



PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION

國際濟豐包裝集團

Stock Code: 1820

# 2022 Interim Results

September 2022





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## 1. Review of 2022 Interim Results







## 1H2022 Industry Overview

- Affected by the continuous international conflict between Russia and Ukraine and the high inflation in Europe and the United States, as well as the repeated COVID-19 pandemic within the local areas, Mainland China faced multiple tests in terms of economy
- The supply chain in the industries of textile and clothing, footwear, electronic products, auto parts and machinery and equipment has shifted, and their respective daily productions and transportations were adversely affected
- Upstream and downstream enterprises have slowed down their expansion and investment, which caused reduction of their orders and weakened consumers' confidence. The sluggish market exerted additional pressure on the development of manufacturers.

## Results Highlights

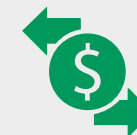
**Total Revenue**  
approximately  
RMB1,062.5  
million



**Net Profit**  
approximately  
RMB8.9 million



**Gross Profit  
Margin**  
15.1%



**Gross Profit**  
approximately  
RMB160.9 million



**Basic earnings per  
share RMB0.03**



**The production  
plant in Foshan  
put into operation**





# Corrugated Packaging Products – Main Source of Revenue



- Corrugated packaging products are still the major revenue contributor, accounting for approximately 90.3% of the Group's total revenue

