



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(A company incorporated in Bermuda with limited liability)

(Stock Code: 2689)

Nine Dragons Paper Announces FY2025 Annual Results

Sales Volume Hit Record High and Net Profit Soared by 177.3% Against Headwinds

Create Core Competitiveness of Integrated Pulp and Paper Production to Achieve Comprehensive Upgrades from Raw Materials to Products

(Hong Kong, 24 September 2025) Nine Dragons Paper (Holdings) Limited is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group” or “Nine Dragons Paper”) for the year ended 30 June 2025 (the “FY2025”).

- Sales volume of 21.5 million tonnes, up 9.6% YoY, hitting a record high;
- Revenue of RMB63,240.5 million, up 6.3% YoY;
- Gross profit of RMB7,245.1 million, up 26.9% YoY;
- Net profit of RMB2,201.7 million, up 177.3% YoY;
- Profit attributable to equity holders of the Company of RMB1,767.1 million, up 135.4% YoY;
- Basic earnings per share of RMB0.38, up 137.5% YoY.

Sales Volume Reached a Record High Repeatedly and Net Profit Soared Against Headwinds

In FY2025, the international economy and trade order accelerated its restructuring. China’s economy faced sustained pressure with sluggish growth amid dual challenges of internal structural adjustments and deteriorating external conditions. Consumer confidence remained subdued. Compounded by sharply volatile costs of raw materials and selling prices of products amid more intense competition, the profitability of the paper making industry was posed with multiple stresses. In view of the severe and complex business environment, the Group adhered to the philosophy of “expanding with quality, leading with efficiency” to proactively cope with various challenges. The Group gave full rein to its core advantages of integrated pulp and paper production, closely tracked market changes and optimized its operation strategies in a timely manner, delivering a highly resilient and impressive annual result. With excellent and stable quality and diversifying product portfolio, the sales volume of the Group increased by 9.6% year-on-year to a new record high of 21.5 million tonnes, which contributed to its year-on-year increase of 6.3% in revenue to RMB63,240.5 million in FY2025.

With unwavering strategic focus, the Group solidly advanced its integrated pulp and paper production, which not only efficiently hedged against price volatility risks associated with external purchase of wood pulp, but also laid a solid foundation for its products to evolve toward high-end and differentiated supply, thereby ensuring the stability and growth of the Group’s profitability. Additionally, the Group continuously refined its lean operations and management, and actively adopted cutting-edge technologies to achieve digital transformation, introducing new momentum into the development of the Group. In FY2025, the Group delivered outstanding performance in profitability, with the gross profit significantly increased by 26.9% year-on-year to approximately RMB7,245.1 million, while net profit also soared by 177.3% year-

on-year to approximately RMB2,201.7 million against headwinds, and net profit per tonne of paper surged to approximately RMB102.5, outperforming the industry.

Advancing Investment in Pulp and Integration of Full Value-Chain to Support Cost Reduction, Efficiency Improvement and Product Upgrading

China's paper making industry is undergoing a pivotal transition, where both core challenges and opportunities hinge on mastery over raw materials. Pushing forward the development of our wood pulp footprint and integrating the entire industrial chain is not merely about scaling up. It is rather a strategic choice to fundamentally foster cost advantages and resilience in supply chain. The Group is investing in an annual design production capacity of approximately 3.4 million tonnes of wood pulp in Beihai, Guangxi Zhuang Autonomous Region, Jingzhou, Hubei Province, Chongqing and Tianjin. Upon completion of the above projects, the Group's total annual design production capacity for fibre raw materials will reach approximately 10.2 million tonnes (wood pulp of 7.4 million tonnes, recycled pulp of 0.7 million tonnes and wood fibre of 2.1 million tonnes), continuously optimizing the raw material structure and enhancing the Group's control over the industrial chain and its competitiveness.

In terms of products, leveraging the advantages in integrated pulp and paper production of its two new production bases in Beihai and Hubei, the Group has comprehensively increased the proportion of high-end paper grades, thereby optimizing its profit structure. These two major bases are progressively becoming the profit safeguard and growth engines of the Group. During FY2025, bleached folding boxboard of 1.2 million tonnes and printing and writing paper of 0.6 million tonnes successfully commenced production in Beihai base and Hubei base respectively. During Q3 of 2025, the printing and writing paper of approximately 0.4 million tonnes in the Beihai base and bleached folding boxboard of 1.2 million tonnes in Hubei base commenced production successively. This has further enriched the Group's high-end product portfolio and promoted its annual design production capacity of paper to the milestone of exceeding 25.0 million tonnes, consolidating its position as the world leader. Through vertical integration of the wood pulp supply chain, the Group has effectively controlled costs and enhanced quality, supporting the performance upgrades and brand premium for high-end paper categories while reinforcing our core competitiveness in the premium paper market.

