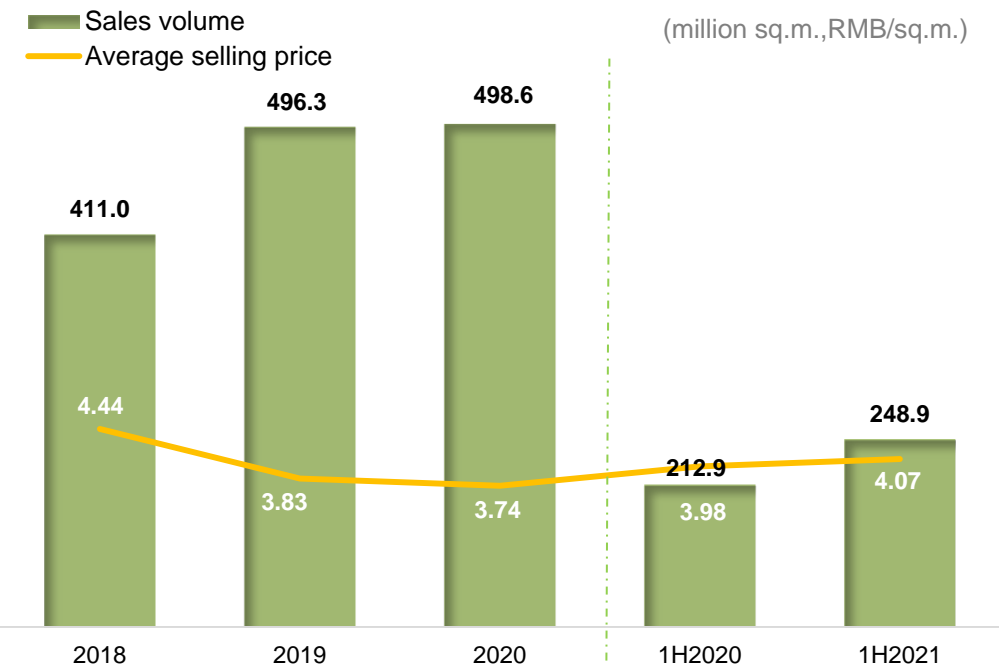
Revenue by customers' industry



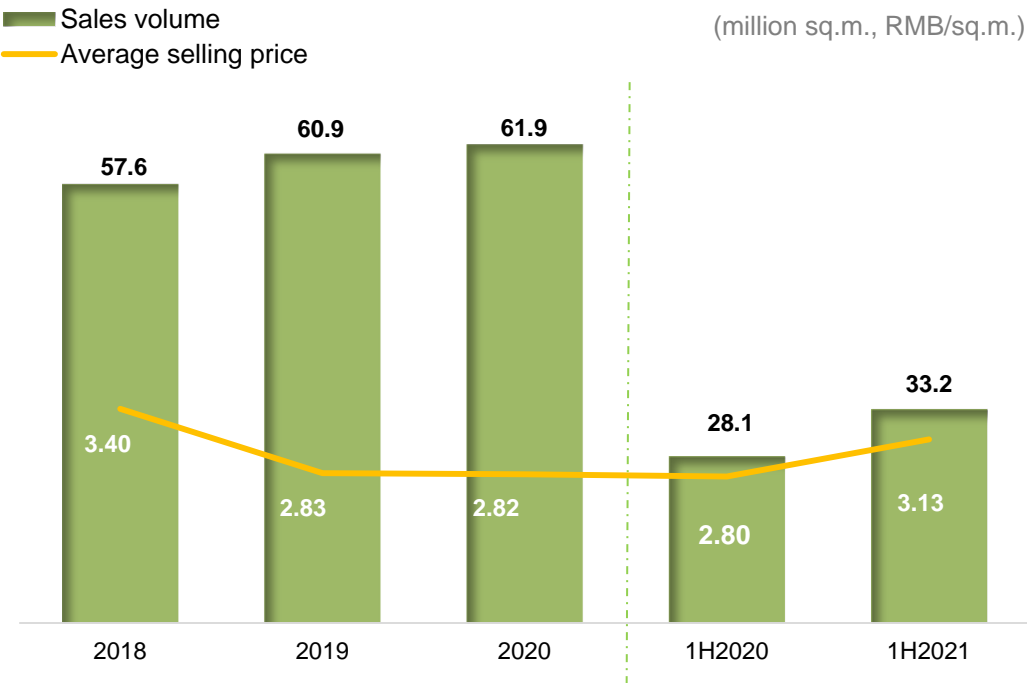
Note: 1. Non-food-and-beverage-consumables include, but not limited to, daily household products such as shampoo, detergent, skin care products

2. Others include home furniture, computer and electronic device such as mobile phones, cameras, textile, machinery, medical products, etc.

