

## Lee & Man Paper Announces 2025 Interim Results

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### Steady Profit Growth with Enhanced Pulp and Paper Integration and Digital Transformation

(Hong Kong, 7 August 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 interim results for the six months ended 30 June 2025. During the period, the Group recorded total revenue of HK\$12.2 billion (corresponding period in 2024: HK\$12.5 billion). Profit for the period was HK\$811 million (corresponding period in 2024: HK\$806 million) and net profit per ton was HK\$232 (corresponding period in 2024: HK\$237). Earnings per share were HK18.88 cents (corresponding period in 2024: HK17.69 cents).

The Board of Directors has resolved to declare the payment of an interim dividend of HK6.60 cents per share for the six months ended 30 June 2025 (corresponding period in 2024: HK6.20 cents per share).

**Dr Raymond Lee, Chairman of Lee & Man Paper**, said, “During the period under review, changes in tariff policy further exacerbated the supply-demand imbalance in the PRC’s pulp market, resulting in a fluctuating and downward trend for the prices of pulp. The persistent pressure resulting from the release of production capacity in the paper manufacturing industry has slowed down the growth rate of newly-added production capacity. Benefitted from the accelerated growth of exports during the second quarter driven by uncertainties of tariff policy, coupled with the anticipation of introduction of policies to boost consumption, the sector had demonstrated its resilience with a gradual recovery in demand. Meanwhile, its competitive landscape was being reshuffled at an accelerated pace due to various internal and external factors. Benefitting from its pulp and paper integration, world-wide presence, and digital transformation strategy, the Group demonstrated its competitive edges despite heightening geopolitical tensions, achieving sustained profit recovery and stable growth during the period.”

Packaging paper remains the Group’s core business. A series of national policies promoting green packaging and circular economy have explicitly restricted plastic packaging and supported the development of the packaging paper sector. Furthermore, the Central Economic Work Conference emphasized “boosting consumption” at the end of 2024, which would stimulate the demand on packaging paper amid the expansion of e-commerce logistics. With its integrated and intelligent production capabilities, the Group’s packaging paper business is well-positioned to further unlock its potential in profit growth.

Regarding overseas markets, the Group continues to strengthen its presence along the “Belt and Road” regions and keeps exploring new export markets. Leveraging digital and smart technology, the Group aims to provide more competitive industrial chain services. Moreover, the geographical advantages of the Group’s production bases in Vietnam and Malaysia have enhanced overall operational efficiency, strengthening its industrial chain integration and world-wide presence.

Regarding its tissue paper business, the Group continues to honour its commitment on high-quality and green development. It has researched, developed and produced premium and environmentally friendly consumer tissue paper in response to consumer demand. The wide range of the Group's tissue paper products, including natural bamboo unbleached tissues, has been compelling to consumers and won their support. The Group strives to enhance its product competitiveness and regularly introduces new products with softer texture to meet the evolving consumer demand. Currently, the consumption of consumer tissue paper per capita in the PRC is still far below that of developed markets such as Europe and the USA. With the sustained economy growth and improving living standards in the PRC, the rising demand for consumer tissue paper will continue to unlock the growth potential of the Group's tissue paper business. Despite the anticipated uncertainties and challenges in the second half of the year, the domestic economy is expected to stabilise and rebound under a series of stimulus policies. The Group will uphold the principle of pursuing progress while maintaining stability, proactively respond to consumer demand and leverage its industrial chain advantages to capture further market shares of its tissue paper business.

The pulp business is an integral part of the Group's vertically integrated production. The Group will continue to advance its technological upgrades and enhance its pulp production facilities to reduce costs and improve efficiency. At the same time, the Group will further refine its vertical integration to ensure a stable supply of raw materials for higher efficiency and profitability.

As at 30 June 2025, the Group has maintained a strong financial position with bank balances and cash totalling HK\$1.66 billion (31 December 2024: HK\$1.52 billion).

**Mr Edmond Lee, Chief Executive Officer of Lee & Man Paper**, concluded, "To address market challenges, the Group is currently streamlining its production processes by way of automation and artificial intelligence, and at the same time upgrading the technology of power stations for energy conservation and emission reduction, ultimately lowering its costs. The paper manufacturing industry is expected to maintain a moderate recovery, with some positive developments on both the demand and supply sides. It is anticipated that the government will adopt more robust and targeted measures to stimulate consumption, while the supply side is reaching the end of the capacity cycle with gradual recovery in the profitability of the industry. Looking ahead, the Group will keep a close watch on the evolving domestic and overseas markets, strengthen the integration of pulp and paper and digital transformation, constantly improve its operational efficiency, promote the reconfiguration of the competitive landscape, and actively expand into overseas markets to identify new driver for profit growth, so as to achieve long-term development goals."

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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 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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