

[For immediate release]

**LEE & MAN PAPER ANNOUNCES ALLOTMENT RESULTS**

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**PLACING SHARES 7.5 TIMES SUBSCRIBED**

**PUBLIC OFFER SHARES 16.8 TIMES SUBSCRIBED**

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**OFFER PRICE FIXED AT UPPER RANGE AT HK\$4.17 PER SHARE**

(Hong Kong, 23 September 2003) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”; HKSE code: 2314), the second largest containerboard manufacturer in China, today announced its allotment results. The Group received valid indication of interest for approximately 1,265,625,000 placing shares, representing approximately 7.5 times the placing shares initially available. As for the public offer, the Group received valid applications for 315,100,000 shares, equivalent to approximately 16.8 times the public offer shares originally available. The offer price has been fixed at the upper range at HK\$4.17 per share.

In view of the overwhelming response from the public offer, the claw back mechanism has been applied and a total of 37,500,000 shares have been re-allocated from the placing to the public offer. As such, the final number of placing shares and public offer shares have become 131,250,000 shares and 56,250,000 shares respectively, representing 70% and 30% of the global offering. CLSA Equity Capital Markets Limited, is the Sponsor of the share offer whilst CLSA Limited is the Global Coordinator, Bookrunner and Lead Manager.

Commenting on this encouraging response, **Mr. Raymond Lee, CEO and Managing Director of Lee & Man Paper** said, “The placing results are very pleasing. The Group’s promising prospects have attracted an excellent spread of strategic institutional investors.”

At the offer price of HK\$4.17 per share and assuming the over-allotment options are not exercised, the net proceeds from the listing will amount to approximately HK\$751 million. The Group will use approximately HK\$340 million and HK\$60 million for capital expenditure and working capital requirements respectively in relation to the first phase of the Group's facilities expansion plan in Changshu, Jiangsu Province; HK\$200 million for the repayment of debts and the balance for general working capital requirements.

"The results of the placing and public offer confirm that investors share our confidence that the Group's business is well-placed to capture the China's high growth momentum, particularly in the containerboard manufacturing industry. To strive for better performance, we will also double our annual production capacity from 650,000 MT to 1,200,000 MT by the end of 2004." Mr. Raymond Lee concluded.

The Group will commence dealings of its shares on the Main Board of The Stock Exchange of Hong Kong Limited on 26 September 2003 (Friday), under stock code 2314.

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### **About Lee & Man Paper Manufacturing Limited**

Lee & Man Paper is the second largest containerboard producer in China. The Group specializes in the production of a range of linerboard and corrugating medium, which are used to produce cardboard boxes for packaging purposes. The Group's fully integrated production facilities are strategically located at Dongguan and Jiangsu, two of the most important manufacturing and export hubs in China. The Group is able to customize products according to different needs and is therefore poised to benefit from China's booming manufacturing activities. In addition, Lee & Man Paper adopts the highest environmental standards in its operations, and is committed to setting new examples for the paper manufacturing industry in China.

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