Sales volume and average selling price of corrugated packaging products

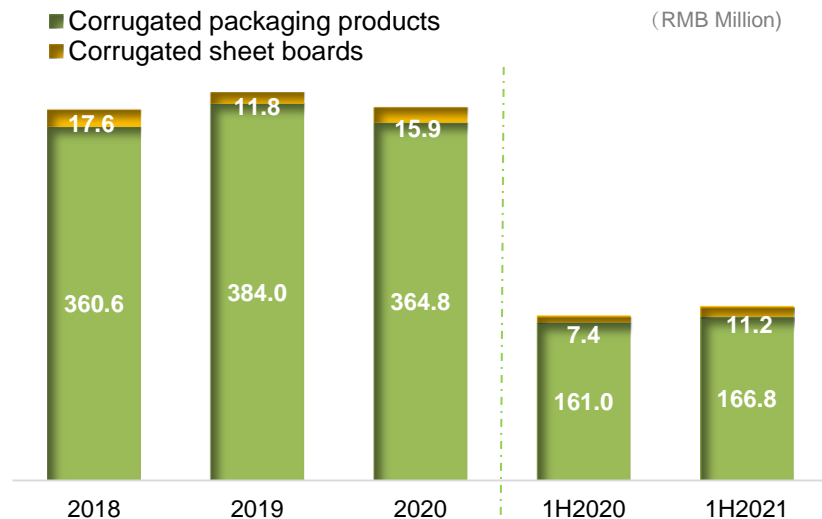


Sales volume and average selling price of corrugated sheet boards

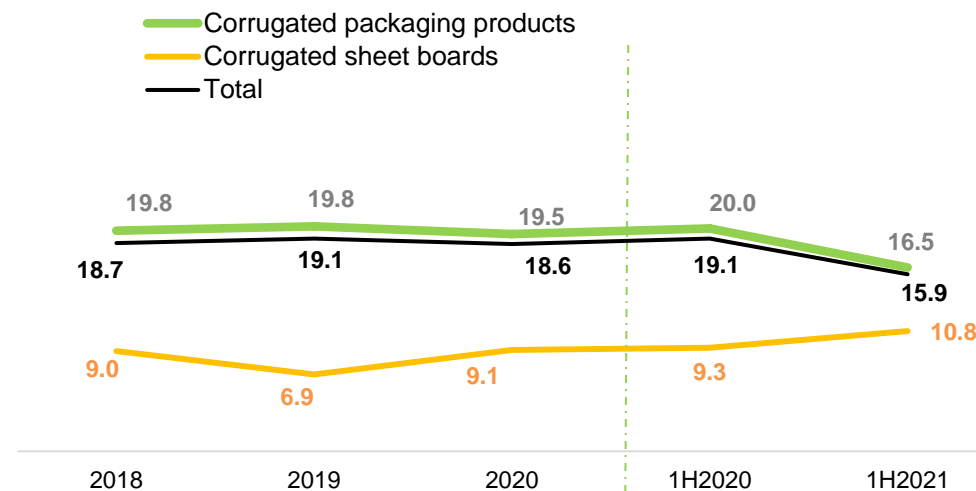


Steady Profitability (Cont')

