

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**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 shares in Lee & Man Paper Manufacturing Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licenced securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



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 ANNUAL GENERAL MEETING  
PROPOSALS FOR GENERAL MANDATE TO ISSUE  
AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS**

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Lee & Man Paper Manufacturing Limited. The directors of Lee & Man Paper Manufacturing Limited 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 the omission of which would make any statement herein misleading.

Notice convening the annual general meeting of Lee & Man Paper Manufacturing Limited to be held on Monday, 7 September 2009 at 11:30 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages 13 to 16 of this circular. Whether or not shareholders are able to attend the annual general meeting, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with Tricor Investor Services Ltd., the share registrar of Lee & Man Paper Manufacturing Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the above annual general meeting (or any adjournment thereof). Completion and return of the form of proxy will not preclude shareholders of Lee & Man Paper Manufacturing Limited from attending and voting in person at the annual general meeting (or any adjournment thereof) should they so desire.

\* for identification purpose only

# CONTENT

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b> .....	3
<b>Appendix I — Explanatory Statement</b> .....	6
<b>Appendix II — Details of Directors proposed to be re-elected at the AGM</b> .....	9
<b>Notice of AGM</b> .....	13

## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be convened and held at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, on Monday, 7 September 2009 at 11:30 a.m.
“Articles”	means the articles of association of the Company adopted pursuant to written resolutions passed on 11 September 2003 (and as amended from time to time)
“Associates”	bears the same meaning ascribed thereto in the Listing Rules
“Company”	means Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	means directors of the Company or the board of directors of the Company, as the context may require
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	means 24 July 2009, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	means the notice convening the AGM
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means share(s) of par value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	means the pre-IPO share option scheme and the share option scheme, both of which were adopted by the Company on 11 September 2003

## DEFINITIONS

“Shareholder(s)”	means holders of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subsidiary”	means a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) for the time being of the Company whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



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

*Non-Executive Director*

Professor Poon Chung Kwong

*Independent Non-Executive Directors:*

Wong Kai Tung Tony  
Peter A Davies  
Chau Shing Yim David

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Office:*

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

30 July 2009

*To Shareholders of the Company*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSALS FOR GENERAL MANDATE TO ISSUE  
AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Monday, 7 September 2009 at 11:30 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong which, upon approval, would enable the Company to, among other things:

- (a) repurchase Shares not exceeding 10% of the Shares in issue as at the date of passing such resolution;
- (b) issue new shares not exceeding 20% of the Shares in issue as at the date of the passing such resolution;

\* for identification purpose only

## **LETTER FROM THE BOARD OF DIRECTORS**

- (c) add to the new issue mandate in (b) above those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (a) above;
- (d) re-elect certain Directors.

### **PROPOSED ISSUE MANDATE AND REPURCHASE MANDATE**

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be given general mandates to (i) repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution; (ii) allot, issue and otherwise deal in Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the ordinary resolution; (iii) add to the new issue mandate in (ii) above those Shares repurchased by the Company pursuant to the Repurchase Mandate described in (i) above, during the period from the date of the AGM up to the next following annual general meeting of the Company. As at the Latest Practicable Date, a total of 1,137,380,412 Shares were in issue. Subject to the passing of Ordinary Resolution No. 3(i) as set out in the Notice at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM nor outstanding options, if any, granted under the Share Option Scheme being exercised, the Company would be allowed under the new issue mandate in (ii) above to issue a maximum of 227,476,082 Shares.

An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the Listing Rules, in particular Rule 10.06(1)(b), is set out on pages 6 to 8 to this circular. This explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### **PROPOSED RE-ELECTION OF CERTAIN DIRECTORS AND DETAILS OF APPOINTMENT LETTERS RELATING TO THE NON-EXECUTIVE DIRECTOR AND THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

In accordance with Article 86(3) and Article 87(1) of the Articles, each of Mr Lee Man Chun Raymond, Mr Lee Man Bun, Mr Li King Wai Ross and Mr Chau Shing Yim David will retire at the AGM and, being eligible, will offer each of themselves for re-election.

Information on such Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

Details of the appointment letters of Professor Poon Chung Kwong, the non-executive Director, and each of Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David, the independent non-executive Directors, are also set out in Appendix II of this circular.

## LETTER FROM THE BOARD OF DIRECTORS

### THE AGM

The following are the details of the AGM:

Date: 7 September 2009

Time: 11:30 a.m.

Venue: Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong

The Notice is set out on pages 13 and 16 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's share registrar, Tricor Investor Services Ltd., 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event so as to arrive not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The return of a form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so desire.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions set out in the notice of the AGM shall be voted by poll. Votes may be given either personally or by proxy.

### RECOMMENDATION

The Directors consider that the proposals referred to in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM to approve the general mandates to issue and repurchase Shares, the addition to the new issue mandate those shares repurchased pursuant to the Repurchase Mandate and the re-election of Directors.

