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理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands and its members' liability is limited)

(Stock Code: 2314)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION
2026 PACKAGING PAPER AGREEMENT**

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On 21 November 2025, Vantage Dragon and the Purchasers entered into the 2026 Packaging Paper Agreement pursuant to which each of the Purchasers has agreed to buy (for itself and on behalf of other members of the Purchaser Group), and Vantage Dragon has agreed (or to procure other members of the Group) to sell the Products to the Purchaser Group based on individual orders to be placed by the Purchaser Group from time to time. The 2026 Packaging Paper Agreement has a term of three years commencing from 1 January 2026 up to and including 31 December 2028.

LISTING RULE IMPLICATIONS

Each of the Purchasers is a connected person of the Company under the Listing Rules and the transactions contemplated under the 2026 Packaging Paper Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the relevant percentage ratios under the Listing Rules for the Packaging Paper Annual Caps are more than 0.1% but less than 5%, the 2026 Packaging Paper Agreement and the annual caps thereunder will be subject to the reporting, announcement and annual review requirements but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

* For identification purposes only

2026 PACKAGING PAPER AGREEMENT

On 21 November 2025, Vantage Dragon and the Purchasers entered into the 2026 Packaging Paper Agreement pursuant to which each of the Purchasers has agreed to buy (for itself and on behalf of other members of the Purchaser Group), and Vantage Dragon has agreed (or to procure other members of the Group) to sell the Products to the Purchaser Group based on individual orders to be placed by the Purchaser Group from time to time. The 2026 Packaging Paper Agreement has a term of three years commencing from 1 January 2026 up to and including 31 December 2028.

The principal terms of the 2026 Packaging Paper Agreement are set out as follows:

- Date : 21 November 2025
- Parties: (1) Vantage Dragon (as seller);
(2) Ms. Lee Man Ching (as one of the Purchasers); and
(3) Onchung Yi (as one of the Purchasers)
- Nature of Transaction: Each of the Purchasers has agreed to buy (for itself and on behalf of other members of the Purchaser Group), and Vantage Dragon has agreed (or to procure other members of the Group) to sell the Products to the Purchaser Group based on individual orders to be placed by the Purchaser Group from time to time.
- During the term of the 2026 Packaging Paper Agreement, neither the Group nor the Purchaser Group is obliged to transact only with each other, and are free to transact with independent third parties on the Products.
- Term of Agreement: For a term of three years commencing from 1 January 2026 to 31 December 2028 (both dates inclusive).
- Pricing: The price payable by the Purchaser Group for the Products will be fixed on a case-by-case basis, which shall be determined based on normal commercial terms and with reference to the pricing policy as more particularized in the section titled “Pricing Policy” below.
- Payment: Payments shall be settled by ways of (i) telegraphic transfer within 30 days of the date of invoice or (ii) an irrevocable letter of credit pursuant to which the seller shall be entitled to cash payment after presentation of the letter of credit and relevant shipping documents to the relevant bank.

The terms of the 2026 Packaging Paper Agreement were concluded after arm's length negotiations and were based on normal commercial terms and in the Group's ordinary and usual course of business.

Packaging Paper Annual Caps

The Packaging Paper Annual Caps for each of the three financial years ending 31 December 2026, 2027 and 2028 are as follows:

	Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Packaging Paper Annual Caps	HK\$279.8 million	HK\$542.3 million	HK\$569.4 million

There is no historical transaction in respect of transactions contemplated under the 2026 Packaging Paper Agreement.

The Packaging Paper Annual Caps have been determined by reference to the following factors:

- (i) the estimated demand (in terms of metric tons) for the relevant packaging paper products of the Purchaser Group, which is primarily based on the indicative orders provided by the Purchaser Group in respect of the term of the 2026 Packaging Paper Agreement. The estimated demand assumes that the Purchaser Group operates at 50% of its production capacity for the year ending 31 December 2026 and at 100% of its production capacity for the two years ending 31 December 2027 and 2028, respectively; and
- (ii) the prevailing market price of the relevant packaging paper products, and the estimated price volatility of the Products during the term of the 2026 Packaging Paper Agreement. For the ten months ended 31 October 2025, the highest-to-lowest change of the selling price of packaging paper products was approximately 12%.

In determining the Packaging Paper Annual Caps, the parties have also taken into account the assumption that during the term of the 2026 Packaging Paper Agreement, save as disclosed above, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the business of the Group.

PRICING POLICY

In the ordinary course of business, the Group's sales department collects market pricing information on a monthly basis based on indicative purchase orders received from potential independent third party customers from time to time. Information gathered includes the type and quantity of the Products required, the payment terms, the requested delivery time and location and shipment method, and the indicative purchase price. The sales department will report the collected market pricing data to the Group's management, which will serve as the basis for determining the prevailing market price.

Upon receipt of a purchase order, the management will first take into account the prevailing market pricing data and may make upward or downward adjustments to determine the final selling price as appropriate, having regard to factors such as the origination of raw materials required for production, the Group's then-current inventory levels of the relevant Products, the payment terms, the requested delivery timeframe and shipment method, and the Group's prevailing pricing strategy. The price determination procedures described above apply equally to purchase orders from independent third party customers and from the Purchaser Group. For illustration purpose, any management adjustment to the prevailing market price applicable to the Purchaser Group's purchase order must be no more favorable than the adjustment applied to an identical purchase order from an independent third-party customer.

