

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Lee & Man Paper Manufacturing Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the Independent Board Committee



CIMB-GK Securities (HK) Limited

A letter from the Independent Board Committee is set out on page 13 of this circular and a letter from CIMB-GK Securities (HK) Limited, the independent financial adviser to the Independent Board Committee is set out on pages 14 to 19 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 5/F Liven House, 61–63 King Yip Street, Kwun Tong, Kowloon, Hong Kong at 9:30 a.m. on Thursday, 26 June 2008 (the “Extraordinary General Meeting”) is set out on pages 25 to 26 of this circular.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. If you do not intend to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment of it, if you so wish.

* for identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	13
Letter from CIMB-GK Securities (HK) Limited	14
Appendix — General information	20
Notice of EGM	25

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Aggregated Annual Caps”	the maximum aggregate annual consideration (i) to be received by the Group from Lee & Man Manufacturing for supply of finished goods, steam and electricity to Lee & Man Manufacturing, (ii) to be paid by the Group to Lee & Man Manufacturing for purchase of waste paper by-products, and (iii) under the Electricity Services Agreement and the Steam Services Agreement, for each of the three financial years ending 31 March 2009, 2010 and 2011, details of which are set out in Section D in this Announcement;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“CIMB-GK”	CIMB-GK Securities (HK) Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders;
“Company”	Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Dongguan Lee & Man”	Dongguan Lee & Man Paper Factory Co., Ltd., a wholly foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company;
“EGM”	the extraordinary general meeting of the Company convened to approve, among other things, the New Agreements and the New Annual Caps;
“Electricity Services Agreement”	the agreement dated 14 March 2008 entered into between Jiangsu Paper and Jiangsu Chemical pursuant to which Jiangsu Paper provides electricity services to generate electricity for Jiangsu Chemical, details of which are set out in the Company’s announcement dated 14 March 2008;
“Existing Agreements”	the Existing Finished Goods Agreement and the Existing Steam Agreement;

DEFINITIONS

“Existing Annual Caps”	the maximum aggregate annual consideration to be received by the Group from Lee & Man Manufacturing for supply of finished goods and steam to Lee & Man Manufacturing for each of the three financial years ending 31 March 2007, 2008 and 2009, details of which are set out in Section C in this announcement;
“Existing Finished Goods Agreement”	the agreement dated 25 August 2006 entered into between Dongguan Lee & Man and Lee & Man Manufacturing pursuant to which Dongguan Lee & Man supplies finished goods (such as test liners and corrugated medium paper) to Lee & Man Manufacturing, details of which are set out in the Company’s announcement dated 25 August 2006;
“Existing Steam Agreement”	the agreement dated 25 August 2006 entered into between Dongguan Lee & Man and Lee & Man Manufacturing pursuant to which Dongguan Lee & Man supplies steam to Lee & Man Manufacturing, details of which are set out in the Company’s announcement dated 25 August 2006;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	a board committee comprising of Wong Kai Tung Tony and Law Kar Shui Elizabeth, the independent non-executive Directors, constituted to make recommendations to the Independent Shareholders in respect of the New Agreements and the New Annual Caps;
“Independent Shareholders”	Shareholders other than Mr. Lee and his associates;
“Jiangsu Chemical”	Jiangsu Lee & Man Chemical Limited, a wholly foreign-owned enterprise established in the PRC and an associate of Mr. Lee;
“Jiangsu Paper”	Jiangsu Lee & Man Paper Manufacturing Limited, a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company;
“Latest Practicable Date”	6 June 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Lee & Man Manufacturing”	Lee & Man Industrial Manufacturing Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Mr. Lee”	Mr. Lee Wan Keung, Patrick, the chairman of the Company and a Director;
“New Agreements”	the New Finished Goods Agreement and the New Steam and Electricity Agreement;
“New Annual Caps”	the maximum aggregate annual consideration to be received by the Group from Lee & Man Manufacturing for supply of finished goods, steam and electricity to Lee & Man Manufacturing, and to be paid by the Group to Lee & Man Manufacturing for purchase of waste paper by-products for each of the three financial years ending 31 March 2009, 2010 and 2011, details of which are set out in Section D in this Announcement;
“New Finished Goods Agreement”	the agreement dated 21 May 2008 entered into between Dongguan Lee & Man and Lee & Man Manufacturing for the supply by Dongguan Lee & Man of finished goods (such as test liners and corrugated medium paper) to Lee & Man Manufacturing and other members in its group and for the purchase by Dongguan Lee & Man of waste paper by-products from Lee & Man Manufacturing;
“New Steam and Electricity Agreement”	the agreement dated 21 May 2008 entered into between Dongguan Lee & Man, Lee & Man Manufacturing pursuant to which Dongguan Lee & Man supplies steam and electricity to Lee & Man Manufacturing;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC. For information only, RMB have been translated into HK\$ as to 1 RMB to HK\$1.09. No representation is made that such amounts were or could be exchanged at such rates;
“SFO”	Securities and Futures Ordinance of Hong Kong;
“Shareholder(s)”	holder(s) of shares of the Company;
“Shares”	ordinary shares of HK\$0.10 in the capital of the Company;
“Steam Services Agreement”	the agreement dated 14 March 2008 entered into between Jiangsu Paper and Jiangsu Chemical pursuant to which Jiangsu Paper provides steam services to generate steam for Jiangsu Chemical, details of which are set out in the Company’s announcement dated 14 March 2008;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“substantial shareholder” has the meaning ascribed thereto under the Listing Rules; and
“%” per cent.

