

## Lee & Man Paper Announces 2024 Interim Results

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### Integration of Industry Chain Shows Advantages Rising Pulp Production Significantly Boost Profits

(Hong Kong, 1 August 2024) – **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 2024. During the period, the Group recorded total revenue of HK\$12.50 billion (corresponding period in 2023: HK\$12.21 billion). Profit for the year was HK\$806 million (corresponding period in 2023: HK\$361 million) and net profit per ton was HK\$237 (corresponding period in 2023: HK\$119). Earnings per share were HK17.69 cents (corresponding period in 2023: HK7.15 cents).

The Board of Directors has declared the payment of an interim dividend of HK6.20 cents per share for the six months ended 30 June 2024 (corresponding period in 2023: HK2.50 cents per share).

**Dr Raymond Lee, Chairman of Lee & Man Paper**, said, “During the period under review, overall production capacity of paper manufacturing industry is gradually recovering to a healthy level. Paper manufacturers started sales promotion to gain market shares. Coupled with demand in and outside mainland China continuing to improve, the Group’s business gradually recovered. Although the prices of waste paper and pulp were volatile during the first half of the year, the Group, having pushed to integrate its industrial chain over the years, was able to flexibly allocate raw material supply, giving full play to the advantage of its business model, as such saw a marked climb in profit and satisfactory overall performance for the period.”

With regard to the packaging paper business, the PRC government has speeded up tackling plastic pollution issues, with the aim of strictly controlling plastic packaging and promoting adoption of recyclable packaging, enabling the Group to stabilize its packaging paper business. As the mainland economy gradually warms up, consumer demand is expected to rebound at faster pace. That together with more shopping festivals and holidays falling in the second half year are going to help steadily push up demand for packaging paper. The Group will also continue to implement effective cost control measures to maintain competitiveness and consolidate market share.

Regarding overseas markets, the Group will continue to take advantages of the geographical location and resources of the production bases in Vietnam and Malaysia to help it penetrate further the Southeast Asian market and enhance overall operational efficiency. At the same time, the Group will actively explore business opportunities in countries and cities along the “Belt and Road”, strengthen integration and international deployment of its industrial chain, and optimize its cost structure and increase export sales, so as to enhance profitability.

Regarding tissue paper business, as at 30 June 2024, the Group's total annual production capacity of tissue paper was approximately 1.1 million tons. With the mainland economy gradually recovering and the traditional consumption peak seasons being in the second half year, demand for tissue paper is expected to increase steadily. The Group will actively identify changes in consumer preferences and realize fully the advantages of its industrial chain to promote the long-term development of its tissue paper business.

As at 30 June 2024, the Group has maintained a strong financial position with bank balances and cash totalling HK\$1.75 billion (31 December 2023: HK\$1.52 billion).

**Mr Edmond Lee, Chief Executive Officer of Lee & Man Paper**, concluded, "On top of striving to grow its core business, the Group has taken the initiative to shoulder the corporate responsibility of fostering green development. Via recycling waste paper and employing advanced production technologies, it has achieved the goals of saving energy and reducing emissions. It has also continued to develop and launch various environmentally-friendly products to promote sustainable development of the environment and society. Looking ahead, with the production capacity release peak near its end and as the economy revives plus market demand rebounds, the paper manufacturing industry can expect to see the turning point of supply and demand returning to balance. That will gradually buttress growth of the industry. The Group will actively seize business opportunities as the industry cycle turns for the better, speed up introducing diverse products and integration of its industrial chain, push to optimize operational efficiency and explore business opportunities in Mainland China and in the international market, to the ends of maintaining steady profit growth and promoting long-term development of the Group."

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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. The Group's total annual production capacity is currently 7.58 million tons of containerboard, 0.95 million tons of pulp, and 1.1 million tons of tissue paper.

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