理文造紙有限公司
Lee & Man Paper Manufacturing Limited
(Incorporated in the Cayman Islands and its members' liability is limited)

**[For Immediate Release]**

# Lee & Man Paper Announces 2026 Interim Results

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# Net Profit Surges 69.3% as Effective Cost Control Drives Significant Improvement in Operating Performance

(Hong Kong, 3 August 2026) – **Lee & Man Paper Manufacturing Limited** ("Lee & Man Paper" or the "Group") (stock code: 2314), one of the largest containerboard manufacturers in China, today announced its interim results for the six months ended 30 June 2026. During the period, the Group's total revenue increased by 21.3% to HK$14.8 billion as compared with the same period last year (corresponding period in 2025: HK$12.2 billion). Net profit increased by 69.3% to HK$1.4 billion (corresponding period in 2025: HK$811 million) and net profit per ton was HK$353 (corresponding period in 2025: HK$232). Earnings per share for the period were HK31.97 cents (corresponding period in 2025: HK18.88 cents).

The board of directors has declared an interim dividend of HK11.2 cents per share for 2026 (corresponding period in 2025: HK6.6 cents).

**Dr Raymond Lee, Chairman of Lee & Man Paper**, said, "In the first half of 2026, the Chinese economy maintained steady growth with remarkable performance in terms of foreign trade. The total value of China's imports and exports of goods exceeding RMB25 trillion, representing a year-on-year increase of 16.9%, which supported demand for paper used in packaging, logistics and consumer goods. Affected by relatively ample global pulp supply, pulp prices remained generally low during the first half of the year. Meanwhile, benefiting from China's export growth and a gradual recovery in end-user demand, certain paper categories saw successive price increases during the period, alongside a gradual recovery in market prices and profitability. Driven by both cost improvements and demand recovery, the industry's overall operating performance improved compared with the same period last year. The Group proactively seized market opportunities and continued to capitalise on its deployment of pulp and paper integration, overseas production capacity allocation and technological advancements. These strengths, coupled with disciplined cost-control measures, drove a marked improvement in the Group's operating results."

Packaging paper remains the Group's core business. With government policies being rolled out to boost consumption, stabilize foreign trade and support manufacturing development, industrial production, logistics and transportation as well as retail activities are expected to gain momentum, thereby steadily increasing the demand for packaging paper. Moreover, China's export stayed resilient, as the Group actively expanded into emerging markets in Southeast Asia, the Middle East, Central Asia and those along the "Belt and Road". This will help drive sustained growth in cross-border trade and manufacturing supply chain activities, giving strong support to the packaging paper market.

Although changes in the geopolitical and international trade environment may lead to volatility in logistics and transport costs, the packaging paper market is expected to maintain a steady growth as demand-supply dynamics in the industry gradually improve. The Group will continue to capitalize on the strategic regional advantages of its production bases in Vietnam and Malaysia, seizing opportunities arising from overseas markets and the restructuring of global supply chains, thereby further enhancing the competitiveness and market share of its packaging paper business.

For the tissue paper business, with continued national policy support to boost consumption, gradually rising household purchasing power, and consumer's growing demand for high-quality, healthy and environmentally friendly products, the tissue paper market is poised for steady growth. Per capita consumption of tissue paper in China still has room for growth compared with mature markets, and demand for mid- to high-end products is expected to continue to rise. The Group will continue to drive product upgrades and further enhance its market competitiveness and profitability by optimizing its product portfolio and improving product quality and production efficiency.

The pulp business is integral to the Group's vertical integration strategy. The three pulp production bases in Chongqing, Jiangxi and Chongzuo in Guangxi continue to provide a stable supply of wood pulp and bamboo pulp to the downstream packaging paper and tissue paper businesses, contributing to enhance supply chain stability, cost competitiveness and overall synergies across the industrial chain. The Group will continue to deepen its pulp and paper integration, further strengthening its raw material security and economies of scale. To support future business development and growing market demand, the Group is currently constructing a new pulp mill in Guigang, Guangxi. Benefiting from its advantageous geographical location, this facility will further optimize the industrial chain layout and facilitate the expansion into a more diversified product offering, with a view to developing the prospective personal care products to serve a wider consumer base. The pulp factory in Guigang is expected to commence production in 2027, providing a more solid foundation for the Group's long-term development and enhanced profitability.

As at 30 June 2026, the Group has maintained a strong financial position with bank balances and cash totalling HK$1.90 billion (31 December 2025: HK$1.94 billion).

**Mr Edmond Lee, Chief Executive Officer of Lee & Man Paper**, concluded, "Looking ahead to the second half of the year, China's paper manufacturing industry is expected to continue its moderate recovery. As policies aimed at stabilizing investment and boosting consumption continue to be implemented, the domestic market is expected to improve gradually, while demand from exports and e-commerce logistics will continue to underpin the packaging paper market. Notwithstanding the ongoing challenges posed by the release of new capacity, fluctuations in raw material prices and changes in the global economic environment, companies with economies of scale, vertical integration capabilities and cost competitiveness will demonstrate stronger risk resilience. The Group will continue to deepen its pulp and paper integration, advance technological transformation and production capacity optimization, enhance operational efficiency and market competitiveness, and capitalize on the development opportunities presented by the domestic demand upgrades, export growth and the expansion of overseas markets, while striving to create long-term and sustainable returns for shareholders."

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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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