The Group's sales department will accept an order from the Purchaser Group only if the indicative purchase price payable by the relevant member of the Purchaser Group for the Products under the terms of the 2026 Packaging Paper Agreement is no more favorable than the prevailing market price after the management adjustments described above.

Considering the pricing policy as outlined above and that the transactions contemplated under the 2026 Packaging Paper Agreement will be subject to annual review by the independent non-executive Directors and the auditors of the Company, respectively, the Directors (including the independent non-executive Directors) are of the view that the pricing policy (including the pricing determination procedures) outlined above are sufficient to ensure that the transactions contemplated under the 2026 Packaging Paper Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

INTERNAL CONTROL

With respect to the 2026 Packaging Paper Agreement, the Group has adopted the following internal control measures:

- (i) The relevant personnel of the finance department of the Company will conduct regular checks on a monthly basis to review and assess whether the continuing connected transactions under the 2026 Packaging Paper Agreement are conducted in accordance with its terms and will also conduct regular monitoring on a monthly basis on the market price of the Products for the purpose of considering if the price for a specific transaction is fair and reasonable and in accordance with the pricing policy;
- (ii) The independent non-executive Directors will conduct an annual review of the transactions under the 2026 Packaging Paper Agreement pursuant to Rule 14A.55 of the Listing Rules; and
- (iii) The auditor of the Company will conduct an annual review of the transactions under the 2026 Packaging Paper Agreement pursuant to Rule 14A.56 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE 2026 PACKAGING PAPER AGREEMENT

Packaging paper is a core business of the Group. Consistent with the Group's strategy to deepen its presence in overseas markets, the Group intends to strengthen export sales of paper products and continue to expand in countries and cities along the Belt and Road.

By entering into the 2026 Packaging Paper Agreement, the Group will secure a stable and recurring demand from the Purchaser Group in the overseas markets that the Group has targeted for further development. This is expected to diversify the Group's revenue base and support improved profitability. The Group also intends to leverage the cost and geographic advantages of its production facilities in Malaysia and Vietnam to diversify the customer base and improve overall operational synergies across its supply chain.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Packaging Paper Agreement are fair and reasonable and are on normal commercial terms, and the entering into of the 2026 Packaging Paper Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and Shareholders as a whole.

LISTING RULE IMPLICATIONS

Onchung Yi is indirectly owned as to 90% by Ms. Lee Man Ching and 10% by Mr. Kung Fang David respectively. Mr. Kung Fang David is the spouse of Ms. Lee Man Ching. As Ms. Lee Man Ching is the sister of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both executive Directors, the Purchasers are associates of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun. Accordingly, the Purchasers are connected persons of the Company under the Listing Rules. The transactions under the 2026 Packaging Paper Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules for the Packaging Paper Annual Caps are more than 0.1% but less than 5%, the 2026 Packaging Paper Agreement and the annual caps thereunder will be subject to the reporting, announcement and annual review requirements but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Vantage Dragon is an indirect wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding.

The Group is principally engaged in the business of large-scale paper manufacturing and specialises in the production of linerboard, corrugating medium and tissue paper.

Onchung Yi is principally engaged in the business of investment holding and is indirectly owned as to 90% by Ms. Lee Man Ching and 10% by Mr. Kung Fang David respectively.

Ms. Lee Man Ching is the sister of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both are the executive Directors.

To avoid the perception of conflict of interest, (i) Dr. Lee Man Chun Raymond and Mr. Lee Man Bun (both executive Directors and brothers of Ms. Lee Man Ching) had abstained, and (ii) Mr. Li King Wai Ross (an executive Director and the brother-in-law of Ms. Lee Man Ching) and Mr. Lee Jude Ho Chung had voluntarily abstained, from the voting on the board resolution of the Company in relation to the 2026 Packaging Paper Agreement. Save as disclosed, no other Directors have any material interest in the 2026 Packaging Paper Agreement or were required to abstain from voting at the board meetings of the Company in relation to the same.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2026 Packaging Paper Agreement”	the packaging paper sale and purchase framework agreement dated 21 November 2025 entered into among Vantage Dragon and the Purchasers in relation to the supply of the Products for a term of three years from 1 January 2026 up to and including 31 December 2028;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;

“Company”	Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 2314);
“continuing connected transaction”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Onchung Yi”	Onchung Yi (Hong Kong) Company Limited, a limited liability company incorporated in Hong Kong;
“Packaging Paper Annual Caps”	the maximum annual consideration to be received for the supply of the Products under the 2026 Packaging Paper Agreement for the three financial years ending 31 December 2026, 2027 and 2028, details of which are set out in this announcement;
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Products”	packaging paper and any ancillary or related products;
“Purchaser Group”	the Purchasers and the associate(s) of any of the Purchasers from time to time;
“Purchasers”	namely Ms. Lee Man Ching and Onchung Yi;
“Share(s)”	ordinary share of HK\$0.025 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Vantage Dragon”

Vantage Dragon Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company; and

“%”

per cent.

By order of the Board
Lee & Man Paper Manufacturing Limited
Lee Man Chun Raymond
Chairman

Hong Kong, 21 November 2025

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Dr. Lee Man Chun Raymond, Mr. Lee Man Bun, Mr. Yip Heong Kan, Mr. Lee Jude Ho Chung and Mr. Li King Wai Ross and three independent non-executive directors, namely Mr. Chau Shing Yim David, Ms. Lo Wing Sze and Mr. Chan Wai Yan Ronald.