## Corrugated packaging products

Corrugated boxes



Corrugated pallets



Corrugated display stands

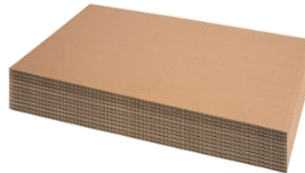


Heavy duty packaging products



## Corrugated sheet boards

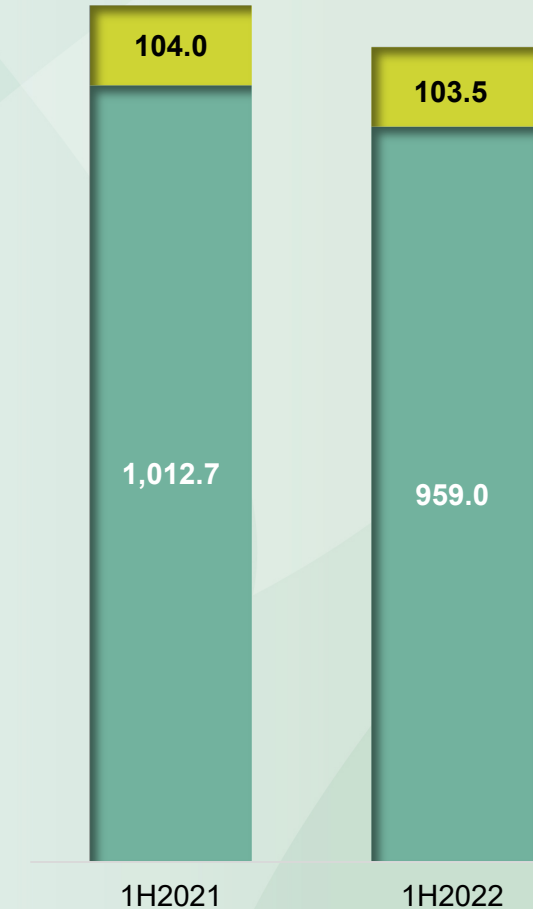
Corrugated sheet boards

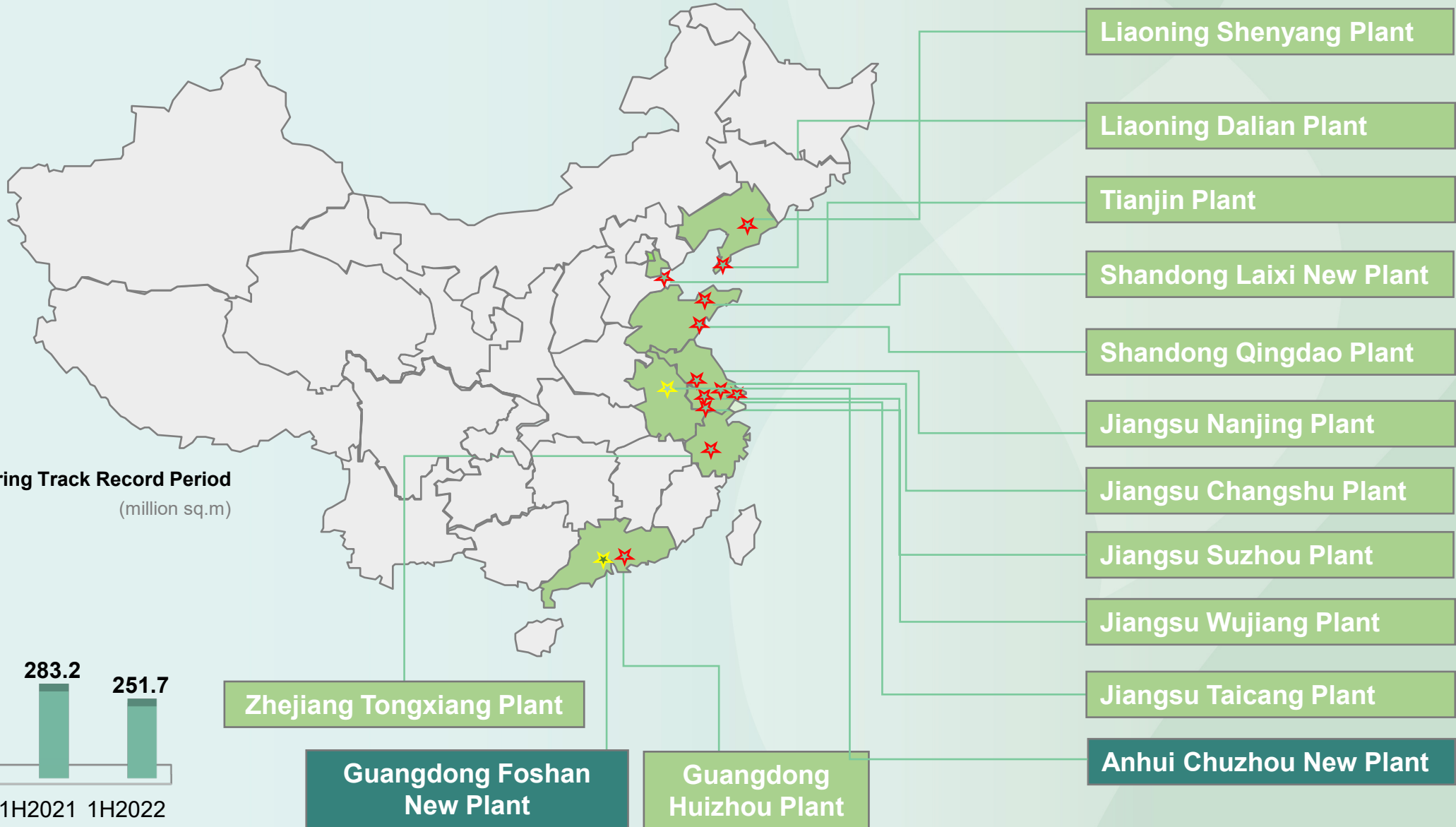


Continuous sheet boards



■ Corrugated sheet boards  
■ Corrugated packaging products  
(RMB Million)

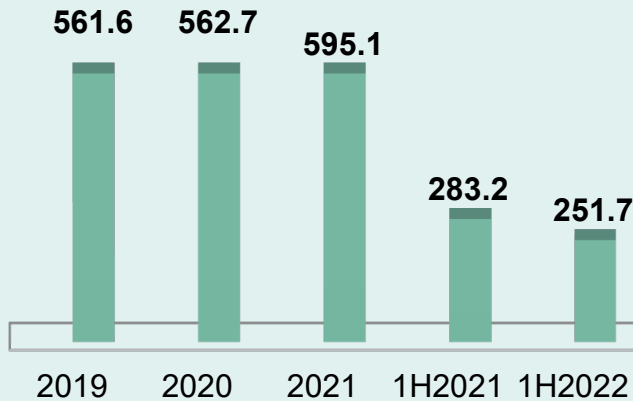




Actual production volume during Track Record Period

■ Production Volume

(million sq.m)