Synergy of Lean Operations with Stringent Cost Control and Technological Innovation to Drive High-Quality Development

In the face of radical changes and uncertainties externally, the Group continued to enhance its core strengths by pursuing high-quality development as the main objective. While deepening the refined management internally, the Group pushed ahead with technological innovation and digital transformation, bolstering its risk tolerance and resilience of profitability.

In terms of operational management, the Group further implemented the refined management and control system, enabling horizontally benchmarking and vertically tapping the potential of all its processes ranging from raw material procurement, commissioning of production, operational management, sales and after-sales services to logistics and transportation across 13 domestic and international bases against its peer bases. By fostering collaborations and sharing of best practices among the bases, it realized cost reduction and efficiency enhancement through resources coordination, striving to achieve sustainable supply of quality paper that embodies the characteristics of Nine Dragons Paper.

In terms of technological innovation, the Group persisted to fulfil its cost reduction and efficiency enhancement initiatives oriented with technology innovation by focusing on technological breakthroughs and product upgrades in the industry. Meanwhile, the Group actively adopted cutting-edge technologies such as big data and artificial intelligence to promote its digital transformation. The use of technology to enhance overall management and decision-making efficiency has introduced new momentum into the Group's development, thereby further enhancing its profitability.

Fully Leveraging the Competitiveness of Integrated Pulp and Paper Production to Maximize Profitability

Looking ahead to FY2026, opportunities and challenges coexist. With the continual introduction of a series of more positive policies by the Chinese government to expand domestic demand and promote consumption, the demand in the packaging paper industry will be supported. Nonetheless, the escalating tensions in international relations, the sluggish recovery of economy and consumption, and the continuous release of new capacity will affect market demand and supply. However, we firmly believe that the environmental trend of “replacing plastic with paper” and the optimization of the supply side driven by “anti-involution” campaign will improve the supply and demand pattern in the paper manufacturing industry. Nine Dragons Paper will leverage its core competitive advantage of integrated pulp and paper production to tap profit growth points, with a view to maximizing profits with its best efforts. Stepping into FY2026, our core strategies are as follows:

1. Exercise stringent control over production costs — While pushing ahead with the smooth commencement of production of wood pulp projects in full steam, we will also optimize our procurement strategy to minimize the purchase price of major raw materials such as recovered paper and woodchips; as well as ensure precise commissioning of resources to optimize the yield of recovered paper and the cost of wood pulp per tonne;
2. Promote product differentiation and high-end development — By giving full rein to our strategic advantages of integrated pulp and paper production and guided by technological innovation, we will continue to achieve sustainable supply of exemplary quality paper that embodies the characteristics of Nine Dragons Paper, while raising the proportion of high added-value products and expanding domestic and international sales channels to further increase our share in the high-end markets;
3. Deepen lean management — We will utilize big data to reinforce lean management, taking into account the characteristics of the Group's business. Besides, we will closely track the market dynamics of raw materials and sales to optimize inventory levels and maximize profitability, and strengthen capital management to ensure a balance between business development and liquidity security;
4. Uphold bottom-line management — We will incorporate bottom-line management in aspects such as security, fire safety, environmental protection and integrity into the scope of our regular operation in order to establish a sound, long-term management mechanism.

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About Nine Dragons Paper (Holdings) Limited

Nine Dragons Paper (Holdings) Limited was established in 1995 and is headquartered in Dongguan City, Guangdong Province. The Company was listed on the Hong Kong Stock Exchange in 2006 and is currently the world's largest paper manufacturing group in terms of production capacity, and the leading enterprise in the integrated production of pulp and paper (its main products include various types of environmentally friendly packaging paper, printing and writing paper, high-end virgin paper, and paper products across its upstream and downstream production chain). Boasting an annual designed production capacity exceeding 25 million tonnes of paper and over 5 million tonnes of wood pulp, the Group employs more than 20,000 staff worldwide. It operates an extensive global production network with bases strategically located across China (including Dongguan, Taicang, Chongqing, Tianjin, Leshan, Quanzhou, Shenyang, Hebei, Hubei, and Beihai), as well as in Vietnam, Malaysia, and the United States.

This press release is issued by **Wonderful Sky Financial Group** on behalf of **Nine Dragons Paper (Holdings) Limited**.

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