



MARCH 22nd, 2023

MILKYWAY FULL YEAR 2022 RESULTS




FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties, as various factors, many of which are beyond Milkyway's control, may cause actual developments and results to differ materially from the expectations contained in the presentation.

HIGHLIGHTS

Revenue 11.6B
YoY **+34%** 

Net Profit 0.6B
YoY **+40%** 

EPS 3.7 CNY
YoY **+38%** 



Globalization

6 Global branches



Chemical Tanker

New service starts with 4 tankers



MCP 4.0 Plus

Milkyway chemical supply Chain management platform



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Highlights

Introduction

- Group profile
- Growth track
- Segments & service capabilities
- Financial data

Business highlights

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MILKYWAY The Chemical Supply Chain Excellence
SINCE 1992



MILKYWAY

GROUP PROFILE

Milkyway is a global one-stop integrated chemical supply chain logistics and management services provider, including freight forwarding, warehousing and transportation, as well as chemical distribution service. We place great importance on management optimization, technological innovation and service capabilities improvement. We hold the record of safety operation for more than 25 years.



MILKYWAY The Chemical Supply Chain Innovator
SINCE 1998

GROWTH TRACK

1998–2003

Class A freight forwarder license
Established the 1st DG warehouse
Acquired road transport qualification for DG Cargo

Staff 100

Station 3

2004–2008

SHA Pudong Integration base was established
Started DG LCL & Air freight business
Acquired the prize of Class AA customs broker

Staff 220

Station 5

2009–2013

SHA Puxi center was established
Started ISO tank business
Headquarter was located in Zhangjiang

Staff 500

Station 8

2014–2018

Legend Capital joined formally as our main shareholder
Acquired new business types & new branches to enhance integrated supply chain capability
Success of IPO

Staff 1200

Station 12

2019–2023

Globalization initiation
Advancing operation and service capability
MCD is growing steadily
Exploring MEP business

Staff 3800

Station 35

2028

Completion of construction in three global regions

Staff 7130

Station 61



SEGMENTS & SERVICE CAPABILITIES

33% **MGF**
FREIGHT FORWARDING

8% **MGM (MTT+MPC)**
GLOBAL MOBILITY

21% **MTW (MRT+MRW)**
TRANSPORTATION &
WAREHOUSING

38% **MCD**
CHEMICAL DISTRIBUTION

New **MEP**
ENVIRONMENTAL PROTECTION

Revenue composition

Chemical Trucks
1,513 units (Primer+Trailer+Van)



ISO Tank Operation
5,000+



Chemical Warehouse
500,000m² +



4 Chemical tankers worldwide



CLIENTS & CUSTOMERS
10,000+

FREIGHT FORWARDER(TEUS)
300,000+

TRANSPORT(TON)
175,000,000+

STORAGE(TON)
365,000,000+

TRADING SKUS
20,000+

FINANCIAL DATA 2022



MILKYWAY The Chemical Supply Chain Innovator
since 1998

BALANCE SHEET



(Unit: billion CNY)	2022 Annual Report	2021 Annual Report
Current assets.		
Monetary funds	1.28	0.64
Prepayments	0.20	0.39
Inventory	0.27	0.08
Other current assets	3.78	3.35
Total current assets	5.52	4.45
Non-current assets.		
Total fixed assets	1.20	1.09
Intangible assets	0.84	0.56
Goodwill	0.87	0.61
Other non-current assets	1.08	0.56
Total non-current assets	3.99	2.82
Total Assets	9.51	7.27
Current liabilities.		
Short-term loans	1.41	0.80
Notes payable and accounts payable	0.93	1.25
Other current liabilities	1.39	1.23
Total current liabilities	3.72	3.28
Non-current liabilities.		
Long-term borrowings	0.71	0.52
Deferred income tax liabilities	0.20	0.16
Other non-current liabilities	0.99	0.08
Total non-current liabilities	1.90	0.77
Total liabilities	5.62	4.05
Owner's equity (or shareholders' equity).	3.89	3.22
Total liabilities and owner's equity	9.51	7.27

P&L



(Unit: million CNY)	2022 Annual Report	2021 Annual Report
I. Total operating income	11,575.62	8,644.72
Including: Operating income	11,575.62	8,644.72
II. Total operating costs	10,844.92	8,150.49
Of which: operating costs	10,315.52	7,757.99
III. Operating profit	708.99	530.23
Add: Non-operating income	32.91	20.39
Less: Non-operating expenses	12.59	22.77
IV. Total profit	729.31	527.85
Less: Income tax expense	105.45	91.89
V. Net profit	623.86	435.97
Net profit attributable to shareholders of the parent company	605.37	431.79
Minority interest income	18.49	4.17
VI. Other comprehensive income	2.50	-0.01
VII. Total comprehensive income	626.36	435.96
Total comprehensive income attributable to parent company owners	607.86	431.78
Total comprehensive income attributable to minority shareholders	18.49	4.17
VIII. Earnings per share		
Basic earnings per share (CNY)	3.68	2.66
Diluted earnings per share (CNY)	3.56	2.66

CASH FLOW

(Unit: billion CNY)



MILKYWAY the Certified Fresh Milk Processor since 1988

	2022 Annual Report	2021 Annual Report
I. Cash flows from operating activities.		
Cash received from the sale of goods and provision of services	12.26	8.65
Other cash received in connection with operating activities	0.07	0.05
Subtotal of cash inflow from operating activities	12.33	8.70
Cash paid to and for employees, for the purchase of goods and services	11.17	8.11
Other cash paid in connection with operating activities	0.55	0.39
Sub-total of cash outflow from operating activities	11.72	8.49
Net cash flows from operating activities	0.61	0.20
II. Cash flows from investing activities.		
Return from investing activities	0.02	0.01
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	0.01	0.04
Other cash received in connection with investing activities	1.59	1.06
Subtotal of cash inflows from investing activities	1.62	1.11
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	0.76	0.39
Other cash paid related to investing activities	2.10	2.16
Subtotal of cash outflow from investing activities	2.86	2.56
Net cash flows from investing activities	-1.24	-1.44
III. Cash flows from financing activities.		
Cash received from absorption of investment	0.03	1.12
Cash received from obtaining loans	2.77	1.45
Subtotal of cash inflows from financing activities	2.80	2.57
Cash paid for debt repayment	1.27	0.60
Cash paid for distribution of dividends, profits or interest payments	0.16	0.08
Other cash outflow from financing activities	0.14	0.14
Sub-total of cash outflow from financing activities	1.57	0.82
Net cash flows from financing activities	1.23	1.75

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Business highlights

- Industry and market
- Globalization
- Integrated logistics-distribution service
- Business ecosphere
- Technological innovation
- Industrial worker school
- HSE management

Financials snapshot 2022

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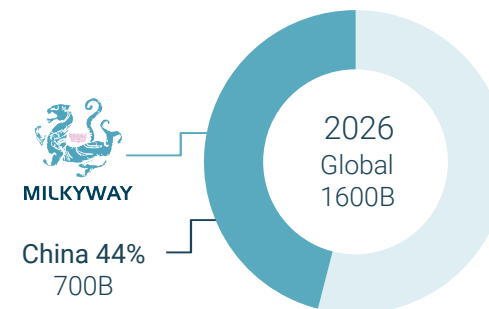
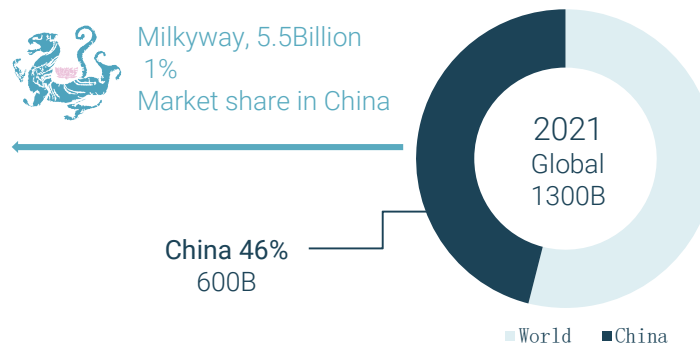