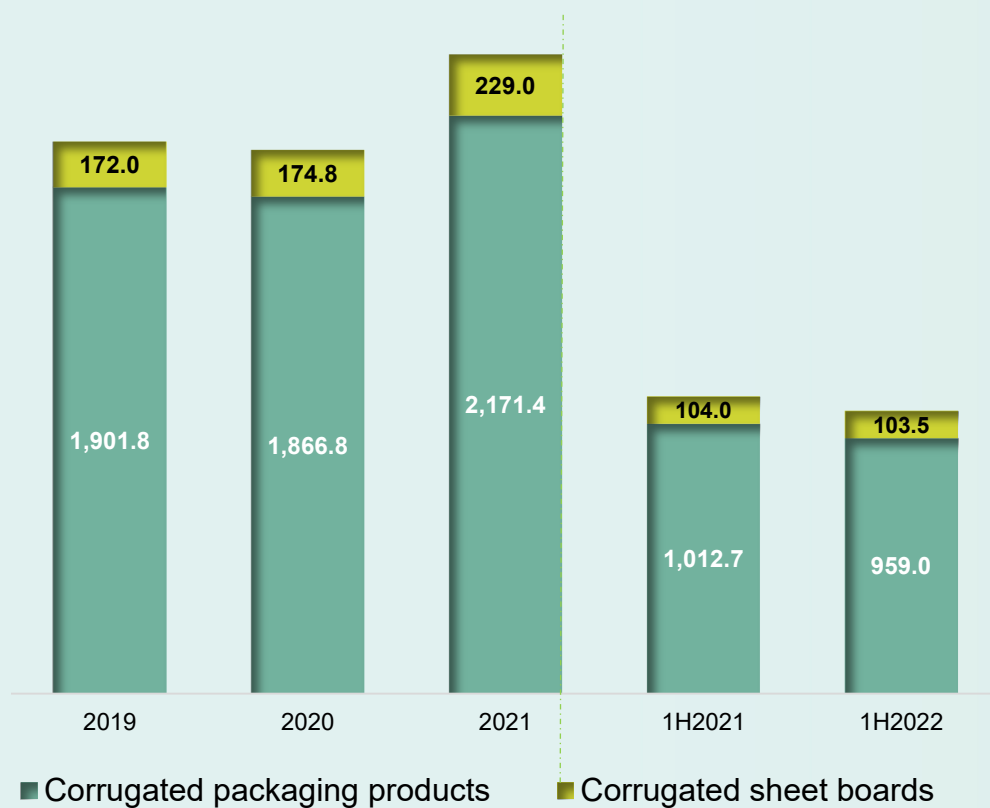
## 2. Financial Review





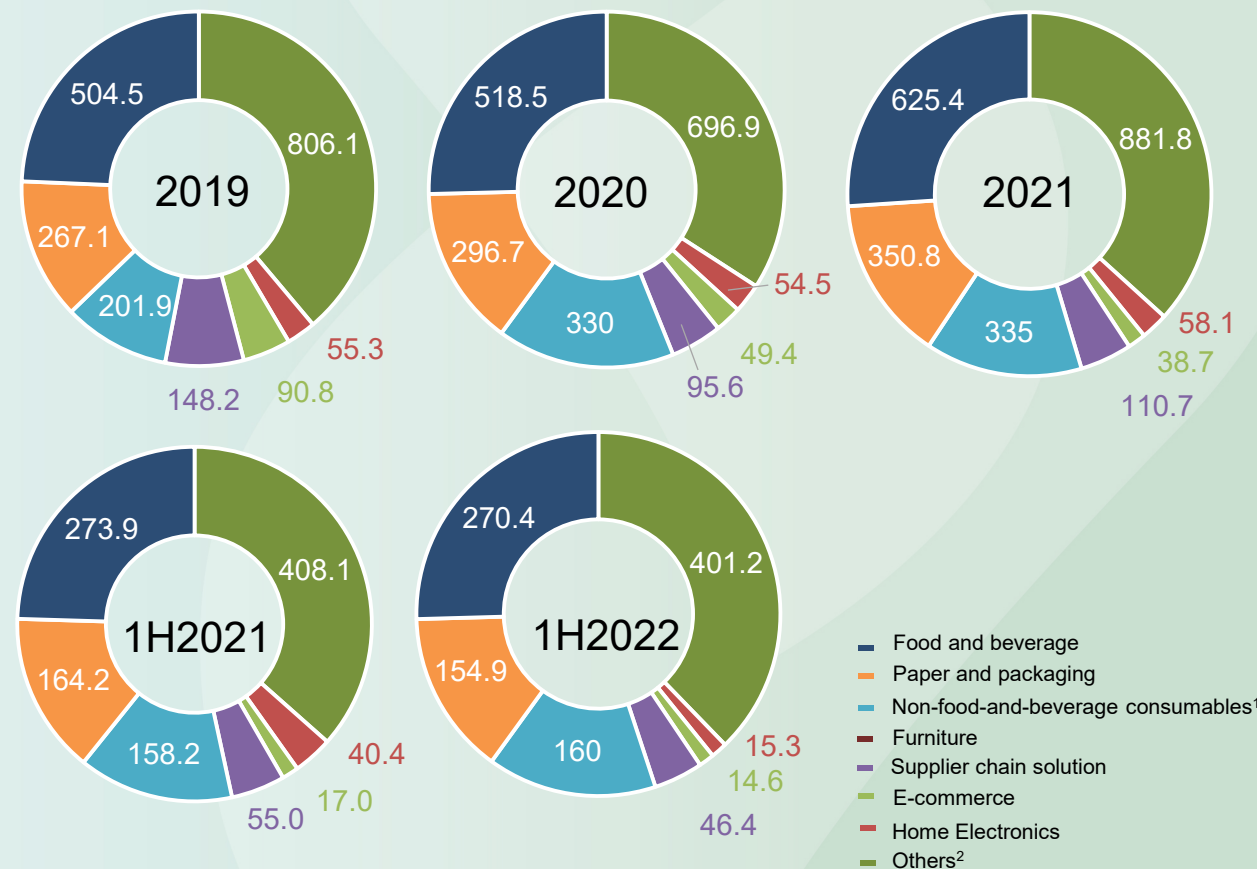