LETTER FROM THE BOARD



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

Executive Directors:

Lee Wan Keung Patrick (*Chairman*)
Lee Man Chun Raymond
Lee Man Bun
Li King Wai Ross

Registered Office

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Non-executive Directors:

Professor Poon Chung Kwong

Principal Office in Hong Kong

5th Floor, Liven House
61–63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

Independent Non-executive Directors:

Wong Kai Tung Tony
Law Kar Shui Elizabeth

10 June 2008

To Shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

Reference is made to the announcement made by the Company dated 21 May 2008. On 25 August 2006, Dongguan Lee & Man, a wholly-owned subsidiary of the Company, entered into the Existing Finished Goods Agreement and Existing Steam Agreement with Lee & Man Manufacturing, which will expire on 31 March 2009. Lee & Man Manufacturing is an associate of Mr. Lee Wan Keung, Patrick, the chairman of the Company and a Director. Accordingly, the transactions under the Existing Agreements constitute continuing connected transactions under the Listing Rules. The Existing Agreements and their respective Existing Annual Caps for the three years ending 31 March 2007, 2008 and 2009 were approved by the Independent Shareholders at the extraordinary general meeting held on 6 October 2006. For more details, please refer to the Company's announcements dated 25 August 2006 and 6 October 2006 and the Company's circular dated 18 September 2006.

In anticipation for the new supply of electricity by the Group, the new purchase of waste paper by-products by the Group, the increasing amount and value of transactions between Dongguan Lee & Man and Lee & Man Manufacturing and the increased costs of fuel (in particular, cost of coal, which has

* for identification purposes only

LETTER FROM THE BOARD

almost doubled since 2004) and raw material required for the finished goods, the annual cap for financial year ending 31 March 2009 is expected to exceed the Existing Annual Caps for such financial year. Accordingly, on 21 May 2008, the New Finished Goods Agreement and the New Steam and Electricity Agreement were entered into between the same parties to replace the Existing Agreements. Each of the New Agreements has a term of two years and nine months commencing on 1 July 2008 till 31 March 2011.

Under the Listing Rules, the New Annual Caps in aggregate for the New Agreements will be aggregated with the annual caps under the Electricity Services Agreement and the Steam Services Agreement. As the Aggregated Annual Caps is more than 2.5% and less than 25% of the applicable percentage ratios in respect of the Company and is greater than HK\$10,000,000, the New Agreements and the New Annual Caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

The purpose of this circular is (i) to provide you with further information in relation to the transactions contemplated under the New Agreements; (ii) to set out the opinions and recommendations of the Independent Board Committee and CIMB-GK; and (iii) to give you notice of the EGM at which the resolutions set out therein will be proposed. The EGM will be held on Thursday, 26 June 2008 for the purpose of, among others, obtaining the approval from the Independent Shareholders in respect of the subject transactions by way of poll.

B. NEW AGREEMENTS

The principal terms of the New Agreements are set out as follows:

1. New Finished Goods Agreement

Date:	21 May 2008
Parties:	(i) Dongguan Lee & Man (a wholly-owned subsidiary of the Company) (ii) Lee & Man Manufacturing
Nature of transaction:	Dongguan Lee & Man will from time to time supply finished goods (such as test liners and corrugated medium paper) to Lee & Man Manufacturing and other members in its group for manufacturing corrugated paper packaging products in the PRC and Lee & Man Manufacturing will from time to time supply waste paper by-products to Dongguan Lee & Man for manufacturing paper.
Term of agreement:	two years and nine months commencing from 1 July 2008 till 31 March 2011

LETTER FROM THE BOARD

2. New Steam and Electricity Agreement

Date:	21 May 2008
Parties:	(i) Dongguan Lee & Man (a wholly-owned subsidiary of the Company) (ii) Lee & Man Manufacturing
Nature of transaction:	Dongguan Lee & Man will supply steam and electricity to Lee & Man Manufacturing and other members of its group at a monthly fee of HK\$1,000,000, subject to adjustments (taking into account any changes in actual usage of steam and electricity) as may be mutually agreed between the parties.
Term of agreement:	two years and nine months commencing from 1 July 2008 till 31 March 2011

Each of the New Agreements is conditional upon the approval of the Independent Shareholders at the EGM. The Existing Agreements and Existing Annual Caps will continue to apply until the New Agreements have become unconditional, whereupon they will be replaced by the New Agreements and New Annual Caps respectively.