INDUSTRY AND MARKET

China has the world's largest market for third-party chemical supply chain services (logistics + distribution)

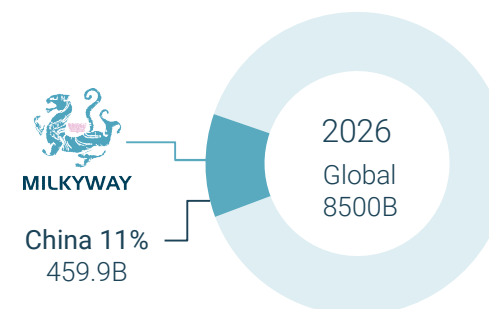
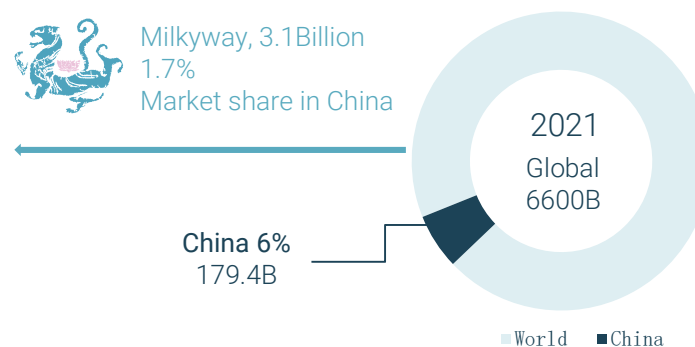
Third-party Chemical Logistics

In 2021, top five Chinese third-party chemical logistics service providers only took 2.6% domestic market share.

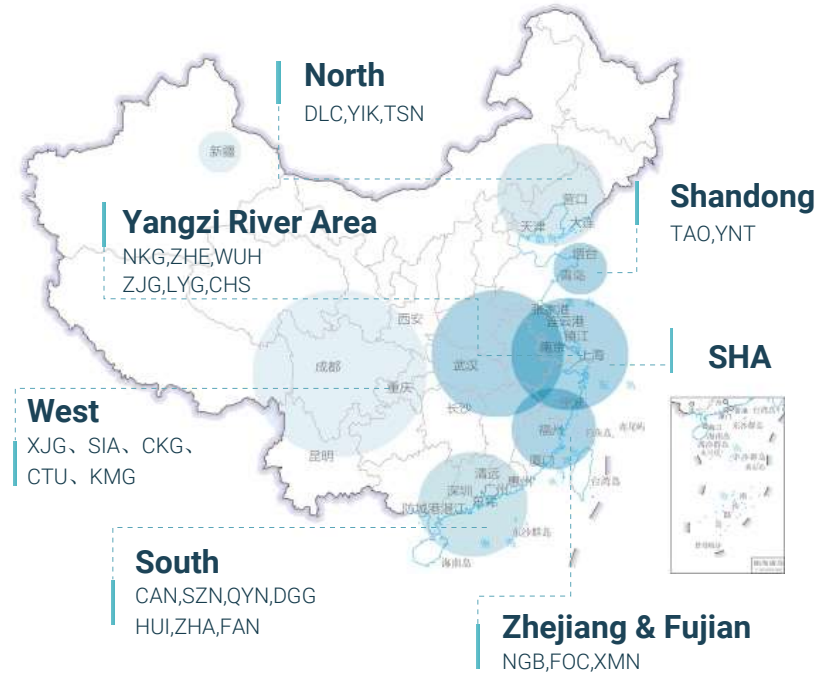
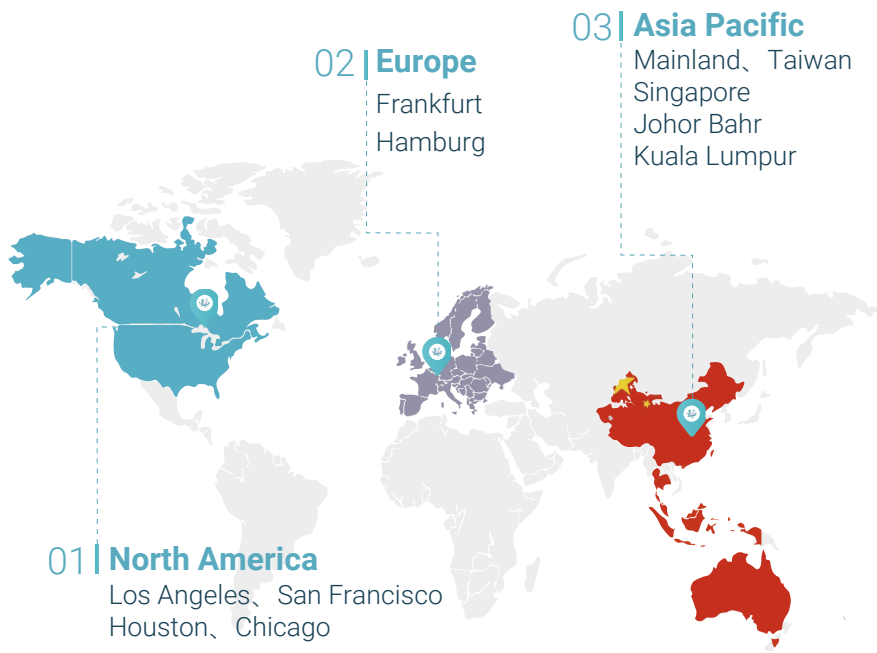


Third-party chemical Distribution

Top five fine chemicals chemicals distribution services platform 2021 market share 5.2%