## Revenue by products

(RMB Million)



## Revenue by customers' industry

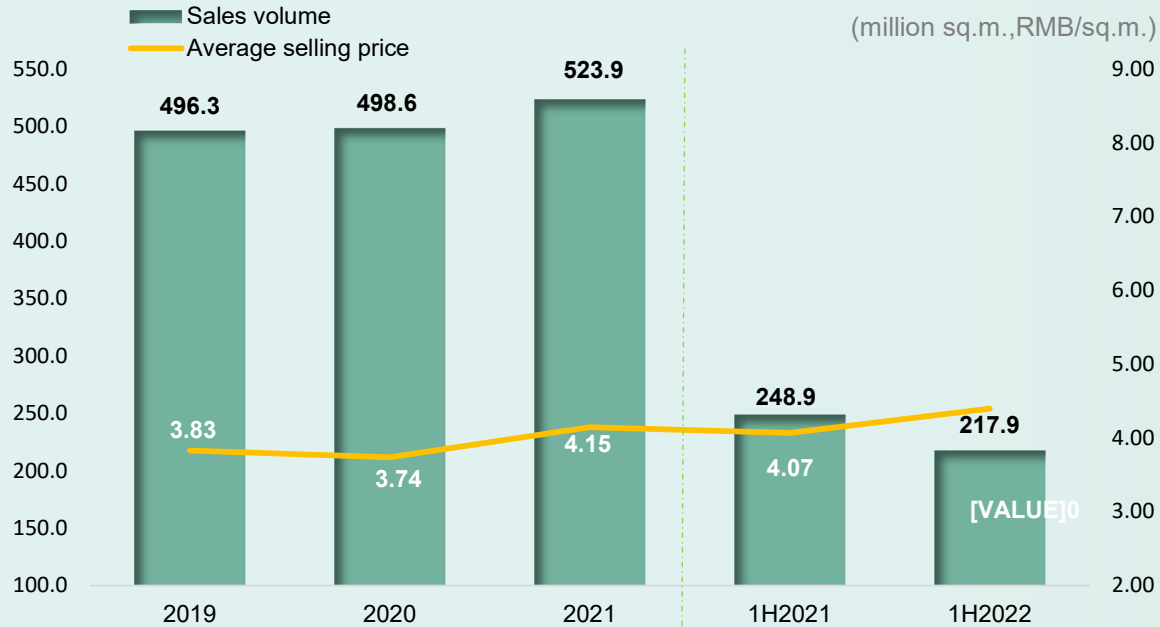
(RMB Million)