Under the New Finished Goods Agreement, the price to be charged by the Group in respect of the supply of finished goods and the purchase of waste paper by-products shall be comparable to the market price charged to independent third parties under normal commercial terms for similar products (where possible, in the same region). If there is no such market price, the price to be charged by the Group shall be comparable to the price charged against other third parties for similar services or products. The price to be charged for finished goods and waste paper by-products under the New Finished Goods Agreement will be paid by cash within 30 days after the month in which the supply is made. There is no pre-determined price for the finished goods and waste paper by-products under the New Finished Goods Agreement and the price will be determined from time to time based on the criteria set out above.

Under the New Steam and Electricity Agreement, the steam fee and electricity charges were based on the estimated monthly coal consumption and overheads of the Group and shall be comparable to the market price charged by other suppliers under normal commercial terms (where possible, in the same region). If there is no such market price, the price to be charged by the Group shall be comparable to the price charged against other third parties for similar services or products. The steam and electricity charges will be paid by cash by Lee & Man Manufacturing within 30 days after the month in which the supply is made. There is no pre-determined charges for steam and electricity under the New Steam and Electricity Agreement and the charges will be determined from time to time determined based on the criteria set out above.

LETTER FROM THE BOARD

C. HISTORICAL AMOUNTS AND ANNUAL CAPS

The aggregate consideration for supply of finished goods, waste paper by-products and steam for each of the three financial years ended 31 March 2005, 2006 and 2007 were as follows:

Type of Transaction	Year ended 31 March 2005	Year ended 31 March 2006 <i>Amount (HK\$)</i>	Year ended 31 March 2007
Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing	84,229,000	122,018,000	97,724,000
Purchase of waste paper by-products from Lee & Man Manufacturing by Dongguan Lee & Man	6,986,000	7,764,000	Nil
Supply of steam by Dongguan Lee & Man to Lee & Man Manufacturing	<u>1,560,000</u>	<u>1,560,000</u>	<u>1,560,000</u>
Total:	<u><u>92,775,000</u></u>	<u><u>131,342,000</u></u>	<u><u>99,284,000</u></u>

At the extraordinary general meeting of the Company held on 6 October 2006, the following Existing Annual caps for the Existing Agreements for each of the three financial years ending 31 March 2007, 2008 and 2009, were approved by the Independent Shareholders.

Type of Transaction	Year ended 31 March 2007	Year ended 31 March 2008 <i>Amount (HK\$)</i>	Year ending 31 March 2009
Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing	166 million	184 million	195 million
Supply of steam by Dongguan Lee & Man to Lee & Man Manufacturing	<u>1.56 million</u>	<u>1.56 million</u>	<u>1.56 million</u>
Total:	<u><u>167.56 million</u></u>	<u><u>185.56 million</u></u>	<u><u>196.56 million</u></u>

LETTER FROM THE BOARD

D. NEW ANNUAL CAPS

The Company proposes the New Annual Caps for the New Agreements (in respect of which Independent Shareholders' approval is proposed to be sought at the EGM) for each of the three financial years ending 31 March 2009, 2010 and 2011 as follows:

Type of Transaction	Year ending 31 March 2009	Year ending 31 March 2010 <i>Amount (HK\$)</i>	Year ending 31 March 2011
Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing (Note 1)	280 million	310 million	310 million
Purchase of waste paper by- products from Lee & Man Manufacturing by Dongguan Lee & Man (Note 2)	3 million	3 million	3 million
Supply of steam and electricity by Dongguan Lee & Man to Lee & Man Manufacturing (Note 3)	<u>10 million</u>	<u>12 million</u>	<u>12 million</u>
Total:	<u><u>293 million</u></u>	<u><u>325 million</u></u>	<u><u>325 million</u></u>

Notes:

1. The relevant caps have been determined by reference to: (i) the amount of historical transactions between the Group and Lee & Man Manufacturing for the three financial years ended 31 March 2005, 2006 and 2007; (ii) the estimated amount of transactions for the financial year ended 31 March 2008; and (iii) the anticipated amount of transactions and price for the finished goods (taking into account the criteria set out in section B above) for the three financial years ending 31 March 2009, 2010 and 2011, taking into account increase in the costs of fuel (in particular, coal) and raw materials required for the finished goods, the supply plan for Dongguan Lee & Man and the production plan and requirements of Lee & Man Manufacturing.

2. The relevant caps have been determined by reference to (i) the amount of historical transactions between the Group and Lee & Man Manufacturing for the two financial years ended 31 March 2005 and 2006; (ii) the anticipated amount of transactions and price for the waste paper by-products (taking into account the criteria set out in section B above) for the three financial years ending 31 March 2009, 2010 and 2011, taking into account the waste paper by-products anticipated to be generated by Lee & Man Manufacturing and the production plan and requirements of Dongguan Lee & Man. There was no historical amount for purchase of waste paper by-products from Lee & Man Manufacturing during the financial years ended 31 March 2007 and 2008 as such continuing connected transactions for such purchase were discontinued for regulatory reasons which have since been cleared.

