

## Lee & Man Paper Announces 2025 Annual Results

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### Earnings and Dividends Steadily Improved Accelerating Technological Innovation and Intelligent Upgrades to Drive Comprehensive Efficiency Release

(Hong Kong, 10 March 2026) – **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 2025. During the year, the Group’s total revenue increased by 2.5% year-on-year to HK\$26.6 billion (2024: HK\$26.0 billion). Profit for the year increased by 43% year-on-year to HK\$1.9 billion (2024: HK\$1.4 billion). Earnings per share for the year were HK45.20 cents (2024: HK30.56 cents).

The Board of Directors proposed the payment of an annual dividend of HK9.3 cents per share for the year ended 31 December 2025 (2024: HK4.5 cents per share). Together with the interim dividend of HK6.6 cents per share already paid (2024: HK6.2 cents per share), the total dividend for the year has increased to HK15.9 cents per share (2024: HK10.7 cents per share), representing a payout ratio of approximately 35% (2024: 35%).

**Dr. Raymond Lee, Chairman of Lee & Man Paper**, said, “In 2025, the paper manufacturing industry in the PRC faced significant headwinds from the tariff barriers in international trade and has undergone the stage of ‘anti-involution’ transformation characterized by declining profits due to overcapacity and disorderly low-price competition. Despite the increase in production output for some small and medium-sized enterprises, they recorded decrease in year-on-year revenue and profits. The industry exhibited several trends of ‘reliance on imported pulp’, ‘implementation of forestry, pulp, and paper integration by leading companies,’ and ‘elimination of small and medium-sized enterprises’. Benefiting from its forward-looking pulp and paper integration, worldwide presence, and intelligent transformation strategy, the Group has demonstrated strong resilience in a complex environment and managed to seize market opportunities, making steady improvement in profitability and high-quality growth.”

Fully leveraging the advantage of its vertical integration of pulp and paper operations, the Group effectively mitigated the cost pressures caused by significant price fluctuations in raw materials through flexible adjustment of its capacity between internal pulp production and external procurement. Simultaneously, the Group continued to optimize the production layout and energy structure of its domestic production bases, further reducing its overall production costs. During the year, a number of technology upgrade and efficiency enhancement projects were actively implemented for the Group’s production lines, which have increased its overall efficiency and laid a solid foundation for the full release of production capacity and efficiency enhancement. As for its packaging paper business, in 2026, the PRC government prioritized “boosting consumption” as its top economic goal, which is expected to favor the packaging paper business. With cost advantages through integration and intelligent manufacturing capabilities, the Group’s packaging paper business is well positioned to capture further market share and increase its profit margins.

Looking ahead, the Group’s key strategic focus will be on the expansion of export markets. The Group will continue to expand the regional coverage of its production bases in Southeast Asia and actively explore investment opportunities in emerging markets along the “Belt and Road”. By upgrading its industrial chain with

digital and intelligent technologies, the Group aims to provide more competitive supply chain services to its global customers, truly transforming its world-wide presence into a sustainable growth engine.

As for its tissue paper business, the consumption of tissue paper per capita in the PRC has enormous growth potential, when compared with that in developed markets. The Group will insist on high-end and green development, continue to launch new products with softer texture and better quality to meet upgraded consumer demand and enhance the competitiveness through continuous product innovation, so as to capture market opportunities for long-term growth brought about by consumption upgrades.

The pulp business is a crucial part of vertically integrated production. The Group will continue to advance technological upgrades and optimise production facilities to reduce costs and increase efficiency. At the same time, the Group will continue to refine its vertically integrated system to ensure a stable supply of raw materials to the downstream paper and tissue manufacturing businesses, thereby enhancing the operational efficiency and profitability of the entire supply chain.

As at 31 December 2025, the Group maintained a healthy financial position with bank balances and cash of HK\$1,942 million (31 December 2024: HK\$1,521 million). The Group's net gearing ratio decreased from 0.73 as at 31 December 2024 to 0.63 as at 31 December 2025.

**Mr. Edmond Lee, Chief Executive Officer of Lee & Man Paper**, concluded, "To address market challenges, the Group is actively deploying automation, artificial intelligence, and other technological applications to streamline its production processes and optimize its workflow. In addition, it will achieve energy savings and emission reductions through technology upgrades of power stations, effectively control its costs and is committed to optimizing its product structure and improving internal efficiency. Looking ahead to 2026, China's paper industry is expected to maintain a tone of 'moderate recovery and structural reshaping' under the combined effects of sustained consumption stimulus policies and supply-side structural optimisation. The pressure from the release of production capacity faced by the whole industry will further ease, but fluctuations in raw material costs and uncertainties in the global trade environment will continue to pose challenges. As the Group is actively optimizing its production line efficiency and implementing technological upgrades, it is expected to fully release its production capacity in 2026, thereby driving the growth in future profitability. In the future, the Group will strengthen its integrated strategic planning, fully explore the potential of intelligent transformation for cost reduction and efficiency improvement, further optimize its product and capacity structure, and leverage the synergies of its world-wide presence to continuously improve its operational efficiency and resilience, thereby enhancing its profitability."

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**About Lee & Man Paper Manufacturing Limited (HKEX: 2314)**

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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