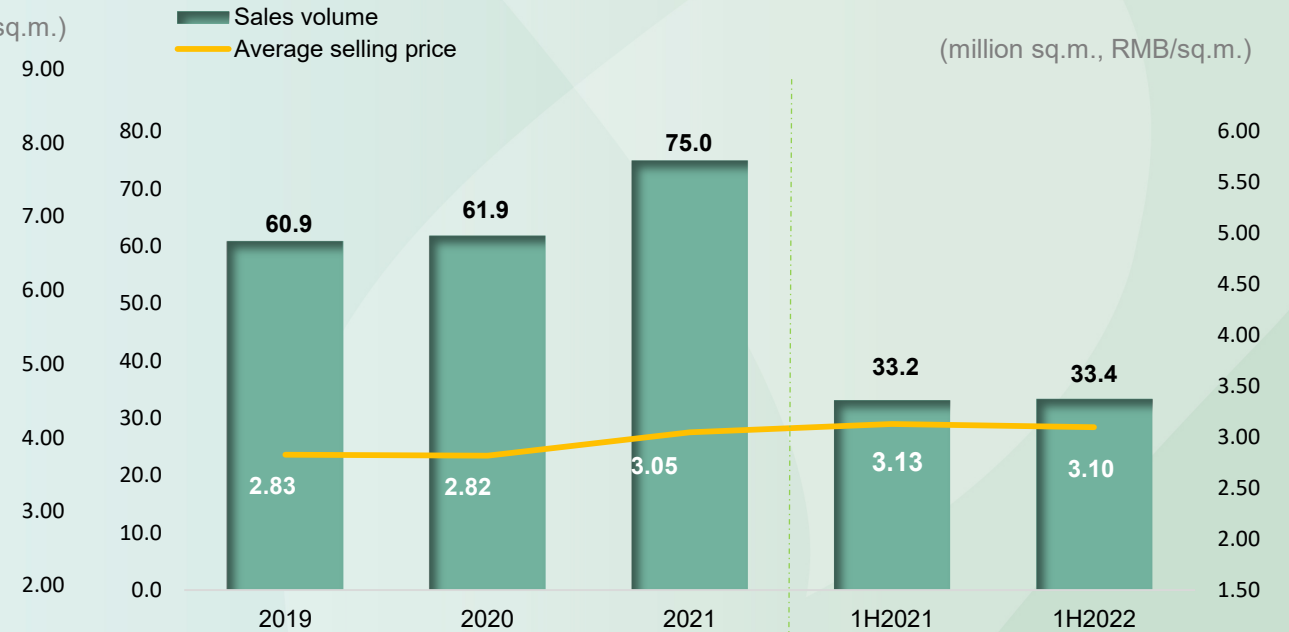
Note: 1. Non-food-and-beverage-consumables include, but not limited to, daily household products such as shampoo, detergent, skin care products  
 2. Others include home furniture, computer and electronic device such as mobile phones, cameras, textile, machinery, medical products, etc.