3. The relevant caps have been determined by reference to the amount of historical transactions between the Group and Lee & Man Manufacturing for the three financial years ended 31 March 2005, 2006 and 2007; (ii) the estimated amount of transactions for the financial year ended 31 March 2008; and (iii) the anticipated amount of transactions and charges for steam and electricity (taking into account the criteria set out in section B above) for the three financial years ending 31 March 2009, 2010 and 2011, taking into account increase in the costs of fuel (in particular, coal) and the spare electricity and steam capacity of Dongguan Lee & Man and the production plan and requirements of Lee & Man Manufacturing. There was no historical amount for supply of electricity to Lee & Man Manufacturing during the financial years ended 31 March 2005, 2006, 2007 and 2008 as there were no continuing connected transactions for such supply.

LETTER FROM THE BOARD

For the purpose of the Listing Rules, the New Annual Caps in aggregate for the New Agreements will be aggregated with the annual caps under the Electricity Services Agreement and the Steam Services Agreement entered into between Jiangsu Paper, a wholly-owned subsidiary of the Company and Jiangsu Chemical, an associate of Mr. Lee Wan Keung, Patrick. The Aggregated Annual caps are as follows:

Type of Transaction	Year ending 31 March 2009	Year ending 31 March 2010 <i>Amount</i>	Year ending 31 March 2011
Transactions under the New Agreements	HK\$293 million	HK\$325 million	HK\$325 million
Transactions under the Electricity Services Agreement and the Steam Services Agreement	RMB54 million (approximately <u>HK\$58.9 million</u>)	RMB80 million (approximately <u>HK\$87.2 million</u>)	RMB60 million (approximately <u>HK\$65.4 million</u>)
Total (Aggregated Annual Cap)	<u>HK\$351.9 million</u>	<u>HK\$412.2 million</u>	<u>HK\$390.4 million</u>

E. REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group is a large-scale paper manufacturer and specializes in the production of linerboard and corrugating medium. Lee & Man Manufacturing is principally engaged in the manufacturing of corrugated paper packaging products in the PRC.

The New Agreements have been negotiated and agreed on an arms' length basis between the Group and Lee & Man Manufacturing based on normal commercial terms. The terms of the New Agreements (in terms of pricing policies and payment policies) are substantially the same as the terms of the transactions under the Existing Agreements save that the New Agreements also provide for purchase of waste paper (which is a by product of the finished goods) by, and supply of electricity (which is an ancillary product from production of steam) from, Dongguan Lee & Man. As compared to the Existing Caps, the New Caps cater for these additions to the New Agreements and reflect anticipated increase in amount and value of transactions and increased costs of fuel (in particular, cost of coal, which has almost doubled since 2004) and raw material required for the finished goods. The supply of steam in excess of those required for its own anticipated consumption requirement for supply to Lee & Man Manufacturing will enable the Group to general additional income. The purchase of waste paper by-products from Lee & Man Manufacturing will enable the Group to secure a steady supply source of such products on normal commercial terms.

The Directors consider the terms of each of the New Agreements to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

F. GENERAL

The Group is a large-scale paper manufacturer and specializes in the production of linerboard and corrugating medium. Lee & Man Manufacturing is principally engaged in the manufacturing of corrugated paper packaging products in the PRC.

LETTER FROM THE BOARD

Lee & Man Manufacturing is indirectly wholly owned by Mr. Lee Wan Keung, Patrick, the chairman of the Company and a Director, and therefore an associate of Mr. Lee. Accordingly, the transactions under the New Agreements constitute continuing connected transactions under the Listing Rules.

On 14 March 2008, Jiangsu Paper, a wholly-owned subsidiary of the Company and Jiangsu Chemical, an associate of Mr. Lee, entered into the Electricity Services Agreement and the Steam Services Agreement, details of which are set out in the Company's announcement dated 14 March 2008. Under the Listing Rules, the New Annual Caps in aggregate for the New Agreements will be aggregated with the annual caps under the Electricity Services Agreement and the Steam Services Agreement. As the Aggregated Annual Caps is more than 2.5% and less than 25% of the applicable percentage ratios in respect of the Company and is greater than HK\$10,000,000, the New Agreements and the New Annual Caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

Save for the Existing Agreements, the Electricity Services Agreement and the Steam Services Agreement, the Company has confirmation from Mr. Lee that he and his associates do not have any other transactions with the Group that are subsisting and are subject to aggregation pursuant to Rule 14A.25 to 14A.27 of the Listing Rules with the New Agreements. As at the Latest Practicable Date, Mr. Lee was interested in 715,661,200 Shares representing approximately 62.92% of the issued share capital of the Company through Gold Best, a controlled corporation of Mr. Lee and an associated corporation of the Company under the SFO. Further details of Mr. Lee's and his associates' shareholding interests in the Company are set out in the appendix to this circular. Mr. Lee and his associates will abstain from voting at the EGM of the Company to be convened for this purpose. The votes of the Independent Shareholders in the EGM will be taken by poll.

G. PROCEDURES FOR DEMANDING A POLL AT THE EGM

Where a resolution is put to the vote at the EGM, the resolution shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the EGM; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the EGM; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the EGM; or

LETTER FROM THE BOARD

- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and holding Shares conferring a right to vote at the EGM being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

On a poll votes may be given either personally or by proxy.

H. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 13 of this circular which contains its recommendation to the Independent Shareholders in respect of the resolution to approve the transactions contemplated under Agreements.