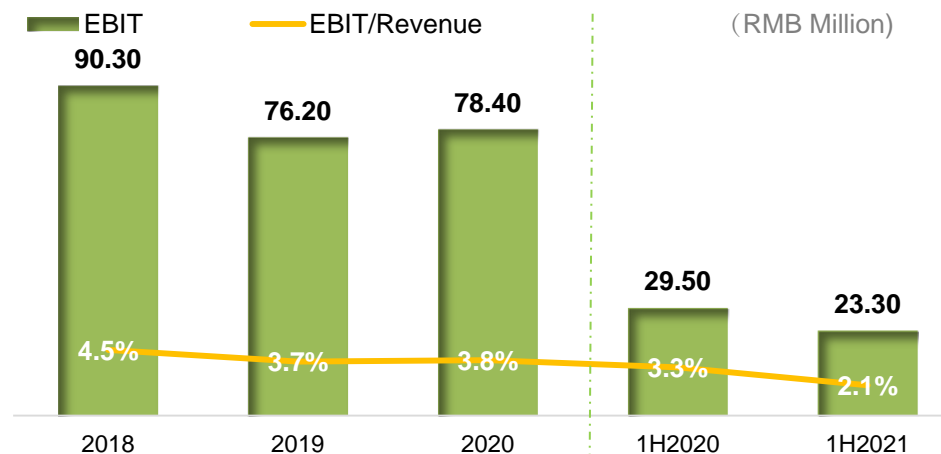
Gross profit by products



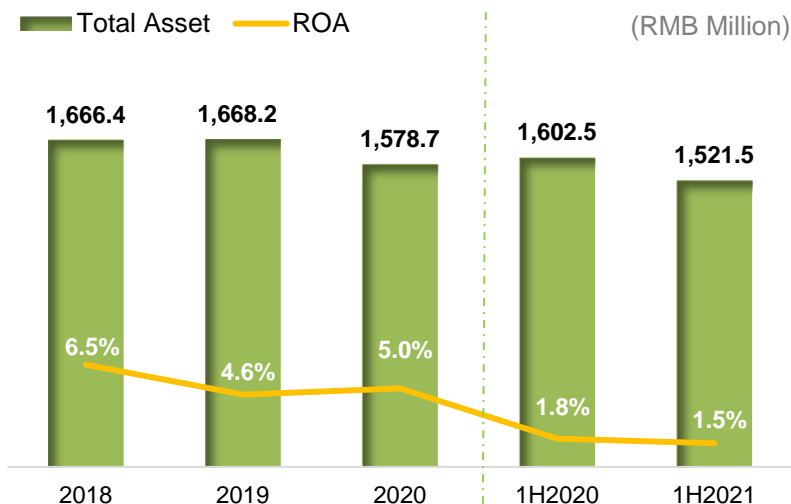
Gross profit margin by products



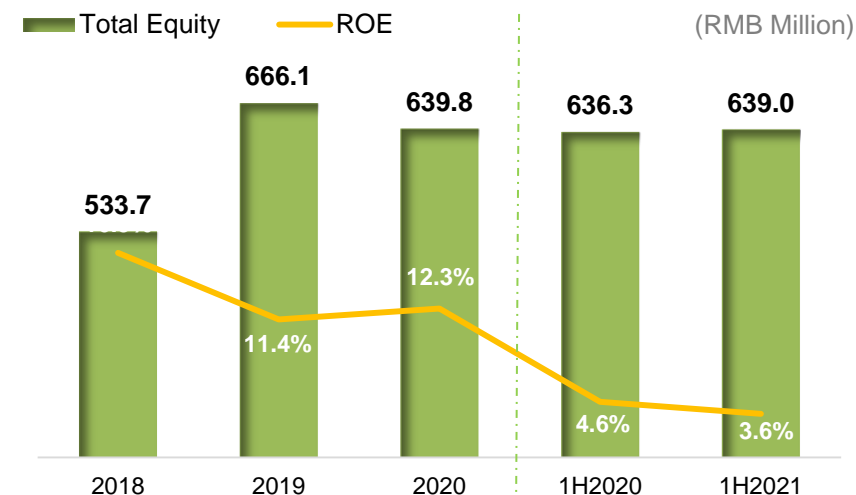
Net profit and net profit margin



Total asset and ROA



Total equity and ROE



Financial Ratios (%)

	2018	2019	2020	1H2020	1H2021
Current ratio	1.28	1.24	1.27	1.26	1.18
Quick ratio	1.14	1.05	1.03	1.10	0.95
Gearing ratio	0.75	0.91	0.72	0.81	0.87
Debt to equity ratio	0.07	0.45	0.56	0.43	0.75
Interest coverage ratio	5.42	4.38	4.98	3.90	3.53



Future Development

Further Expands Production Plant Network To consolidate the Group's market position in the PRC corrugated packaging industry