GLOBALIZATION



 **3800** staffs

 **35** Offices

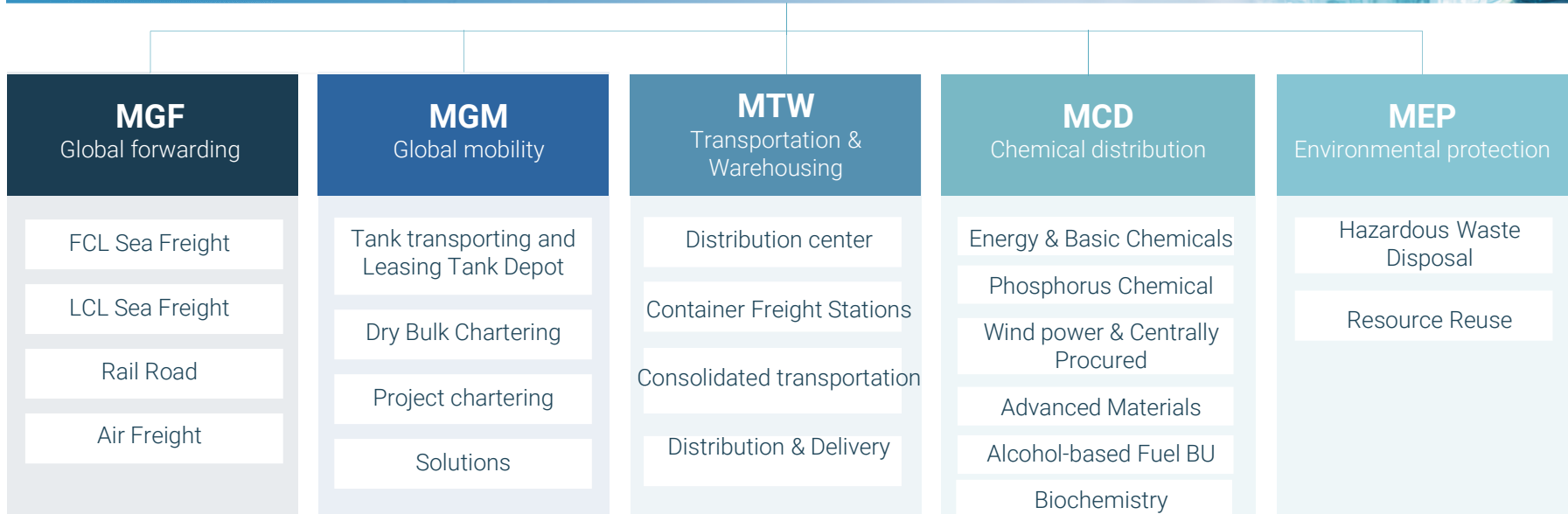
 **7** Countries

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自然资源部 监制

INTEGRATED LOGISTICS-DISTRIBUTION SERVICE



Milkyway global integrated chemical supply chain service capabilities



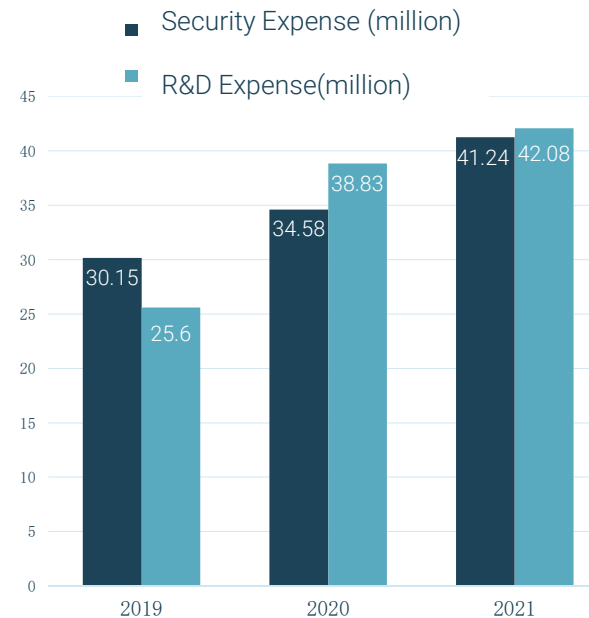
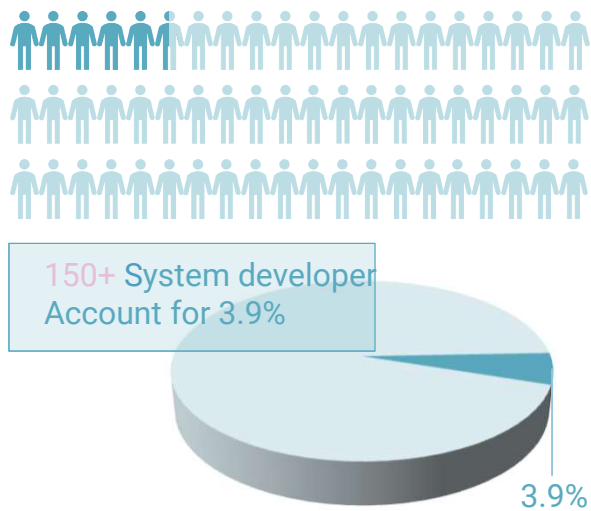
BUSINESS ECOSPHERE



Ecological collaboration, mutual empowerment

TECHNOLOGICAL INNOVATION

- Comprehensive informatization to achieve consistency and full-scene applications, agile development capabilities in the middle office, and internal interoperability.
- Full digitalization, addressing the tools and decision revolution, forming data assets, realizing intelligent and flexible production, algorithms, AI, and closed-loop governance.
- Data formation engine, interconnection of everything, create ecological cloud to empower the industry and become the third growth level of the company.



TECHNOLOGICAL INNOVATION



Technology

- Intelligent unmanned warehouse
- TMS mobile terminal
- Full process order tracking
- TANK black box

Patents



10 invention patents



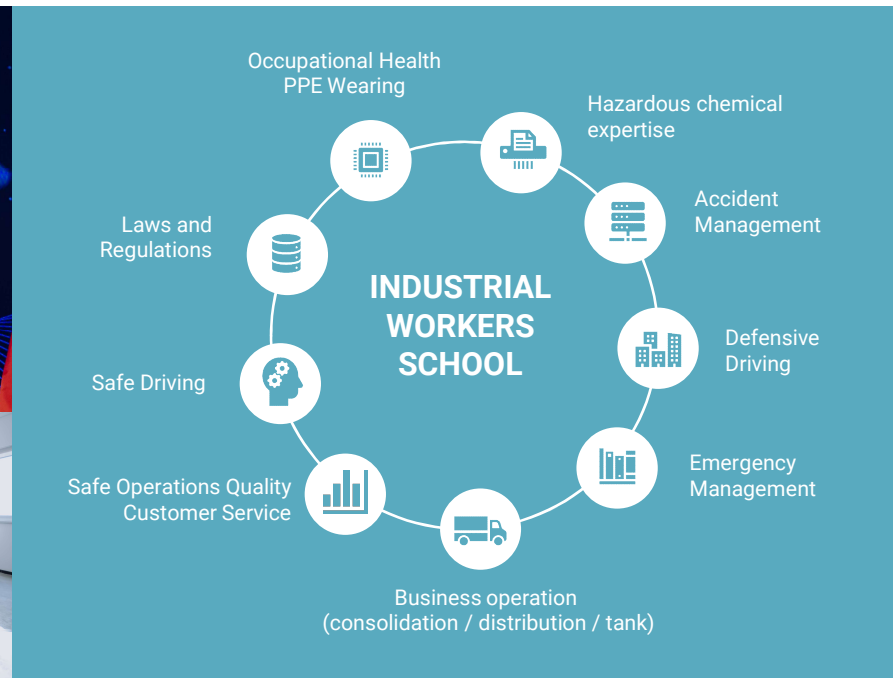
65 utility model patents



132 computer software copyright

INDUSTRIAL WORKER SCHOOL

Milkyway industrial worker school officially opened on December 28, 2021, is the cradle for Milkyway to cultivate highly skilled industrial workers, and will provide the Group with a continuous supply of front-line talents such as drivers, forklift workers, warehousemen, repairers and compounders, etc. Meanwhile, the school will open all resources to the society to cultivate high-quality modern workers with good character and learning.



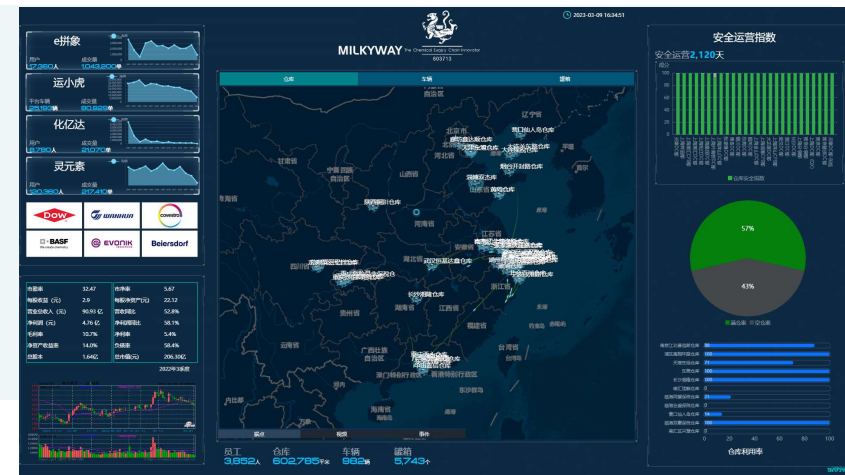
HSE MANAGEMENT

(Health, Safety, Environment)



ASM intelligent supervision management system

The ASM system applies various of advanced data-based testing technologies, including video monitoring, data transmission, positioning identification, vehicle positioning, intelligent video analysis, intelligent access control, and patrol supervision, etc.