The advice of CIMB-GK to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Agreements are fair and reasonable and in the interest of the Company and its Shareholders as a whole are set out on pages 14 to 19 of this Circular.

I. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

By order of the Board
Lee & Man Paper Manufacturing Limited
Lee Wan Keung, Patrick
Chairman



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

10 June 2008

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the resolution to approve the transactions contemplated under the New Agreements, details of which are set out in the “Letter from the Board” contained in the circular of the Company (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms defined in the circular shall have the same meanings when used in this letter.

Your attention is drawn to the “Letter from the Board”, the advice of CIMB-GK in its capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the terms of the Agreements are reasonable and in the interest of the Company and its Shareholders as a whole, as set out in the “Letter from CIMB-GK Securities (HK) Limited” as well as other additional information set out in other parts of the Circular.

Having taken into account the advice of, and the principal factors and reasons considered by CIMB-GK in relation thereto as stated in its letter, we consider the terms of the transactions contemplated under the Agreements to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the transactions contemplated under the Agreements.

Yours faithfully,

Independent Board Committee

Mr. Wong Kai Tung, Tony and

Ms. Law Kar Shui, Elizabeth

Independent Non-executive Directors

* *for identification purposes only*



CIMB-GK Securities (HK) Limited

25/F Central Tower
28 Queen's Road Central
Hong Kong

10 June 2008

*To the Independent Board Committee and
the Independent Shareholders of
Lee & Man Paper Manufacturing Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our engagement as the independent financial adviser to the Independent Board Committee in relation to the continuing connected transactions contemplated under the New Agreements and the New Annual Caps, details of which are contained in a circular (the "Circular") to the Shareholders dated 10 June 2008, of which this letter forms part. Expressions used in this letter have the same meanings as defined in the Circular.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular. We have also assumed that the information and representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the dispatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information and documents and have taken reasonable steps as required under Rule 13.80, including the notes thereto of the Listing Rules, to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Group, Lee & Man Manufacturing or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the New Agreements and the New Annual Caps, we have considered the following principal factors and reasons:

Background and rationale

The Group is a large-scale paper manufacturer and specializes in the production of linerboard and corrugating medium. Lee & Man Manufacturing is principally engaged in the manufacturing of corrugated paper packaging products in the PRC.

On 25 August 2006, Dongguan Lee & Man, a wholly-owned subsidiary of the Company, entered into the Existing Finished Goods Agreement and Existing Steam Agreement with Lee & Man Manufacturing, which will expire on 31 March 2009. In anticipation for the new supply of electricity by the Group, the new purchase of waste paper by-products by the Group, the increasing amount and value of transactions between Dongguan Lee & Man and Lee & Man Manufacturing and the increased costs of fuel (particularly, the cost of coal) and raw material required for the finished goods, the annual cap for the financial year ending 31 March 2009 is expected to exceed the Existing Annual Caps for such financial year. Accordingly, on 21 May 2008, the New Agreements were entered into between the same parties to replace the Existing Agreements. Each of the New Agreements has a term of two years and nine months commencing on 1 July 2008 till 31 March 2011.

Under the New Finished Goods Agreement and the New Steam and Electricity Agreement both dated 21 May 2008, (i) Dongguan Lee & Man will from time to time supply finished goods (such as test liners and corrugated medium paper) to Lee & Man Manufacturing and other members in its group for manufacturing corrugated paper packaging products in the PRC and Lee & Man Manufacturing will from time to time supply the waste paper by-products to Dongguan Lee & Man for manufacturing paper; and (ii) Dongguan Lee & Man will supply steam and electricity to Lee & Man Manufacturing and other members of its group at a monthly fee of HK\$1 million, subject to adjustments (taking into account any changes in actual usage of steam and electricity) as may be mutually agreed between the parties.

The supply of finished goods will enable the Group to generate additional income based on normal commercial terms. The supply of steam and electricity (which is an ancillary product from production of steam) in excess of those required for the Group's own anticipated consumption requirement will also enable the Group to generate additional income based on normal commercial terms. The purchase of waste paper by-products from Lee & Man Manufacturing will enable the Group to secure a steady supply source of such products on normal commercial terms.

Given the above and the fact that (i) the nature of the continuing connected transactions contemplated under the New Agreements relates to the Group's principal business and operations and will be in the ordinary and usual course of business of the Group; and (ii) the continuing connected transactions contemplated under the New Agreements will be based on market and normal commercial terms and comparable to those offered to independent third parties as elaborated below, we consider the New Agreements are in the interests of the Company and the Shareholders as a whole.

Basis of determination

In assessing the fairness of the bases of the New Agreements, we have reviewed (i) the terms of the continuing connected transactions contemplated under the New Agreements; and (ii) discussed the bases of the continuing connected transactions to be conducted under the New Agreements with the senior management of the Company.

The terms of the New Agreements have been negotiated and agreed on an arms' length basis between the Group and Lee & Man Manufacturing based on normal commercial terms.