**Sales volume and average selling price of corrugated packaging products**

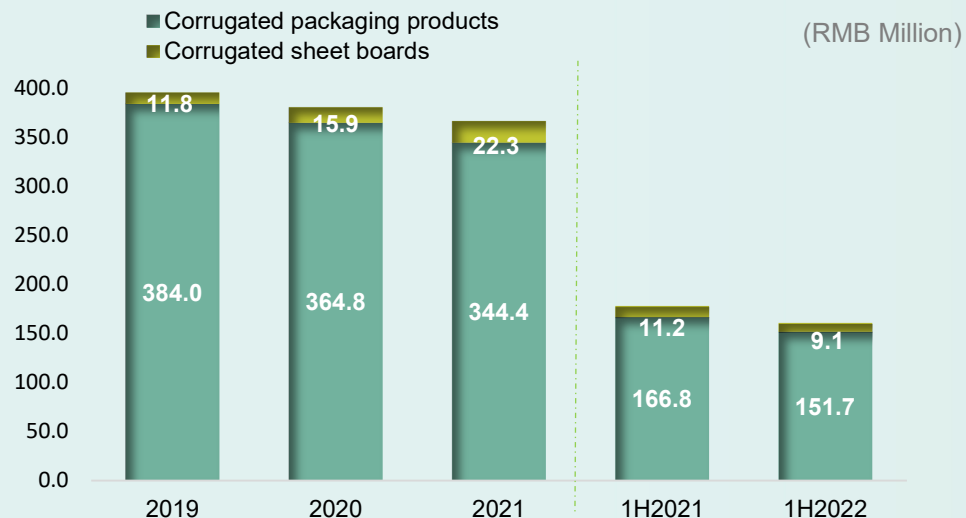


**Sales volume and average selling price of corrugated sheet boards**

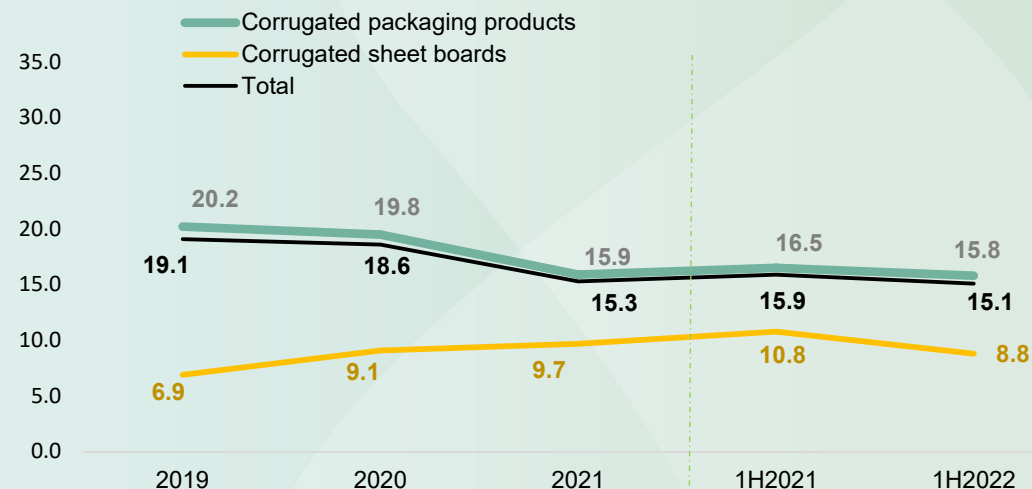




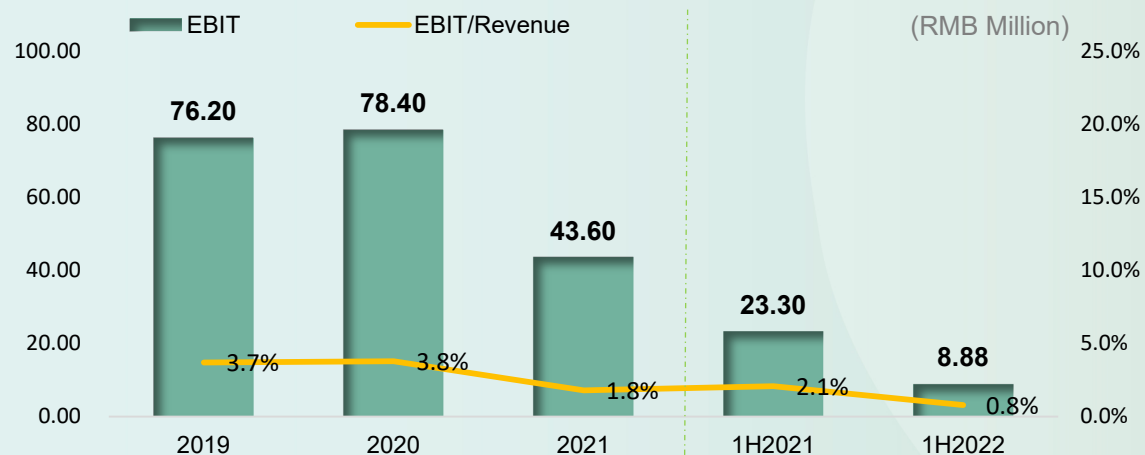
## Gross profit by products



## Gross profit margin by products



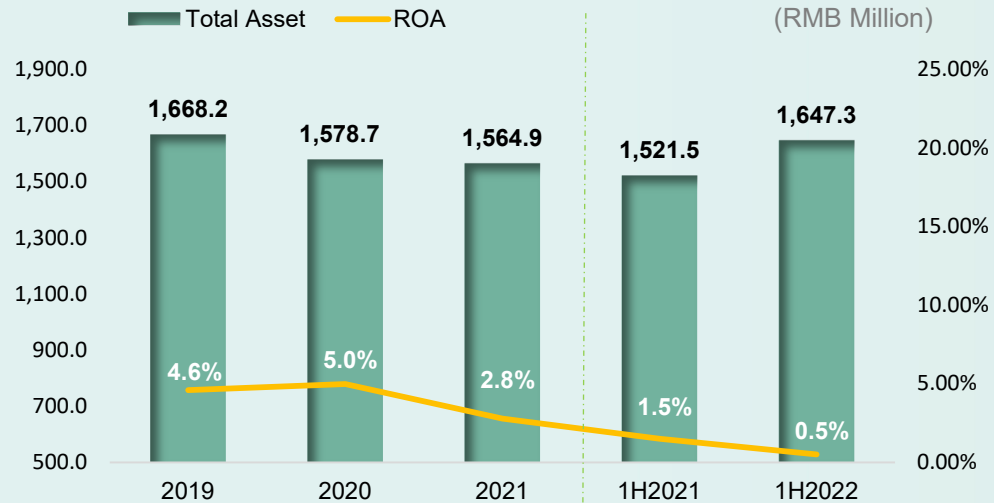
## Net profit and net profit margin



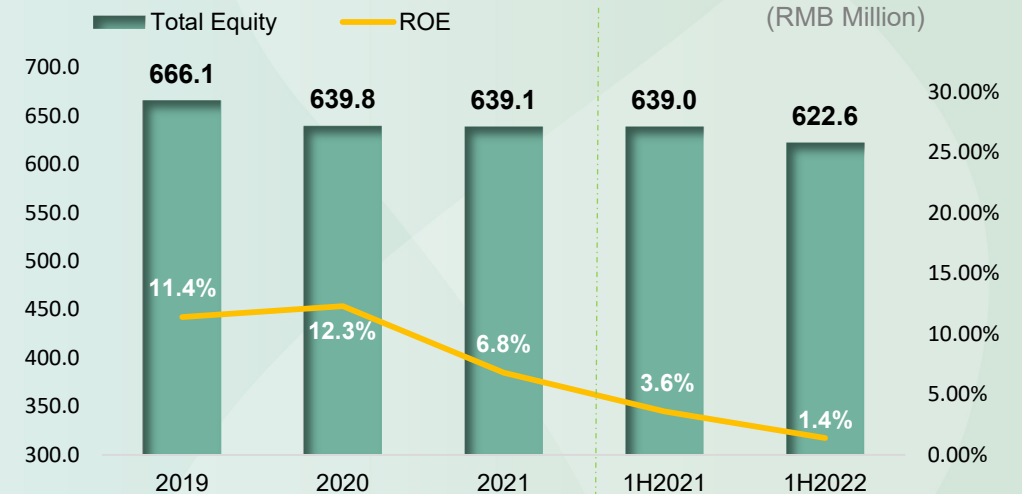




## Total asset and ROA



## Total equity and ROE



## Financial Ratios (%)

	2019	2020	2021	1H2021	1H2022
Current ratio	1.24	1.27	1.18	1.18	1.11
Quick ratio	1.05	1.03	0.97	0.95	0.92
Gearing ratio	0.91	0.72	1.05	0.87	1.08
Debt to equity ratio	0.45	0.56	0.93	0.75	0.86
Interest coverage ratio	4.38	4.98	3.26	3.53	2.02



### 3. Future Development

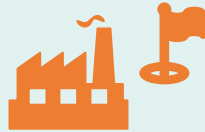


# Broadening Geographical Coverage and Market Penetration Consolidate the Group's Market Position in the PRC Corrugated Packaging Industry



01