National standard revision

Lead the establishment of GB15603 (Rule for storage of chemical dangers) & participated in the formulation of GB18065(Operation conditions and technical requirements for enterprises handling dangerous chemicals business).

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Financial snapshot 2022

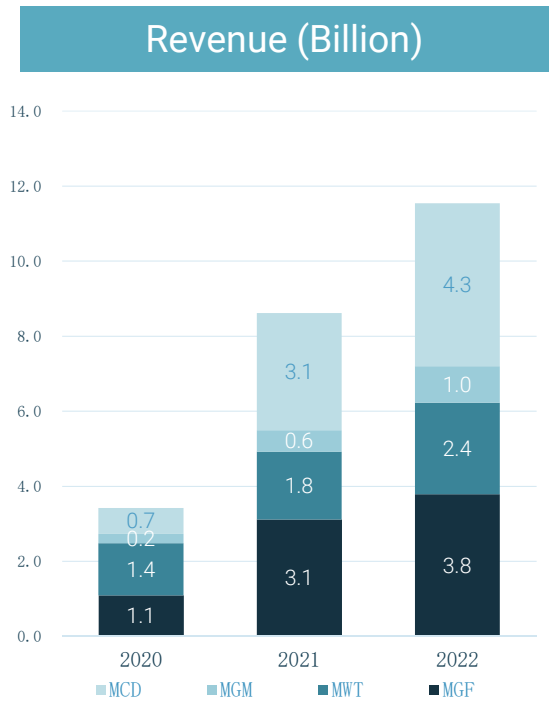
- Revenue & profit
- Key ratios

Outlook

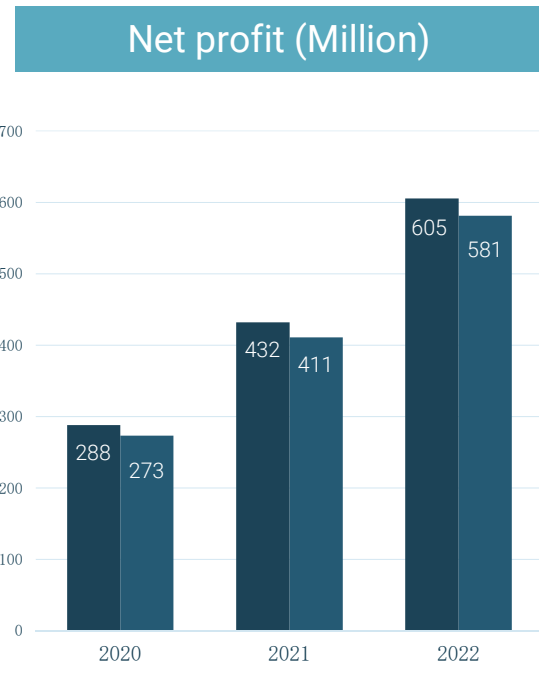
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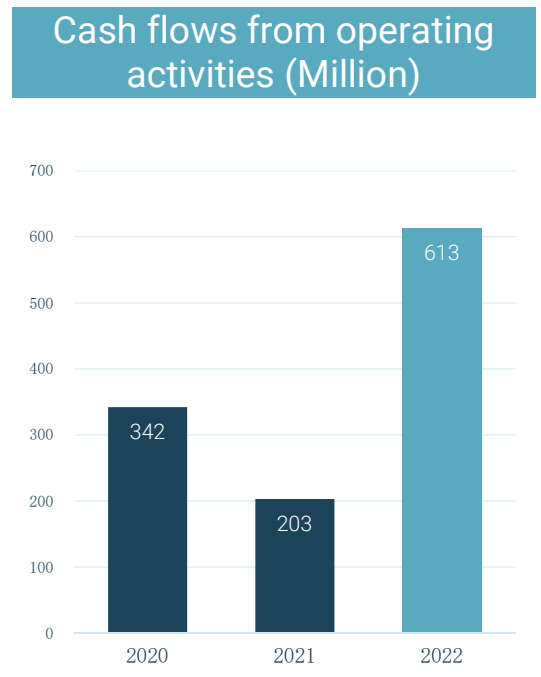
REVENUR & PROFIT



Revenue steadily increased by **+33.9%**



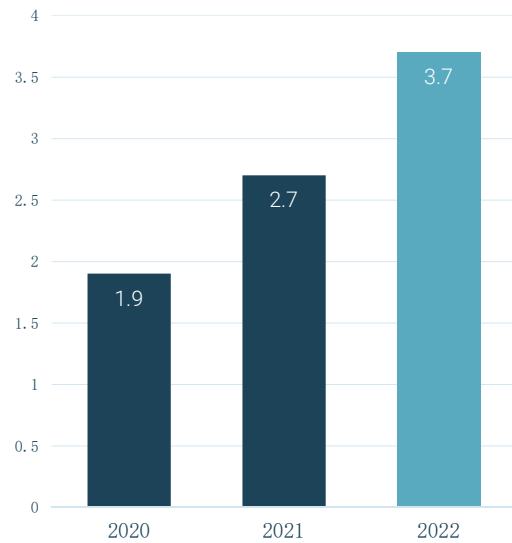
- Net profit attributable to shareholders **+40.2%**
- Net profit after deducting non-recurring P/L attributable to shareholders **+41.5%**



Cash flows from operating activities increased by **+202.5%**

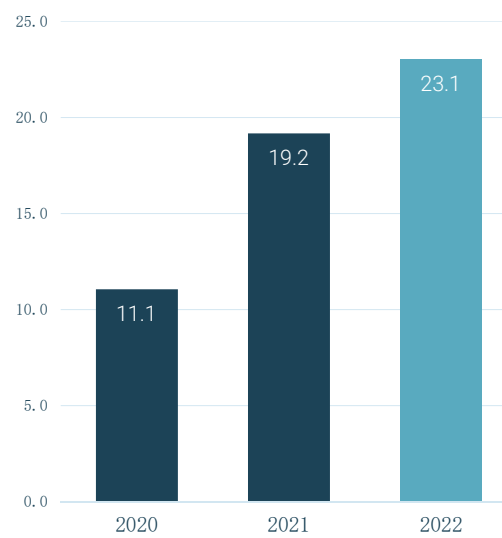
FINANCIAL RATIOS

EPS (CNY)



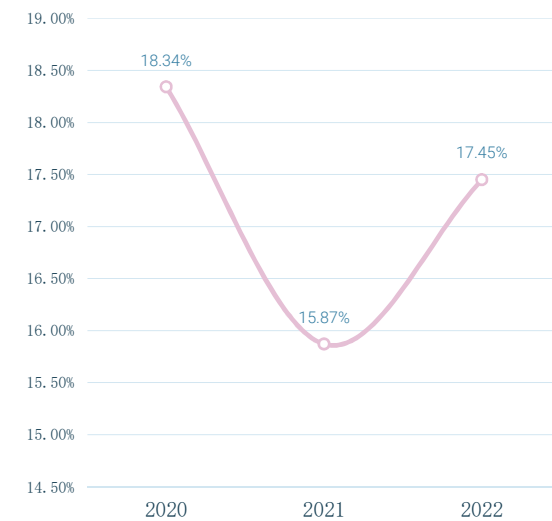
EPS significantly improved **+38.1%**

Net asset per share (CNY)