New Finished Goods Agreement

Under the New Finished Goods Agreement, the price to be charged by the Group in respect of the supply of finished goods and the purchase of waste paper by-products shall be comparable to the market price charged to independent third parties under normal commercial terms for similar products (where possible, in the same region). If there is no such market price, the price to be charged by the Group shall be comparable to the price charged against other third parties for similar services or products. We have reviewed the sample invoices provided by the Company and noted that the terms offered by the Group to Lee & Man Manufacturing in respect of the supply of finished goods and the terms offered by Lee & Man Manufacturing to the Group in respect of the supply of waste paper by-products are comparable to those offered to other independent third parties.

New Steam and Electricity Agreement

Under the New Steam and Electricity Agreement, the steam fee and electricity charges were based on the estimated monthly coal consumption and overheads of the Group and shall be comparable to the market price charged by other suppliers under normal commercial terms (where possible, in the same region). If there is no such market price, the price to be charged by the Group shall be comparable to the price charged against other third parties for similar services or products. As advised by the Company, steam is needed in the production process of the Group's product and electricity is an ancillary product from production of steam. Save for Lee & Man Manufacturing, the Company has no intention to supply steam to other third parties and it is unlikely to have other demand of steam produced by the Group in that area. Given the above, we consider such charges to Lee & Man Manufacturing based on the estimated monthly coal consumption and overheads incurred by the Group are fair and reasonable.

Views

Based on the above, we consider that the bases of the New Agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

New Annual Caps

The following table summarized the respective New Annual Caps for the New Agreements for each of the three financial years ending 31 March 2009, 2010 and 2011:

Type of Transaction	<i>Amount (HK\$)</i>		
	Year ending 31 March 2009	Year ending 31 March 2010	Year ending 31 March 2011
Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing	280 million	310 million	310 million
Purchase of the waste paper by-products from Lee & Man Manufacturing by Dongguan Lee & Man	3 million	3 million	3 million
Supply of steam and electricity by Dongguan Lee & Man to Lee & Man Manufacturing	10 million	12 million	12 million
Total:	<u>293 million</u>	<u>325 million</u>	<u>325 million</u>

Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing

We note that the New Annual Caps for the Supply of finished goods by Dongguan Lee & Man to Lee & Man Manufacturing have been determined by the Directors with reference to the following factors:

- (i) the amount of historical transactions between the Group and Lee & Man Manufacturing for the three financial years ended 31 March 2005, 2006 and 2007;
- (ii) the estimated amount of transactions for the financial year ended 31 March 2008; and
- (iii) the anticipated amount of transactions and price for the finished goods for the three financial years ending 31 March 2009, 2010 and 2011.

We have discussed with the management of the Company on the principal bases underlying the above factors. We note that in determining the transaction amount of the finished goods, the Directors have considered the plans by Lee & Man Manufacturing to increase sourcing of finished goods from the Group. The anticipated price for the finished goods was determined by the Directors with reference to the current market price of the finished goods. We have discussed with the management and reviewed the sourcing plans by Lee & Man Manufacturing and noted that it is anticipated that the quantity of finished goods to be sourced by Lee & Man Manufacturing from the Group for the three financial years ending 31 March 2011 will increase compared to the historical amounts. As advised by the management of the Company, such sourcing plan was prepared with reference to the annual production capacity of Lee & Man Manufacturing and the historical amount of finished goods sourced by it from the Group. The anticipated increase in sourcing of finished goods by it from the Group is mainly attributable to the increase in production

capacity of Lee & Man Manufacturing. We have also reviewed the current market prices of the finished goods and noted that such market prices have increased. Furthermore, as noted from the information provided by the Company and information available in the public domain, we note that the costs of fuel, in particular coal, have been on an upward trend in recent years. In addition, we also note that the costs of the raw materials required for the production of the finished goods, namely, old corrugated cardboard and containers, have been on an upward trend since 2005. With the estimated increase in the sourcing of finished goods by Lee & Man Manufacturing from the Group and the upward trend in fuel prices and raw materials, we consider the increase in New Annual Caps reasonable.

Purchase of the waste paper by-products from Lee & Man Manufacturing by Dongguan Lee & Man

We note that the New Annual Caps for the Purchase of the waste paper by-products from Lee & Man Manufacturing by Dongguan Lee & Man have been determined by the Directors with reference to the following factors:

- (i) the amount of historical transactions between the Group and Lee & Man Manufacturing for the two financial years ended 31 March 2005 and 2006; and
- (ii) the anticipated amount of transactions and price for the waste paper by-products for the three financial years ending 31 March 2009, 2010 and 2011.

We note that there was no historical amount for purchase of waste paper by-products from Lee & Man Manufacturing during the financial years ended 31 March 2007 and 2008. The anticipated amount of transaction have been determined by the Directors based on the waste paper by-products anticipated to be generated by Lee & Man Manufacturing and the production plan and requirements of Dongguan Lee & Man. We have reviewed the current market price of the waste paper by-products and noted that it is comparable with the price used by the Company in determining the Annual Caps. We also consider that with a relatively small annual caps compared to the operation of the Group, Dongguan Lee & Man should have sufficient demand for such waste paper by-products.