Yours faithfully  
For and on behalf of  
**Lee & Man Paper Manufacturing Limited**  
**Lee Wan Keung Patrick**  
*Chairman*

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorizing the Repurchase Mandate.

This explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on voting on the Repurchase Mandate as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules and are set out as follows:

### **1. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,137,380,412 Shares.

Subject to the passing of Ordinary Resolution No. 3(ii) at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM nor outstanding options, if any, granted under the Share Option Scheme being exercised, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 113,738,041 Shares.

The expiry of the Repurchase Mandate will be the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (c) the revocation or variation of the resolution (if passed) proposed at the AGM in relation to the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and Shareholders as a whole.

### **3. FUNDING OF REPURCHASES**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the Company's memorandum of association and Articles and the applicable laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of any premium payable on such repurchase, from profits of the Company or from the Company's share premium account. The repurchase of Shares made out of capital will be



conditional upon the fact that immediately following the date on which payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

#### **4. STATUS OF REPURCHASED SHARES**

The Listing Rules provide that the listing of all repurchased Shares is automatically cancelled and that the certificates for those shares must be cancelled and destroyed. Under the laws of the Cayman Islands, a company's repurchased shares shall be treated as cancelled and its issued share capital (but not the authorised share capital) will be reduced accordingly.

#### **5. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report for the financial year ended 31 March 2009) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

#### **6. DISCLOSURE OF INTERESTS**

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company if the Repurchase Mandate is exercised and neither have any of the connected persons undertaken not to sell his Shares to the Company in the event the Company is authorised to make repurchases of Shares.

#### **7. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

#### **8. TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code. The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, Gold Best Holdings Ltd, the controlling shareholder of the Company, held approximately 716,847,200 Shares, representing approximately 63.03% of the issued capital of the Company. If the Repurchase Mandate is exercised in full and assuming that there are no further changes in the ownership structure of the Company and none of the options under the Share Option Scheme are exercised, Gold Best Holdings Ltd. will be interested in approximately 70.03% of the issued capital of the Company. Accordingly, the Directors are not aware of any consequences for Gold Best Holdings Ltd under the Takeovers Code as a result, solely, of the Directors exercising the Repurchase Mandate in full.

## 9. SHARE PURCHASE MADE BY THE COMPANY

No repurchases of securities have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

## 10. SHARE PRICES

The highest and lowest prices of the Shares as quoted by the Stock Exchange in each of the previous twelve months before and on the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2008</b>		
July	12.00	9.12
August	9.23	7.14
September	7.99	3.58
October	4.43	1.57
November	4.05	2.28
December	4.45	2.61
<b>2009</b>		
January	4.75	3.11
February	4.55	3.46
March	5.05	3.31
April	6.70	4.40
May	9.55	5.80
June	9.93	7.31
1 July to the Latest Practicable Date (24 July 2009)	11.92	7.10

## **DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM**

Pursuant to the Articles, the details of the Directors who are required to retire at the AGM according to the Articles and who, being eligible, have offered themselves for re-election at the AGM are as follows:

### **(1) Mr Lee Man Chun Raymond — Executive Director**

Mr Lee Man Chun Raymond, *BBS, JP*, aged 38, Chief Executive Officer as well as founder of the Group, is primarily in charge of corporate planning, investment projects and acquisition of heavy production machines. Mr Lee has over fifteen years of operational experience in paper manufacturing and is experienced in professional formula of paper making and product development. He holds a bachelor's degree in applied science from the University of British Columbia. Mr Lee was the “Young Industrialist Award of Hong Kong 2002” and “2003 Hong Kong Ten Outstanding Young Persons Selection Awardees”; received the “Bronze Bauhinia Star” (*BBS*) in 2005; was appointed non-official Justice of the Peace (*JP*) in 2007 and the CPPCC National Committee in 2008. Mr Lee is also an independent non-executive director of Bossini International Holdings Limited, a company listed on the main board of the Stock Exchange. Mr Lee is the eldest son of Mr Lee Wan Keung Patrick, the Chairman of the Company. He is also related to Mr Lee Man Bun and Mr Li King Wai Ross, both of whom are Directors and the son and son-in-law respectively of Mr Lee Wan Keung Patrick. Save as disclosed above, Mr Lee did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr Lee entered into a service contract with the Company on 11 September 2007 for three years unless and until terminated by either the Company or Mr Lee giving to the other not less than 3 months' notice in writing to terminate the service contract. Pursuant to the service contract with Mr Lee, he is entitled to receive an annual remuneration of HK\$3,360,000 and a discretionary bonus to be decided by the majority of the Directors provided that the total amount of bonus payable to all the Directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year. The Company's policy on remuneration for executive directors is based on that director's experience, responsibility, workload and the time devoted to the Group.