Continue to review its production plants network with a view to further strengthening its market position in the corrugated packaging industry in the Mainland China and improve revenue and profitability through broadening geographical coverage and market penetration



04

Focus on monitoring the growth in demand for household necessities such as food and beverages and take appropriate steps to cope with the changing market demand



02

Continue to 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

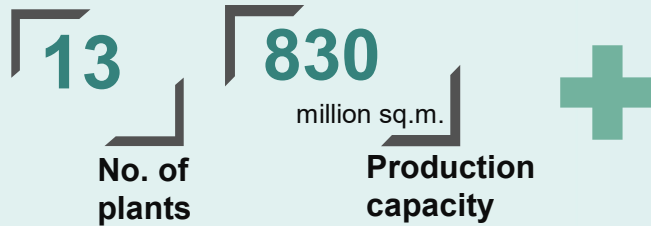






## Expand production capacity strategically and service radius

### Existing production plants



The Anhui Chuzhou Plant and Liaoning Dalian Plant have already started production in the third quarter of 2022.

Location	Status of expansion/ Expected time of completion	Expected date of commencement of production	Sources of capital	Expected production capacity
Zhejiang, Huzhou	Construction started at October 2022/ Complete in August 2023	2023 Q3	Equity capital	6 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



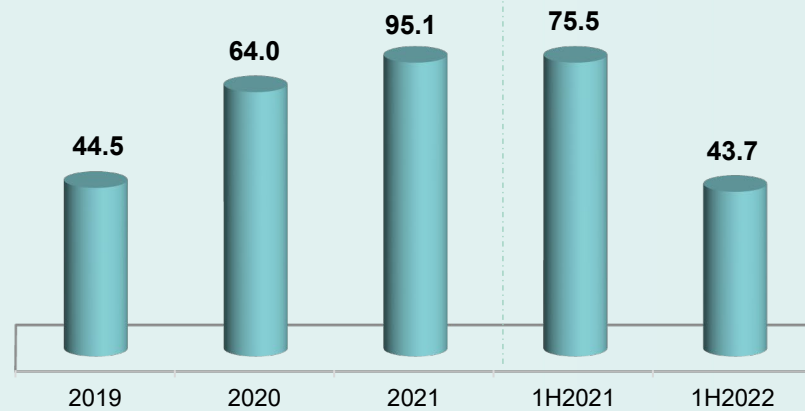
Building /leasing contracts with at least 15 years leasing term



## Advanced production equipment and preventive maintenance system improve the efficiency and profitability

- Major machinery and equipment are purchased in the PRC, Japan, Taiwan and Germany
- 62 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



2200 mm corrugators

11 units

2500 mm corrugators

3 units



Flexographic printers

59 units

(15 units are Flexo folder gluer in-line systems, and 1 pre-printer)



Auto folder gluers

32 units



Auto platen die-cutters

19 units





## 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**  
(Paper feeding with a single button/  
automatic paper returning)



**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**







**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: 89.21W

Wujiang Plant: 54.41W



1,223w photovoltaic power generation facilities in  
Zhejiang Plant



300w photovoltaic power generation facilities in  
Wujiang Plant





**Thank you!**