Supply of steam and electricity by Dongguan Lee & Man to Lee & Man Manufacturing

We note that the New Annual Caps for the Supply of steam and electricity by Dongguan Lee & Man to Lee & Man Manufacturing have been determined by the Directors with reference to the following factors:

- (i) the amount of historical transactions for the supply of steam between the Group and Lee & Man Manufacturing for the three financial years ended 31 March 2005, 2006 and 2007;
- (ii) the estimated amount of transactions for the supply of steam for the financial year ended 31 March 2008; and
- (iii) the anticipated amount of transactions and charges for steam and electricity for the three financial years ending 31 March 2009, 2010 and 2011.

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

We have discussed with the management of the Company on the principal bases underlying the above factors. We note that there was no historical amount for supply of electricity to Lee & Man Manufacturing during the financial years ended 31 March 2005, 2006, 2007 and 2008. The New Annual Caps have been determined taking into account increase in the costs of fuel and the spare electricity and steam capacity of Dongguan Lee & Man and the production plan and requirements of Lee & Man Manufacturing. In relation to the supply of steam, we note that the anticipated units of steam to be supplied by Dongguan Lee & Man to Lee & Man Manufacturing remain stable as compared to the historical supply of steam, the main factor attributable to the increase in cap is due to the increase in costs of fuel for the production of steam. In relation to the supply of electricity, we note that the anticipated units of electricity to be supplied by Dongguan Lee & Man to Lee & Man Manufacturing was determined by the Company based on the estimated spare capacity for the production of electricity of Dongguan Lee & Man. We have discussed with the management and reviewed the capacity breakdown for the production of steam and electricity prepared by the Company and note that Dongguan Lee & Man has such spare electricity and steam capacity. We have also reviewed the calculation prepared by the Company on the estimated costs for the supply of steam and electricity and noted that major relevant costs have been included in such calculation. Furthermore, as noted from the information provided by the Company and information available in the public domain, we note that the costs of fuel, in particular coal, have been on an upward trend in recent years. Taking account of the above, we consider that the increase in New Annual Caps reasonable.

Views

Based on various factors described above, we regard those factors and bases as well as the New Annual Caps in relation to the New Agreements to be fair and reasonable so far as the Company and the Independent Shareholders are concerned. However, as the New Annual Caps relate to future events and are based on assumptions which may or may not remain valid for the entire period up to 31 March 2011, consequently, we express no opinion as to how closely the actual sale or purchase volume of the continuing connected transactions contemplated under the New Agreements corresponds with the New Annual Caps.

RECOMMENDATION

Having considered the principal factors and reasons referred to the above, we consider that the New Agreements are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and that the terms thereof as well as the New Annual Caps are fair and reasonable so far as the Company and Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Agreements and the New Annual Caps.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) LIMITED

Alex Lau

Director

Head of Corporate Finance

Flavia Hung

Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts concerning the Group the omission of which would make any statement herein misleading.

1. Disclosure of Interests

Interests and short positions of Directors and chief executive in the share capital of the Company and its associated corporation

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) pursuant to section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they would be deemed to taken to have under Sections 344 and 345 of the SFO) or which would be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Directors' interests in the Shares

Name of Director	Capacity	Number of ordinary shares	Number of ordinary shares subject to options granted under the Share Option Scheme	Percentage of the issued share capital of the Company
Lee Wan Keung Patrick	Held by controlled corporation (<i>Note</i>)	715,661,200	—	62.92%
Lee Man Chun Raymond	Beneficial owner	—	492,000	0.04%
Lee Man Bun	Beneficial owner	—	300,000	0.03%
Li King Wai Ross	Beneficial owner	—	600,000	0.05%
Poon Chung Kwong	Beneficial owner	150,000	480,000	0.06%
Wong Kai Tung Tony	Beneficial owner	400,000	—	0.04%

Note: These shares were held by Gold Best Holdings Ltd. ("Gold Best").

Directors' interests in associated corporations of the Company

Name of Director	Capacity	Name of associated corporation	Number of ordinary shares	Percentage of the issued shares capital of associated corporation
Lee Wan Keung Patrick	Beneficial owner	Gold Best	51	51%
Lee Man Chun Raymond	Beneficial owner	Gold Best	29	29%
Lee Man Bun	Beneficial owner	Gold Best	20	20%

Note: As Gold Best owns more than 50% interest of the Company, Gold Best is an associated corporation of the Company under the SFO. Gold Best is a controlled corporation of Mr. Lee Wan Keung Patrick under the SFO. The entire issued share capital of Gold Best is owned by Mr. Lee Wan Keung Patrick, Mr. Lee Man Chun Raymond and Mr. Lee Man Bun (all of them are directors of the Company). Mr. Lee Wan Keung Patrick and Mr. Lee Man Chun Raymond, both of whom are directors of the Company, are directors of Gold Best.

2. Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive are aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Notifiable interests in Shares

Name of shareholder	Capacity	Number of ordinary shares	Percentage of the issued share capital of the Company
Gold Best	Beneficial owner	715,661,200	62.92%
Lee Wan Keung Patrick	Held by controlled corporation	715,661,200	62.92%
Lee Wong Wai Kuen	Held by spouse (<i>Note</i>)	715,661,200	62.92%

Note: Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 715,661,200 ordinary shares as she is the spouse of Lee Wan Keung Patrick, a director of the Company.