As at the Latest Practicable Date, Gold Best Holdings Ltd, the controlling shareholder of the company, held 716,847,200 Shares, representing approximately 63.03% of the Shares then in issue while Mr Lee held 29% of the entire issued share capital of Gold Best Holdings Ltd. As at the Latest Practicable Date, he was interested in 30,492,000 underlying Shares through options granted to him under the Share Option Scheme. Save as disclosed herein, Mr Lee does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

### **(2) Mr Lee Man Bun — Executive Director**

Mr Lee Man Bun, aged 28, Executive Director and General Manager of the Company, is responsible for production management, research & development, repair and maintenance of production machines and factory staff management. Mr Lee holds a bachelor's degree of Applied Science in Chemical Engineering from the University of British Columbia in Canada. He is the

member of the Political Consultative Committee of Guangdong Province and also the Vice Chairman of Yan Chai Hospital Board of Directors. He joined the Group in July 2003. Mr Lee is the youngest son of Mr Lee Wan Keung (Chairman of the Company) and brother of Mr Lee Man Chun Raymond (a Director).

Mr Lee entered into a service contract with the Company on 16 August 2007 for three years unless and until terminated by either the Company or Mr Lee giving to the other not less than 3 months' notice in writing to terminate the service contract. Pursuant to the service contract with Mr Lee, he is entitled to receive an annual remuneration of HK\$2,160,000 and a discretionary bonus to be decided by the majority of the Directors provided that the total amount of bonus payable to all the Directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year. The Company's policy on remuneration for executive directors is based on that director's experience, responsibility, workload and the time devoted to the Group.

As at the Latest Practicable Date, Gold Best Holdings Ltd, the controlling shareholder of the company, held 716,847,200 Shares, representing approximately 63.03% of the Shares then in issue while Mr Lee held 20% of the entire issued share capital of Gold Best Holdings Ltd. As at the Latest Practicable Date, he was interested in 20,300,000 underlying Shares through options granted to him under the Share Option Scheme. Mr Lee did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date. Save as disclosed herein, Mr Lee does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**(3) Mr Li King Wai Ross — Executive Director**

Mr Li King Wai Ross, aged 34, Executive Director and Assistant General Manager of the Company, is responsible for the daily factory management of Hongmei factory, purchasing of recovered paper as well as maintaining relationship of various government departments in Dongguan. Mr Li holds a Masters Degree in Science (Electrical Engineering) from Stanford University in U.S.A. and a bachelor's degree of Applied Science (Computer Engineering) from University of British Columbia in Canada. Mr Li has over 9 years of experience in production management and in technological research & development. He joined the Group in December 2002. Mr Li is the husband of a daughter to the Chairman of the Company, Mr Lee Wan Keung. As Mr Lee Man Chun Raymond and Mr Lee Man Bun (both of whom are executive Directors) are the sons of Mr Lee Wan Keung, they are also relatives of Mr Li.

Mr Li entered into a service contract with the Company on 12 August 2008 for three years unless and until terminated by either the Company or Mr Li giving to the other not less than 3 months' notice in writing to terminate the service contract. Pursuant to the service contract with Mr Li, he is entitled to receive an annual remuneration of HK\$1,800,000 and a discretionary bonus to be decided by the majority of the Directors provided that the total amount of bonus payable to all the Directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year. The Company's policy on remuneration for executive directors is based on that director's experience, responsibility, workload and the time devoted to the Group.

As at the Latest Practicable Date, Mr Li was not interested or deemed to be interested in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr Li did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date. Save as disclosed herein, Mr Li does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**(4) Mr Chau Shing Yim David — Independent Non-Executive Director**

Mr Chau Shing Yim David, aged 45, an independent non-executive Director, has over 20 years' experience in corporate finance. Such experience mainly relates to projects ranging from initial public offerings and restructuring of PRC enterprises for cross-border and domestic takeovers. He was formerly a partner of one of the big four accounting firms in Hong Kong, heading the Merger and Acquisition and Corporate Advisory Services. He is a member of the Hong Kong Securities Institute, the Institute of Chartered Accountants of England and Wales ("ICAEW") with the Corporate Finance Qualification granted by ICAEW, and the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Mr Chau was an ex-committee member of the Disciplinary Panel of HKICPA.

Pursuant to an appointment letter to be entered into with the Company, Mr Chau's appointment shall be for a term of approximately 1 year commencing from 7 September 2009 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 30 September 2010. The appointment may be terminated by either party giving at least three months' prior notice in writing. Pursuant to the appointment letter, Mr Chau will be entitled to receive an annual remuneration of HK\$200,000. His remuneration was determined by the board of Directors by reference to the prevailing market rates, the Company's remuneration policy, his duties and responsibility within the Group and his expected contribution to the Group. The Company and Mr Chau considers such terms of appointment as reasonable.