01

Continue to expand its plant network by constructing new facilities in the PRC, which will also help extend its geographical coverage and enhance market penetration, and enlarges share of northern, southern and eastern china markets, thus further strengthen the Group's market position in the country's corrugated packaging industry



02



Implement Photovoltaic Power(PV) generation, vigorously promote low-carbon emission in operation process, driving the green and high-quality development of the industry

03

By upgrading production equipment and purchasing new machinery and equipment, continue to streamline production processes and increase intelligence level to boost production efficiency and profitability



04

continue to monitor market conditions and take appropriate steps to cope with the changing market demand



Strategic Development on Production Plant Network

Enlarges Share of Northern, Southern and Eastern China Markets

Expand production capacity strategically and service radius

Existing production plants

12
No. of plants

735
Million sq.m.
Production capacity



Location	Status of expansion/ Expected time of completion	Expected date of commencement of production	Sources of capital	Expected production capacity
Guangdong, Foshan	Under construction/ Complete in Sep 2021	2021 Q4	Global offering	6 million sq.m./ month
Anhui, Chuzhou	Construction will start at September 2021/ Complete in June 2022	2022 Q3	Equity capital	6.25 million sq.m./ month

Strict site selection for new plants



- Business potential in the relevant coastal regions



- Whether they are complementary to existing production plants/markets



- Geographical distance from target customers (i.e. within 150km radius from their production bases)



- Estimated orders from existing customers in the region



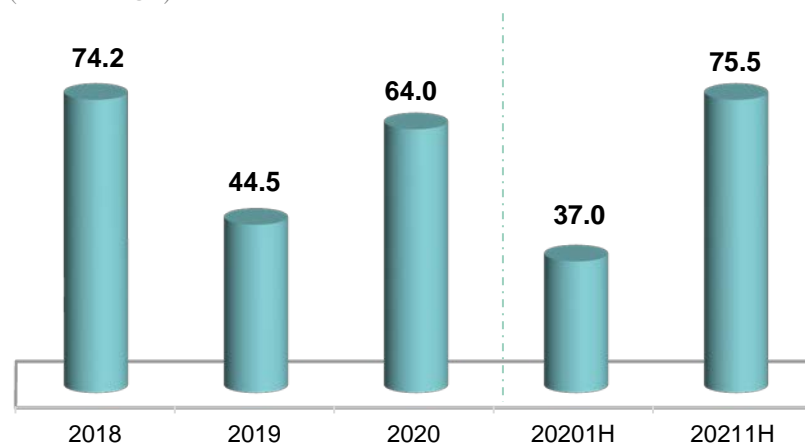
- Building /leasing contracts with at least 15 years leasing term

Upgrade Production Facilities and Purchase New Machinery and Equipment Enhance Intelligence Level to Boost Production Efficiency

- Major machinery and equipment are purchased in the PRC, Japan, Taiwan and Germany
- 71 maintenance personnel and technicians responsible for routine inspections and maintenance of production machinery and equipment to maintain their optimum performance

Capital expenditure on upgrading and purchasing machinery and equipment during Track Record Period

(RMB Million)



1800 mm corrugator
1 unit

2200 mm corrugators
9 units

2500 mm corrugators
2 unit



Flexographic printers
50 units
(11 units are Flexo folder gluer in-line systems)



Auto folder gluers
25 units



Auto platen die-cutters
17 units

Upgrade Production Facilities and Purchase New Machinery and Equipment Enhance Intelligence Level to Boost Production Efficiency(Cont')

Enhance level of automation and intelligence by upgrading production facilities and purchasing new machinery and equipment



Flexo folder gluer in-line systems

- Integrate the printing, folding and gluing production processes of corrugated packaging products



Robot Auto-stacking system



Automatic Paper Roll Mounting & Returning System



Automatic Board Transporting Conveyor System



Finished Goods Barcode Management System for Warehouse Management



AGV Forklift for Finished Goods Storage



Automatic Weighting & Barcode Printing System for Paper Rolls



Automatic Floor Cleanser



Implement Photovoltaic Power Generation Vigorously Promote Low-carbon Emission in Operation Process

The first phase implement has been taken in Zhejiang Plant and Wujiang Plant

15% off on
Tariff by
National
preferential
policy

Installation area

Zhejiang Plant: 12,200 sq.
m. Wujiang Plant: 5,000 sq.
m.