Net asset per share steadily grew. **+20.2%**

ROE(Weighted average %)



Weighted average ROE optimized to **17.45%**

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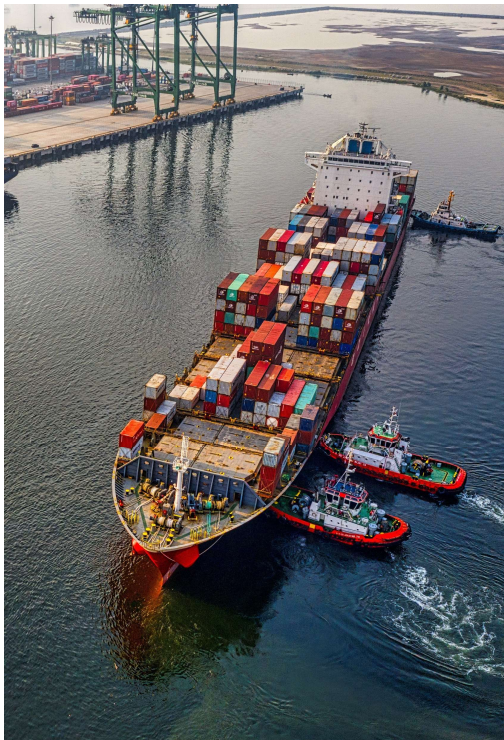
Outlook 2023

- Globalization
- Global Mobility Business
- MCP 5.0

Appendix



GLOBALIZATION



Finance

GDR overseas financing for asset acquisition and overseas team building for global expansion



International

Focus on building international logistics networks in Singapore, the U.S., Germany and other regions



Strategy

Retain sufficient safety ammunition, focus on the main business, adhere to the principles and seize the opportunity



Singapore

Landed asset-rich business in Singapore to replicate the mature business model in China and practice global operation and management capabilities

GLOBAL MOBILITY BUSINESS



Officially start shipping business with 4 liquid bulk tankers



More diverse transportation delivery methods to help control costs and fulfill environmental responsibility



Further improve transportation delivery system and upgrade multimodal transportation capability

MCP 5.0

Milkyway chemical supply chain management platform 5.0



- VR - Digital Twin Intelligent Operation and Maintenance System
- AI Data becomes a factor of production
- As an information center, it supports global expansion from management, security, and business dimensions.
- Implementing YMS unmanned project by combining digital identity

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- Culture & vision
- Creating value in the supply chain
- Sustainability



CULTURE

Vision

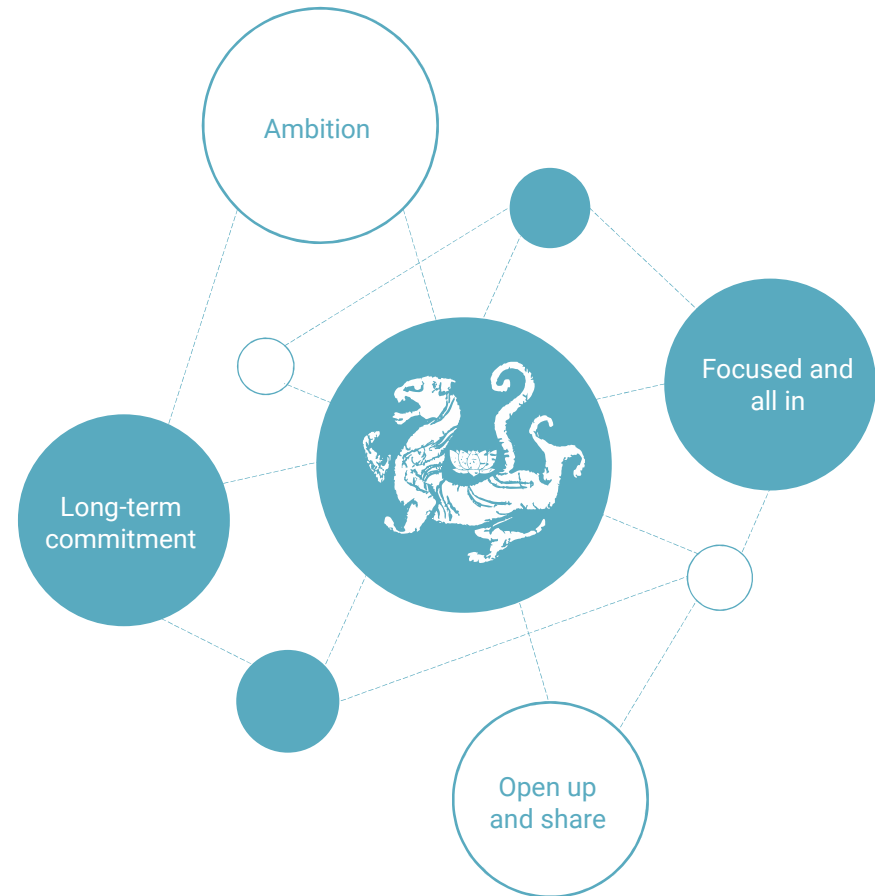
To become a super chemical Amazon

Mission

Make society safer and supply chain more efficient

Core Values

Customer Centric, Striven Oriented, Creating Value Foremost



HONOR

Key Licenses

Dangerous goods transport qualification covers categories 1 to 9, highly toxic, hazardous waste

AAA Authentication of Shanghai Traffic Committee

Secondary certification of safety production standardization

ISO9001, ISO14001, ISO45001

RSQAS and CRSAS certified

Vice Chairman of CFLP DG Division

Vice Chairman of DG logistics Committee of CCTA

AEO senior enterprises accredited by China Customs

NVOCC & Air Transport Sales Agency Service Certificate



By Customer

BASF Shenxingtaobao Annual Award

DOW 4Star Award

Akzo-Nobel Annual Award

Wanhua Annual Award



Key licenses

DG Storage Registration Certification & Road Transportation License

AEO senior enterprises accredited by China Customs

NVOCC & Air Transport Sales Agency Service Certificate



By Capital Market

Entered the MSCI China Index

Entered the Shanghai Stock Exchange 380 Index

Selected into S&P Emerging BMI

Selected into FTSE Global Equity Index

Forbes China Top 50 most innovative enterprise



MGF - MILKYWAY GLOBAL FREIGHT FORWARDING



FCL & LCL Sea Freight

- Provide one-stop door-to-door service for dangerous chemicals, temperature-controlled chemicals and general cargo, including import and export as well as supporting services
- Provide customers with one-stop import and export LCL service for dangerous goods that meet the IMDG isolation requirements



Railroad

Provide one-stop service for all kinds of goods featuring hazardous chemicals, from sampling, identification, declaration and delivery, international air import and export transportation, and destination delivery

