



理文造紙有限公司

Lee & Man Paper Manufacturing Limited

(於開曼群島註冊成立及其成員責任為有限)

[For Immediate Release]

Lee & Man Paper Announces 2024 Annual Results

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Steady Growth In Profitability Actively Improving Production Efficiency Through Technological Upgrades

(Hong Kong, 6 March 2025) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEX: 2314), one of the largest containerboard manufacturers in China, today announced its annual results for the year ended 31 December 2024. During the year, the Group’s total revenue increased by 4.2% year-on-year to HK\$26.0 billion (2023: HK\$24.9 billion). Profit for the year increased by 17.6% year-on-year to HK\$1.36 billion (2023: HK\$1.15 billion). Earnings per share for the year were HK30.56 cents (2023: HK24.39 cents).

The Board of Directors declared the payment of an annual dividend of HK4.5 cents per share for the year ended 31 December 2024 (2023: HK6.1 cents per share). Together with the interim dividend of HK6.2 cents per share already paid (2023: HK2.5 cents per share), the total dividend for the year was HK10.7 cents per share (2023: HK8.6 cents per share), representing a payout ratio of approximately 35% (2023: 35%).

Dr. Raymond Lee, Chairman of Lee & Man Paper, said, “Looking back at 2024, with new pulp production capacity being released in mainland China, pulp price remained unstable generally. Regarding the paper manufacturing industry, although players speeded up destocking during the year, market demand continued to be weak. In addition, as the U.S. presidential election during the year brought uncertainties, the industry’s overall performance was affected. Facing changes in market supply and demand, the Group insisted on actively promoting integration of its industrial chain to ensure raw materials supply and control costs, and ultimately improve gross profit. By flexibly adjusting the production and sales between pulp and paper manufacturing businesses, we were able to enhance operational efficiency and effectively drive steady growth of profitability overall.”

Looking ahead at 2025, while ongoing Sino-U.S. trade tension is casting a shadow over the development prospects of enterprises, new opportunities have emerged at the PRC government policy - "export goods for domestic sales". China has clearly proposed earlier to vigorously boost consumption and enhance investment efficiency for realizing the strategic goal of expanding overall domestic demand. Such stimulus policies are expected to help promote consumer spending, continuously improve consumption sentiment, in turn drive increase in demand for paper products. Moreover, as the paper manufacturing industry is close to the end of the capacity release cycle, supply is expected to gradually stabilize, meaning the industry should see the supply-demand balance restore and moderate growth in its performance.

Regarding overseas markets, the Group will continue to explore business development opportunities in countries and cities along the "Belt and Road", enhance export sales of paper products, and leverage the cost advantages of production facilities in Malaysia and Vietnam to improve overall operational efficiency. In favor of the paper packaging business, the PRC government has successively introduced relevant policies to strengthen control over plastic packaging. These strategies have continued to promote development of the packaging paper business. As the economy and consumer sentiment in Mainland gradually recover, demand for packaging paper will increase steadily.

As for the tissue paper business, upholding the business philosophy of pursuing high quality and environmental friendliness, the Group has introduced the natural bamboo unbleached tissue paper to the market and continued to launch softer new products to meet market desire for environmentally friendly, high-quality and healthy products. With the mainland economic environment expected to gradually improve, there will be a steady increase in demand for tissue paper. The Group will continue to actively explore the potential of its tissue paper business heeding consumer demands, so as to expand the market shares of the business.

The pulp business is an important part of the Group's vertically integrated production setup. The Group will continue to invest resources in technological upgrades and optimization of the pulp production equipment, aiming to increase pulp sales as well as provide a stable supply of raw materials to the tissue paper business, thereby enhance overall production efficiency and maximize profits.

As at 31 December 2024, the Group maintained a healthy financial position with bank balances and cash of HK\$1,521 million (31 December 2023: HK\$1,517 million). The Group's net gearing ratio increased from 0.62 as at 31 December 2023 to 0.73 as at 31 December 2024.

Mr. Edmond Lee, Chief Executive Officer of Lee & Man Paper, concluded, "Benefitting from government stimulation policies such as boosting consumption, downstream demand gradually warmed up, resulting in a general recovery of paper manufacturing companies during the year. The Group will seize the opportunities brought about by favorable policies to actively promote development of its domestic sales business. It will, via pursuing technological upgrades, push to improve production efficiency of its paper-making equipment, aiming to further reduce costs and widen profit margins. It will also strengthen product research and development to match the diverse needs of customers, thereby bolster the market competitiveness of its products."

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About Lee & Man Paper Manufacturing Limited

Lee & Man Paper Manufacturing Limited is one of the leading paper manufacturers in China and was included in the MSCI China Index in 2017. The Group mainly engages in large-scale paper manufacturing businesses, specialises in producing paper products such as kraft linerboard, coated duplex board, corrugated paperboard, tissue paper and pulp. Currently, the Group has six paper production plants in China, located in Huangyong in Dongguan, Hongmei in Guangdong, Changshu in Jiangsu, Yongchuan in Chongqing, Jiujiang in Jiangxi and Chongzuo in Guangxi; and two production plants in Southeast Asia, one in Hau Giang, Vietnam and one in Selangor, Malaysia.

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