Total photovoltaic power generation (2020)

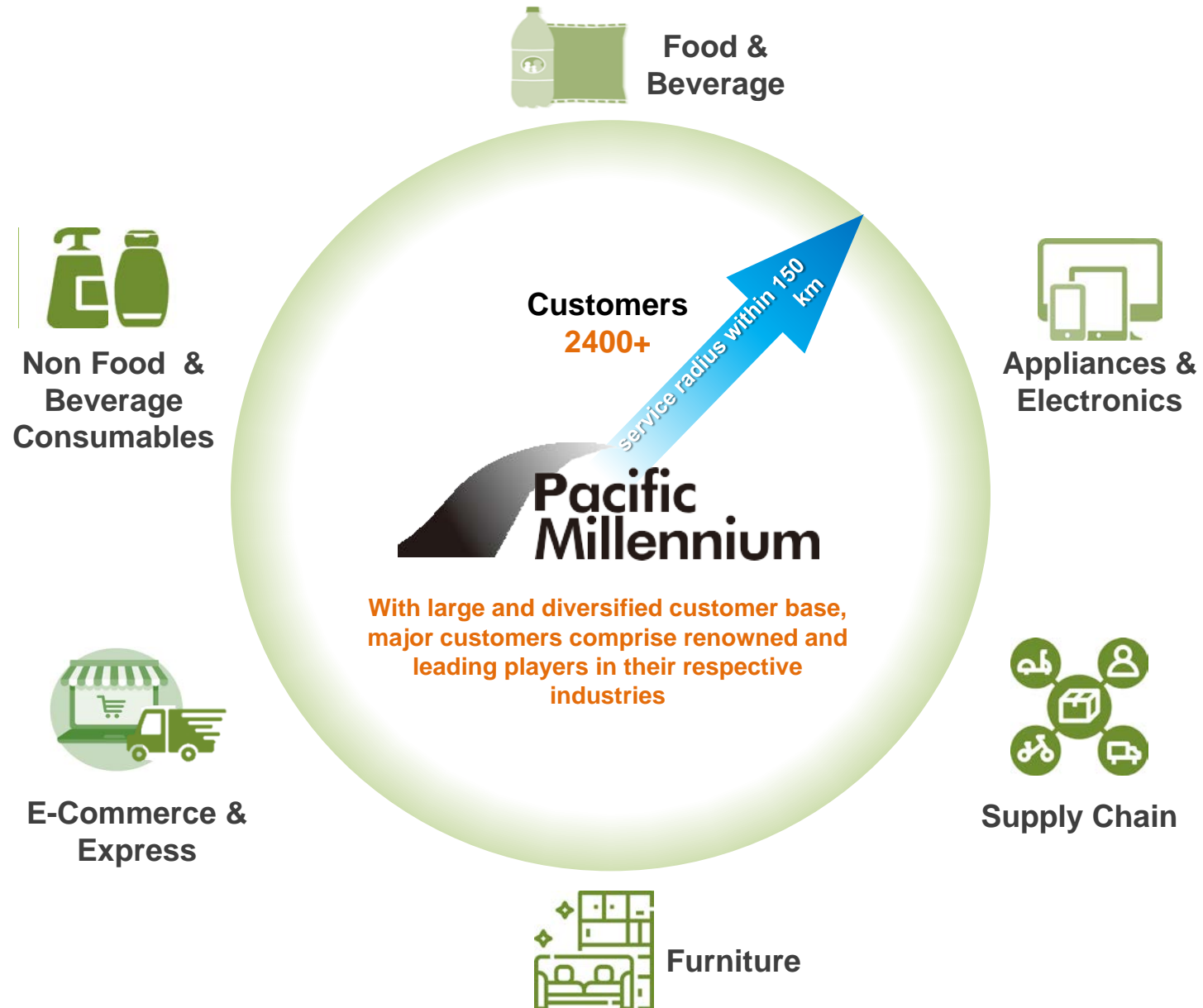
Zhejiang Plant: 91.45W
Wujiang Plant: 51.22W



1,223w photovoltaic power generation facilities in
Zhejiang Plant



300w photovoltaic power generation facilities in
Wujiang Plant





**Thank
you!**