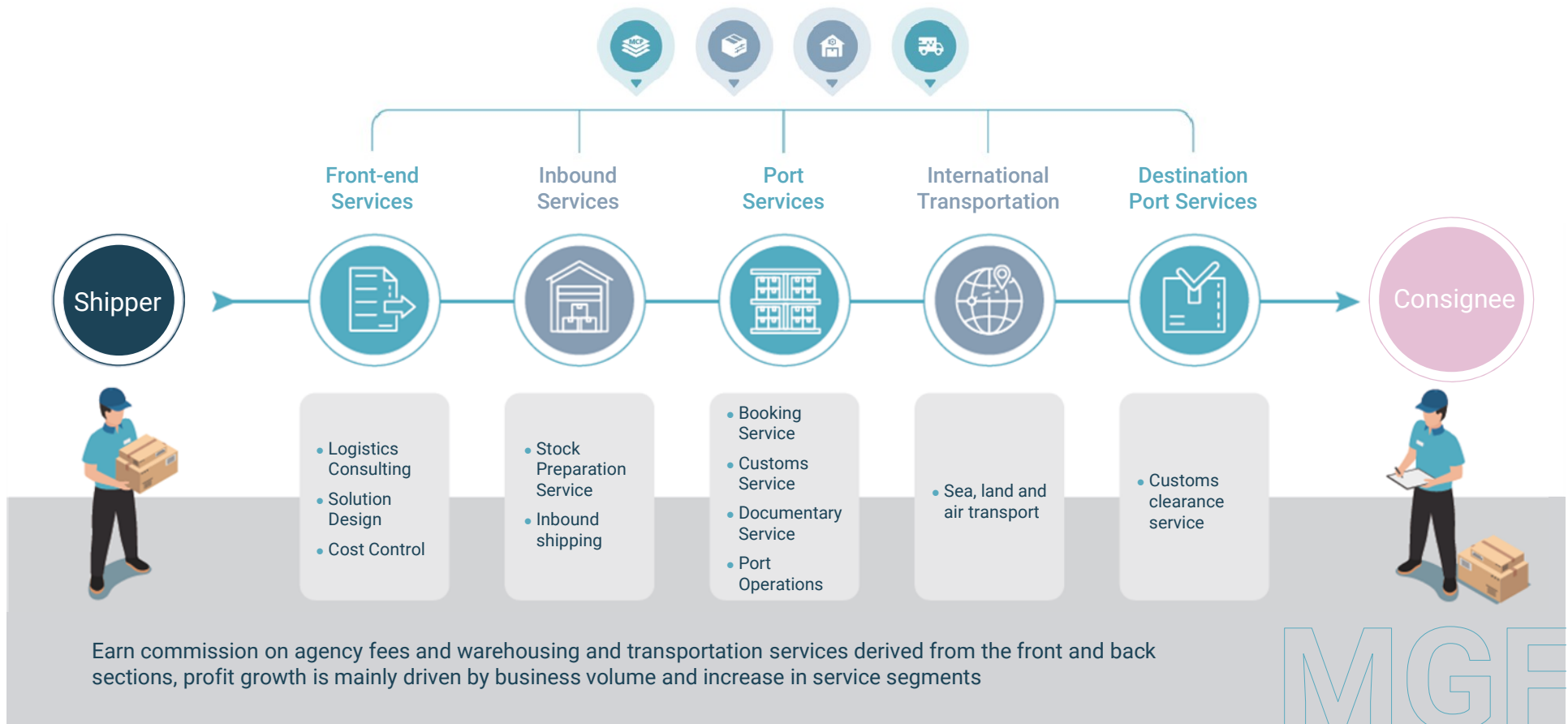
Air Freight

Provide domestic and international railroad multimodal transport services; dangerous goods road and sea-rail intermodal transport, CRH express delivery services.

MILKYWAY FULL YEAR 2022 RESULTS



MGF - BUSINESS MODEL





MGM - MILKYWAY GLOBAL MOBILITY



GLOBAL MOBILITY



10 operating and proposed container yards are located in Shanghai, Zhangjiagang, Yingkou, Yantai, Ningbo, Dongguan, Tianjin, Nanjing, Changsha and other regions



20-year safe operation in bulk transport with whole-class of DG, relied on owned tank resources to achieve the integration of logistics services



Analysis of transportability, stability and safety of heavy-lifts, technical check of hoisting, Whole-process transportation route planning



Rely on engineering logistics to operate multi-purpose general cargo ships and heavy-lift ships, and provide global engineering projects with professional general cargo shipping service



MGM

MGM - BUSINESS MODEL



According to the customer's customized transportation plan, the price is determined based on a combination of factors such as transportation mode, transportation route, deadline, and transportation species category, and based on upstream quotes, the company's own costs and market conditions. We mainly charge transportation fees and ancillary service fees.

We charge for the rental of various types of tank containers and bulk tankers, river and sea in-transit transportation and the derived storage, repair and maintenance and road transportation services. This type of business mainly focuses on liquid chemicals, based on intensive delivery to reduce the logistics cost per ton of chemicals, and the profit growth relies on the improvement of asset utilization efficiency, business volume and increase of service links.



MTW - TRANSPORTATION & WAREHOUSING



Provide national road transport of various chemical containers and inbound and outbound services at various ports, build a three-level network transport capability of intra-city distribution, inter-city express and trunk line express, and provide nationwide chemical contract logistics, reverse logistics, small piece express and other services



More than 500,000 square meters of professional hazardous chemicals warehouses built and managed nationwide

Establish a national warehouse strategic partnership with various types of material suppliers, provide 24-hour supply services, and meet the requirements of warehouse packing business at any time

VALUE-ADDED SERVICES:

-  Packaging
-  sorting
-  sampling
-  reinforcement
-  palletizing
-  de-labeling
-  labeling
-  measuring
-  photographing
-  weighing



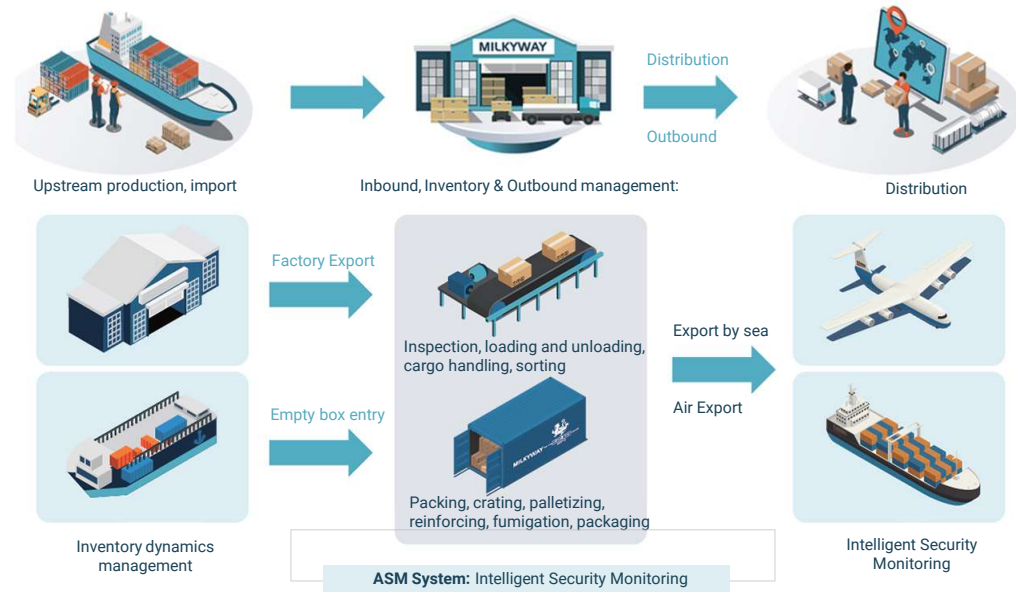
MTW

MTW - BUSINESS MODEL

WAREHOUSING

Distribution center DC business generally according to the type of storage of goods, warehouse area as the basis, according to the number of goods accounted for the area of storage and storage time to charge a certain percentage of the amount of storage costs.

Foreign trade warehousing CFS business generally charges a certain percentage amount of fees according to the number of containers and pallets handled.



TRANSPORTATION



The charge standard of transportation business is mainly based on the route, weight, cargo type, fuel consumption, personnel, vehicle depreciation and other costs of transporting chemical goods as the basis for pricing, combined with the transport vehicle type and market prices to calculate the price per vehicle per kilometer (car/km) including bridge border fees and taxes, and according to the length of the one-way distance for ladder pricing.

