



(Incorporated in Bermuda with limited liability)

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**Nine Dragons Paper Announces FY2025 Interim Results
Half-yearly Sales Volume Hit a New Record High
Net Profit after Tax Increased by 124.9% YoY**

(Hong Kong, 27 February 2025) Nine Dragons Paper (Holdings) Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group” or “ND Paper”) for the six months ended 31 December 2024 (the “Period”).

- Sales volume of approximately 11.4 million tonnes, up 14.0% YoY;
- Revenue of approximately RMB33,464.6 million, up 9.3% YoY;
- Gross profit of RMB3,194.3 million, up 18.1% YoY;
- Profit after tax of approximately RMB680.3 million, up 124.9% YoY;
- Profit attributable to equity holders of the Company of approximately RMB469.6 million, up 60.6% YoY.

A new record high of half-yearly sales volume with industry-leading profitability

During the Period, the Chinese economy showed a mild turnaround with moderate growth in domestic consumption. In addition, benefited from the export growth of end customers on top of the peak season factor, the demand for packaging paper improved moderately, driving the packaging paper industry sentiment from the trough to gradual recovery. Despite this, the overall consumer confidence in the market has yet to be fully restored, and effective consumer demand remains insufficient. The Group has actively seized the opportunity of industry recovery, timely optimized and adjusted its business strategies. With excellent and stable quality and diversified product portfolio, the Group fulfilled its goal of capturing the market of high-end products and boosting sales volume and price. During the Period, the Group's sales volume increased by 14.0% year-on-year to 11.4 million tonnes, setting a new record high and driving a 9.3% year-on-year increase in revenue to RMB 33,464.6 million.

At the same time, the Group continued to optimize its raw material expansion plans, and gradually utilized big data to facilitate scientific and innovative management, and comprehensively launch the quality and efficiency enhancement measures, thereby effectively enhancing cost control capabilities and operational efficiency. The Group closely tracked the market dynamics of raw materials and finished product of paper, and timely adjusted its production and sales strategies to maximize profitability. During the Period, the Group's gross profit increased by 18.1% year-on-year, and its profit after tax also increased significantly by 124.9%. In addition, the Group continues to improve the risk management system, keeping operating

capital, cash flow, and exchange rate fluctuations risks to minimum levels, solidly securing the robust development of the Group.

Completion of projects as scheduled to further optimize product portfolio

During the period, the Group's annual designed capacity of 1.2 million tonnes of bleached folding boxboard and 1.7 million tonnes of wood pulp in Beihai, Guangxi Zhuang Autonomous Region was put into operation as planned, further expanding the Group's product portfolio and market coverage. As of December 31, 2024, the Group's total designed annual capacity of fibre raw materials was 6.84 million tonnes (4.08 million tonnes of wood pulp, 0.7 million tonnes of recycled pulp, and 2.06 million tonnes of wood fibre); the total designed annual capacity of paper was 22.87 million tonnes; and the total designed annual capacity of downstream packaging plants exceeded 2.86 billion sq.m.

Orderly implementation of pulp and paper integration strategy to continuously enhance brand momentum

The Group is steadily and orderly advancing the strategy of integrated pulp and paper production. The vertical integration at the raw material end enables the Group to effectively mitigate risks relating to the fluctuation of procurement costs of wood pulp. Also, by leveraging the standardized quality control system, Group is able to support its performance upgrade of products such as high-end bleached folding boxboard and light weight high performance packaging paper, building up a brand that embodies the characteristics of Nine Dragons Paper and boasts industry leading customer satisfaction, thereby giving full play to the brand value of Nine Dragons Paper.

The Group is investing in Beihai, Guangxi Zhuang Autonomous Region, and Jingzhou, Hubei Province, with a designed annual capacity of 3.05 million tonnes of wood pulp and 3.70 million tonnes of bleached folding boxboard and printing and writing paper. After these projects are completed, the Group's total designed annual capacity of fibre raw materials will reach 8.19 million tonnes (5.43 million tonnes of wood pulp, 0.7 million tonnes of recycled pulp, and 2.06 million tonnes of wood fibre), and the total designed annual capacity of paper will reach 25.37 million tonnes, further optimizing the product structure. A diversified raw material and product portfolio will enhance the Group's resilience and flexibility in a complex and changing market environment, laying a solid foundation for further improving market competitiveness and structural profitability in the future.

Tapping profit growth points to maximize profit

Looking ahead to the second half of the fiscal year, the Chinese government's efforts to boost consumption will continue to unleash consumption potential and support the demand for packaging paper. However, the continued release of new capacity, the gradual recovery of the economy and consumption, and the increasingly tense international relations will all affect the supply and demand relationship in the market. Faced with the situation of both challenges and opportunities, the Group will dig deep for profit growth and strive to maximize profitability.

In the second half of the fiscal year, the Group's core strategies are as follows:

First, exercise stringent control over production costs – While pushing ahead with the commencement of production of the wood pulp projects in full steam, the Group will also optimize our procurement strategy to minimize the purchase price of major raw materials such as recovered paper and woodchips;

Second, strengthen brand effect – The Group will further promote standardization and uniformity of pulp and paper production quality by giving full rein to our strategic advantages with regard to such production. At the same time, the Group 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 to further increase its share in the high-end markets;

Third, increase the operating efficiency and effectiveness – The Group will utilize big data to promote innovation in management, taking into account the characteristics of its business. Besides, the Group will closely track the market dynamics of raw materials and sales to maximize profitability, and strengthen capital management to ensure a balance between business development and liquidity security; and

Fourth, reinforce bottom-line management – The Group will incorporate bottom-line management in aspects such as security, fire safety, environmental protection and integrity into the scope of its regular operation in order to establish a sound, long-term management mechanism.

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About Nine Dragons Paper (Holdings) Limited

Founded in 1995 and headquartered in Dongguan, Guangdong Province, Nine Dragons Paper (Holdings) Limited was listed on the Hong Kong Stock Exchange in 2006. It is the world's leading integrated paper and pulp manufacturer (major products include a wide range of high-end virgin papers, environmentally-friendly packaging paper, bleached folding boxboard, printing and writing papers, and products from the upstream and downstream production chains). The Group currently has a design production capacity over 22 million tpa and approximately 20,000 employees. At present, ND Paper has production bases in Dongguan, Taicang, Chongqing, Tianjin, Leshan, Quanzhou, Shenyang, Tangshan, Jingzhou, Beihai, Vietnam, Malaysia, the United States, etc.

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

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