

IPO FACT SHEET
PACIFIC MILLENNIUM PACKAGING GROUP CORPORATION (1820 HK)
ISSUE STATISTICS

Offer Size:	HK\$299.12884m – HK\$357.75208m
Placement Tranche:	75.158m
Price:	HK\$3.98 – HK\$4.76
Board lot:	1,000
Entry fee:	HK\$4,807.97
Historical PE	13.93x – 16.66x
Net tangible asset per share:	HK\$2.47 – HK\$2.66
Market Cap (post-IPO):	HK\$1,197m - HK\$1,431m
Open:	10 Dec 2018
Close:	12.00 noon on 13 Dec 2018
Trading:	21 Dec 2018
Sponsor:	SPDB International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	1,186,794	10.38%
2017	1,664,102	40.22%
Profit (loss) for the year/period		
2016	53,145	76.1%
2017	85,894	61.6%

BACKGROUND

- The Group is a corrugated packaging supplier in the PRC with over 20 years of experience
- The Group is principally engaged in the manufacturing and sale of (i) corrugated packaging products including corrugated boxes, pallets, display stands, heavy duty packaging and specialized packaging products; and (ii) corrugated sheet boards in the PRC.
- According to Frost & Sullivan, they were the seventh largest corrugated packaging supplier in the PRC in terms of revenue for the year ended 31 December 2017.

BUSINESS STRATEGY AND FUTURE PLANS

- Continue to expand their network of production plants and service radius coverage to further enhance their geographical coverage and market penetration.
- To upgrade their production facilities and purchase new machinery and equipment for their existing production plants to further enhance their production efficiency.
- Continue to focus on developing their e-commerce, express delivery and logistic service customer base.

COMPETITIVE STRENGTHS

- Their long operating history and established market position have enabled us to capture the growth potential of and to further expand their market share in the PRC corrugated packaging industry.
- Their production plants are strategically located in the northern, north-eastern, eastern and southern regions of China and in close proximity to their customers.
- They have a solid and long-standing relationship with their major customers, a majority of which are leading players in their respective industries.
- They have adopted central procurement and production scheduling systems which enable us to effectively control their costs and optimise their production process with the help of their highly automated and well-implemented ERP system.
- Their commitment to providing quality packaging products and packaging solutions as well as environmentally and socially responsible practices has distinguished us from their competitors and put us in a better position in attracting and maintaining internationally renowned

customers.

- They have an experienced management team with proven track record in the corrugated packaging industry.

KEY RISKS

- The prices of key raw materials and the prices of their products may significantly impact their business.
- They may experience difficulties in managing their growth.
- They may face uncertainties as a result of their recent rapid expansion.
- They may not be able to maintain their profit margin in the future.
- There may be uncertainty in obtaining external financing and significant level of borrowings and they may be adversely affected by increases in interest rates.
- If they are unable to maintain their existing level of production capacity utilisation rates, their margins and profitability may be materially and adversely affected.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Set up the manufacturing facilities in their new production base in Haiyan, Zhejiang Province, the PRC.	107.2	36.8%
Set up the manufacturing facilities in their new production base in Zhongshan, Guangdong Province, the PRC.	107.2	36.8%
Upgrade their production facilities and purchase new manufacturing facilities.	49.1	16.9%
For working capital and other general corporate purposes.	27.6	9.5%
Total:	291.2	100.00%

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