During the three years preceding the Latest Practicable Date, Mr Chau is also an executive director of Tidetime Sun (Group) Limited, a non-executive director of Shandong Molong Petroleum Machinery Company Limited and Varitronix International Limited, all being companies that are listed on the main board of the Stock Exchange. As at the Latest Practicable Date, he was not interested or deemed to be interested in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save for his directorship in the Company, Mr Chau does not have any other relationship with any director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr Chau did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Save as disclosed above, each of Mr Lee Man Chun Raymond, Mr Lee Man Bun, Mr Li King Wai Ross and Mr Chau Shing Yim David and the Company are not aware of any other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules in respect of their respective re-elections nor any other matters which need to be brought to the attention of the Shareholders regarding their respective re-elections.

**DETAILS OF THE APPOINTMENT LETTERS OF OTHER NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company shall, subject to Shareholders' approval at the AGM, sign appointment letters with each of Professor Poon Chung Kwong, the non-executive Director, and Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David, the independent non-executive Directors, to renew their respective terms of appointment for a term of approximately 1 year commencing from 7 September 2009 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 30 September 2010. Details of the appointment letter of Mr Chau Shing Yim David are set out in Mr Chau's biography above.

Pursuant to their respective appointment letters, Professor Poon Chung Kwong is not entitled to any remuneration and each of Mr Wong Kai Tung Tony and Mr Peter A Davies is entitled to an annual remuneration of HK\$200,000. All of their appointment letters may be terminated by either party giving at least three months' prior notice in writing. The remuneration were determined by the board of Directors by reference to the prevailing market rates, the Company's remuneration policy, the relevant director's duties and responsibility within the Group and his expected contribution to the Group. The Company and each of the above Directors consider their respective terms of appointment reasonable.

## NOTICE OF ANNUAL 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 IS HEREBY GIVEN THAT** an Annual General Meeting (“AGM”) of Lee & Man Paper Manufacturing Limited (the “Company”) will be held on Monday, 7 September 2009 at 11:30 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong for the following purposes:

As ordinary business, to consider and if thought fit, pass the following resolutions:

### ORDINARY RESOLUTIONS

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 March 2009;
2. (i) to re-elect Mr Lee Man Chun Raymond as an executive director of the Company;
- (ii) to re-elect Mr Lee Man Bun as an executive director of the Company;
- (iii) to re-elect Mr Li King Wai Ross as an executive director of the Company;
- (iv) to re-elect Mr Chau Shing Yim David as an independent non-executive director of the Company;
- (v) to authorise the board of the directors of the Company to fix the remuneration of the directors of the Company and to approve, confirm and ratify the terms of appointment of each of Professor Poon Chung Kwong, Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David;
- (vi) to re-appoint Messrs Deloitte Touche Tohmatsu as auditors for the ensuing year and authorise the board of directors to fix their remuneration; and

as special business, to consider and, if thought fit, pass the following resolutions:

### ORDINARY RESOLUTIONS

3. (i) **“THAT:**
  - (a) subject to paragraph (c), the exercise by the board of directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and dispose of additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

\* For identification purpose only

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall authorise the board of directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the board of directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or the exercise of the subscription rights under the share option schemes of the Company adopted on 11 September 2003, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (I) the conclusion of the next annual general meeting of the Company;
- (II) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (III) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in a general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the board of directors of the Company to shareholders of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the board of directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(ii) **“THAT:**

- (a) the exercise by the board of directors of the Company during the Relevant Period of all powers of the Company to purchase or otherwise acquire its own shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and



## NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this resolution,

Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (I) the conclusion of the next annual general meeting of the Company;
  - (II) the expiration of the period within which the next annual general meeting of the Company is required to be held by any other applicable law of the Cayman Islands or the articles of association of the Company; and
  - (III) the revocation or variation of this resolution of the Shareholders in a general meeting.”
- (iii) “**THAT** conditional upon resolutions numbered 3(i) and 3(ii) set out in the notice convening the AGM being passed, the aggregate nominal amount of the shares in the capital of the Company which are purchased or otherwise acquired by the Company under the authority granted to the board of directors of the Company as mentioned in resolution number 3(ii) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the board of directors of the Company pursuant to resolution number 3(i) above.”

By Order of the Board  
**Mr Cheung Kwok Keung**  
*Company Secretary*

Hong Kong, 30 July 2009

## NOTICE OF ANNUAL GENERAL MEETING

*Principal Office:*

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

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*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 three independent non-executive directors, namely Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.*

*Notes:*

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the meeting personally or by proxy, that one of the holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Ltd, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the AGM, and in default the form of proxy shall not be treated as valid.
4. The completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM (or any adjourned meeting thereof) should they so wish.
5. A form of proxy for use at the AGM is enclosed.