MTW

MCD - MILKYWAY CHEMICAL DISTRIBUTION



Upstream strong coupling with world leading chemical giants, downstream distribution and application service capability by region and product



Self-built solid and liquid compounding workshop and supporting laboratory

OEM/ODM



- Integrated warehousing and distribution, deploying front-end warehouses close to consumption sites
- Own trucks, railroads, tanks and tankers

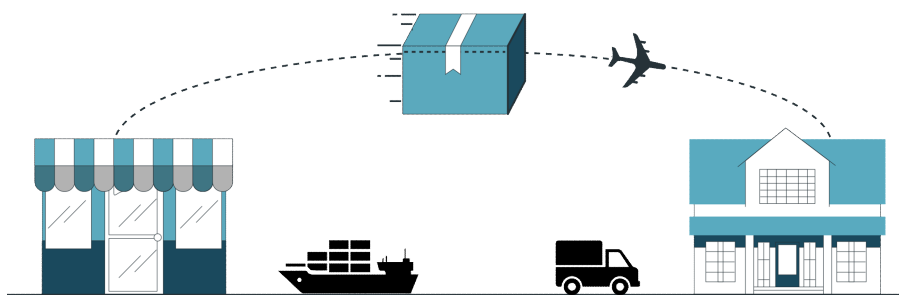
MCD

MCD - BUSINESS MODEL

Earn price difference

Through the accumulation of chemical domestic and international freight forwarding business, the company understands the different selling prices of some chemical raw materials/finished products in different geographical markets or different selling prices at different points in the same geographical market, etc., and makes use of the commodity price difference generated by geographical differences or time differences to earn profits from the commodity price difference;

New customers developed in the chemical trading segment and some existing customers put forward their purchase or sales demands, the company purchases the commodities in its own name and finally sells the commodities to the customers or the purchasers designated by the customers, from which it earns the commodity price difference.



The profit model of online operation mainly includes



Charge a certain percentage of commission according to the amount of commodity transactions, online distribution agency operating fees charged by helping customers to open and operate online on behalf of the manufacturer's advertising fees.

Increase customer acquisition and order conversion, and increase the market share of distribution business.



MCD

MEP - MILKYWAY ENVIRONMENTAL PROTECTION

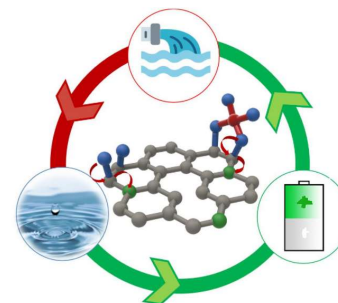


Hazardous Waste Disposal



Built a 50,000-ton/year supercritical water oxidation environmental protection and supporting facilities project in Zhangjiagang, to provide customized DG waste handling solution.

Resource Reuse



Providing one-stop collaborative services for the disposal and logistics of waste chemicals, and carry out R&D and application of resource reuse technology and environmental protection IT technology integration.

MEP - BUSINESS MODEL

Relying on Milkyway's nationwide logistics network, we collect, sort and deliver waste chemicals for disposal. With the help of cloud factory resonance, special disposal builds its own treatment capability, and finally realizes the harmless treatment of hazardous waste and resource utilization, earning corresponding logistics fees, solution service fees and disposal fees.



SUSTAINABILITY



MILKYWAY The Chemical Supply Chain Innovator
since 1998

GOVERNANCE

In strict accordance with the requirements of laws, regulations and normative documents, Milkyway formulates the company's internal governance rules and regulations to continuously improve the corporate governance structure, standardize the operation of the company, and lay a solid foundation for sustainable development.

Professionalism

Board members have extensive experience or academic achievements in the fields of logistics, investment, finance and accounting, law, economics and management.

Independence

3 independent directors, accounting for approximately 43%

Diversity

2 female directors, accounting for about 29%
The age of directors covers different age groups such as 40, 50 and 60

In 2022, 4 shareholders' meetings were held and 41 proposals were considered and approved. A total of 12 meetings of the Board of Directors were held, at which 81 proposals were considered and approved. A total of 11 meetings of the Supervisory Board were held and 53 proposals were considered and approved.



DATA SECURITY



Milkyway has accumulated a large number of data assets in the process of intelligent digital transformation. The company attaches great importance to the maintenance of data security. Based on the basic requirements of "Milkyway prohibits unauthorized disclosure of all data to the outside", the company has established a data security management system.

Data Security Rating

Top secret business secrets

- All documents of national confidential operations;
- Five-year plans and strategic breakdowns;
- Major projects mergers and acquisitions, investments, bidding amounts to be reported to the chairman for approval) unpublished stage.

Confidential Restricted Use

- salary and personal information;
- basic management system and attachments;
- contracts; business information and customer data of relevant business partners;
- all business and security compliance and financial compliance documents

The secret part is open

- All business documents:
- Quotation and MCP system data

Top Secret and Confidential Data Collectively identified as: Important Data

System Account

Passphrase management

Data confidentiality agreement

Document destruction

Important data transmission

Information leakage recovery

SAFETY MANAGEMENT

Top Group Objectives

To be the world's leading professional chemical supply chain service provider

Top Safety Objectives

No harm to personnel, no harm to the environment, no accidents in business, no complaints from customers, no departures from the government, and no internal corruption

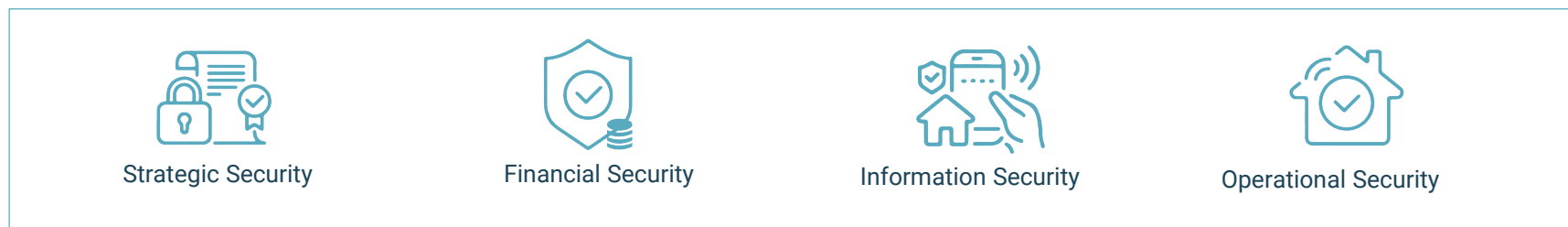
Annual safety target

Through the development of annual plans and scientific system management, we can do things right the first time and control all accidents



During the reporting period, a total of CNY **28.571 million** was invested in production safety and occupational health.