3. SERVICE CONTRACTS

Each of the directors has entered into a service contract with the Company, details of which are set out below:

Name of Director	Service Contract Effective Date	Service Terms	Salaries per annum HK\$
Lee Wan Keung Patrick	1 September 2007	Three years	Nil
Lee Man Chun Raymond	1 September 2007	Three years	3,360,000
Lee Man Bun	16 August 2007	Three years	2,160,000
Li King Wai Ross	12 August 2005	Three years	840,000
Poon Chung Kwong	1 February 2008	One year	Nil
Wong Kai Tung Tony	11 September 2007	One year	80,000
Law Kar Shui Elizabeth	1 January 2008	One year	Nil

As at the Latest Practicable Date, none of the Directors has entered into or proposed to enter into any service contract with the Company which will not expire or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2007, being the date up to which the latest published audited financial statements of the Group were made up.

5. COMPETING INTERESTS

None of the Directors and their respective associates (as defined in the Listing Rules) have any interest in a business, which competes or may compete with the business of the Group.

6. EXPERT

- (a) The following is the qualification of CIMB-GK Securities (HK) Limited, which has given its opinion or advice which is contained in this circular:

Name	Qualification
CIMB-GK	a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, CIMB-GK did not have any shareholding, direct or indirect, in the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Group, nor did it have any interest, direct or indirect, in any assets which had, since 31 March 2007, being the date up to which the

latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group.

- (c) CIMB-GK has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

7. DIRECTOR'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) None of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2007, being the date up to which the latest published audited financial statements of the Group were made.
- (b) None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

8. MISCELLANEOUS

- (a) The company secretary and the qualified accountant of the Company is Mr. Cheung Kwok Keung. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is located at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 705, George Town, Grand Cayman, Cayman Islands. The principle office of the Company in Hong Kong is located at 5th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (c) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at 5/F Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong, from 11 June 2008 for a period of 14 days up to 25 June 2008:

- (a) this circular;
- (b) the Articles of Association of the Company;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 13 of this circular;
- (d) the letter from CIMB-GK, the text of which is set out on pages 14 to 19 of this circular;

- (e) the written consent of CIMB-GK referred to in the section headed “Expert” in this Appendix;
- (f) the directors’ service contracts referred to in the section “Service Contract” in this Appendix;
- (g) the New Agreements;
- (h) the Existing Agreements;
- (i) the Electricity Services Agreement; and
- (j) the Steam Services Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Lee & Man Paper Manufacturing Limited (the “Company”) will be held at 5th Floor, Liven House, 61–63 King Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 26 June 2008 at 9:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT** the finished goods agreement (the “Finished Goods Agreement”) dated 21 May 2008 between Dongguan Lee & Man Paper Factory Co., Ltd. and Lee & Man Industrial Manufacturing Limited for the supply of finished goods and waste paper by-products and the annual caps transactions contemplated thereunder be and are hereby approved and any one director be and are hereby authorised to exercise all the powers of the Company and take all other steps as they may in their opinion to be desirable for necessary in connection with the Finished Goods Agreement and generally to exercise all the powers of the Company as they deem desirable or necessary in connection with the foregoing.”
2. “**THAT** the steam and electricity agreement (the “Steam and Electricity Agreement”) dated 21 May 2008 between Dongguan Lee & Man Paper Factory Co., Ltd. and Lee & Man Industrial Manufacturing Limited for the supply of steam and electricity and the transactions and the annual caps contemplated thereunder be and are hereby approved and any one director be and are hereby authorised to exercise all the powers of the Company and take all other steps as they may in their opinion to be desirable for necessary in connection with the Steam and Electricity Agreement and generally to exercise all the powers of the Company as they deem desirable or necessary in connection with the foregoing.”

By order of the Board of
Lee & Man Paper Manufacturing Limited
Cheung Kwok Keung
Company Secretary

10 June 2008

* for identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Shareholders entitled to attend and vote at the extraordinary general meeting are entitled to appoint one or more persons (whether or not a shareholder of the Company) as their proxy to attend and vote on behalf of themselves. A proxy need not be a shareholder of the Company but must attend the meeting in person to represent a shareholder.
2. The form of proxy must be signed by a shareholder or an attorney duly authorized in writing by a shareholder or, in the case of a corporation must be either executed under its common seal or under the hand of an officer or attorney or other person duly authorized to sign the same.
3. In the case of joint holders of a share if more than one of such joint holder be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
4. In order to be valid, the form of proxy, together with the power of attorney (if any) or other authority under which it is signed or a notarially certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the meeting.
5. Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the Extraordinary General Meeting if such shareholder so wishes. In such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice, the board of directors of the Company comprises four executive directors, namely Mr. Lee Wan Keung, Patrick, Mr. Lee Man Chun, Raymond, Mr. Lee Man Bun and Mr. Li King Wai, Ross, one non-executive director, namely Professor Poon Chung Kwong and two independent non-executive directors, namely Mr. Wong Kai Tung, Tony and Ms. Law Kar Shui, Elizabeth.