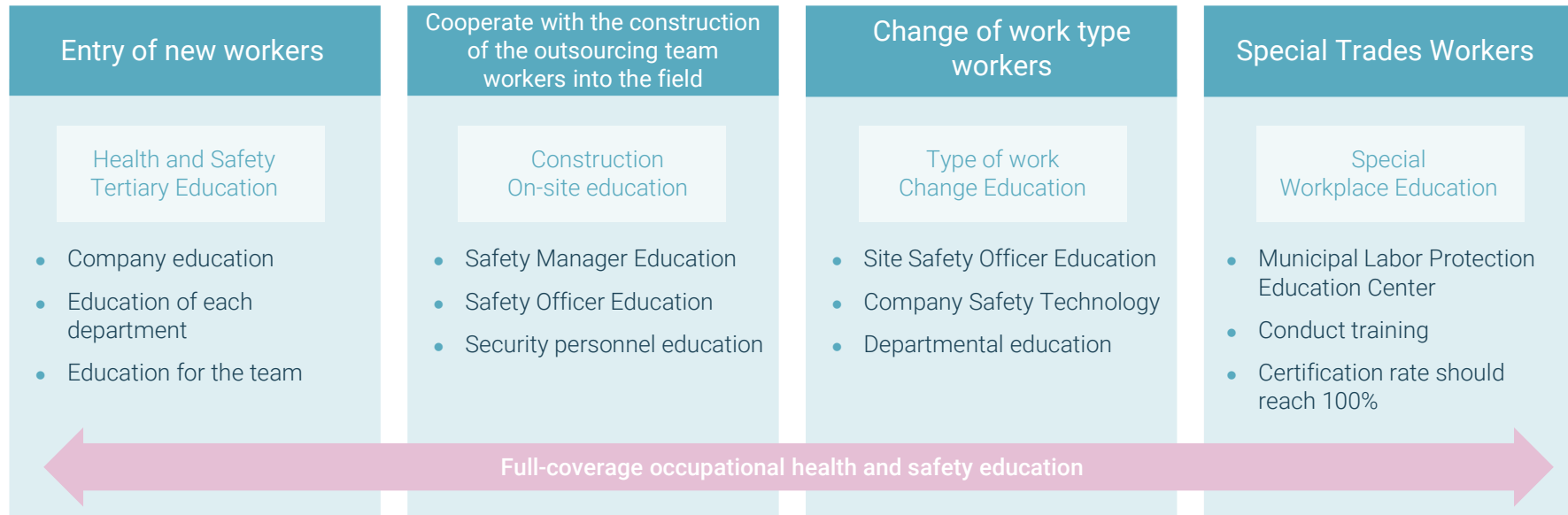
SECURITY RISK CONTROL



During the reporting period, Milkyway conducted a total of **50 safety emergency drills**.

HEALTH AND SAFETY EDUCATION

Milkyway attaches great importance to occupational health and safety, always adheres to the principle of "management of production must be occupational health and safety", continuously establishes and improves the management mechanism, formulates and implements full and comprehensive measures to prevent occupational diseases and hazards.



- During the reporting period, the company's staff medical examination coverage rate was 100%.
- 100% coverage of safety training, with a total of more than 300 times of safety training and a total of about 600 hours.
- The number of fatalities in work-related accidents was 0, and the number of working days lost due to work-related injuries was 0.

SOCIAL SECURITY



Social safety is the external transformation of the company's safety and the core foundation of the company's social responsibility.

The company strictly complies with the laws and regulations such as "Safety Production Law of the People's Republic of China", "Regulations on Safe Management of Dangerous Chemicals" and "Regulations on the Management of Road Transportation of Dangerous Goods".

The company strictly abides by the laws and regulations of the People's Republic of China, such as the Law of the People's Republic of China on Safety Production, the Regulations on the Safe Management of Dangerous Chemicals and the Regulations on the Management of Road Dangerous Goods Transportation.

MILKYWAY CARBON REDUCTION ACTION PATHWAY



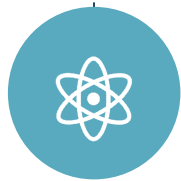
Green logistics linking enterprise development

- Optimize transportation mode
- Upgrade transportation tools



Value chain upgrade to drive industry development

- Refine the digital supply chain
- Extending the service industry chain



Energy substitution contributes to urban emission reduction

- Storage power layout



Green operation to participate in community emission reduction

- Green System
- Green Facilities
- Green Promotion

GHG EMISSIONS AND COMPOSITION



Guided by the Paris Agreement and the national carbon peak and carbon neutral "30,60" target, the company is committed to reducing greenhouse gas emissions year by year and achieving its own carbon neutral and sustainable development.

For Scope 1, direct GHG emissions include emissions from diesel, gasoline, and refrigerants, with the highest proportion of mobile carbon emissions from own vehicle fuel, accounting for 99% of overall Scope 1 emissions.

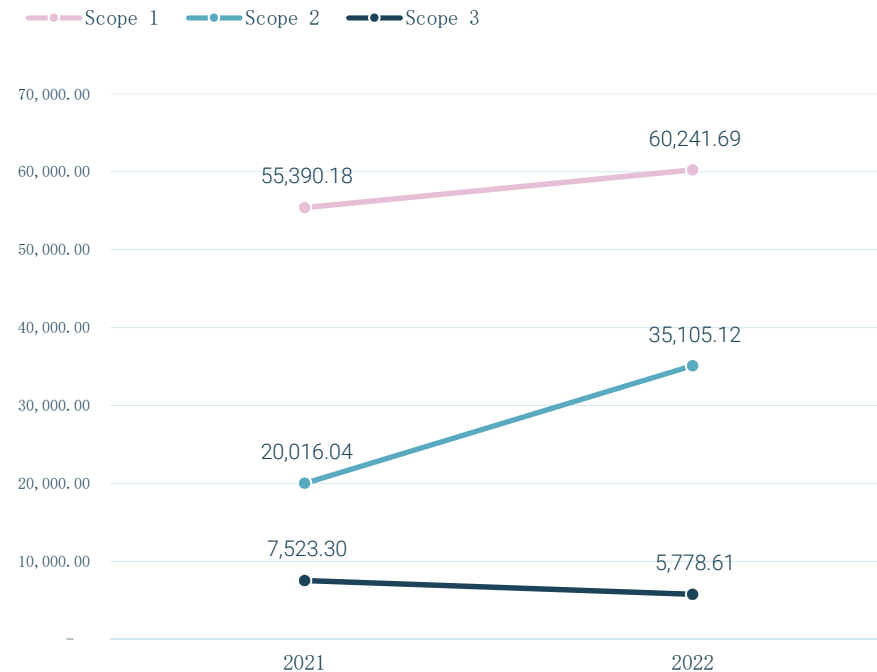
For Scope 2, indirect GHG emissions are mainly from indirect emissions from electricity purchases, which account for 91% of the overall Scope 2 emissions, and are used for electricity usage including storage sites and office space.

For Scope 3, GHG emissions from upstream and downstream supply chains are primarily from outsourced logistics services, which account for 98%. In addition, other categories of Scope 3 statistics including employee travel and commuting are not included in this year's statistics.

The total GHG emissions of Milkyway in FY 2022 are 101,125.42 tons.

Carbon emission data for 2022

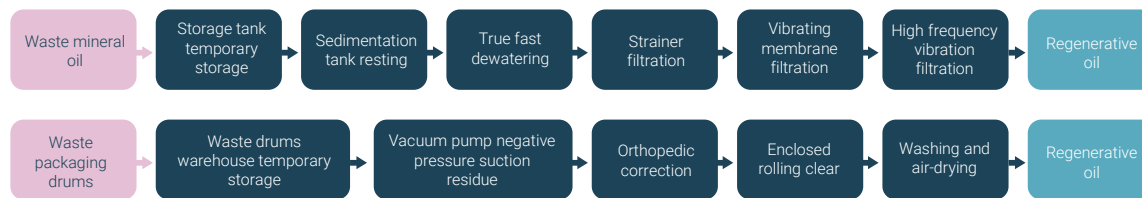
(in tons)



ENDEAVOR IN ENVIRONMENTAL PROTECTION

Developing the circular economy

Milkyway practices the concept of green development and vigorously develops circular economy. Its subsidiary Jihui Environmental Protection adheres to the concept of "making resources recycle infinitely and creating a cleaner world", and is committed to realizing the intensification and reuse of hazardous wastes and resources.



Pollution discharge management

In 2022, some Milkyway's subordinate companies belonged to the key pollutant discharge units announced by the government environmental protection department. They were mainly engaged in chemical storage and transportation business, and did not involve the production process. No process waste gas, wastewater pollution or other types of pollution discharge exceeded the standard.



INVESTOR RELATIONS

SHARE INFORMATION

Milkyway is listed on the Shanghai stock exchange under the code '603713.SH'.



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