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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
and the Independent Shareholders**



CIMB Securities (HK) Limited

A letter from the Independent Board Committee is set out on page 11 of this circular and a letter from CIMB Securities (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 12 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 on 24 June 2010 at 10:00 a.m. (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.

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DEFINITIONS

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

“Aggregated Annual Cap”	the aggregated annual consideration received under the Business Services Agreements and the New Annual Caps;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Services Agreements”	a finished goods agreement and a steam and electricity agreement both dated 21 May 2008 entered into between Dongguan Lee & Man and Lee & Man Industrial, details of which are set out in the Company’s announcement dated 21 May 2008;
“CIMB”	CIMB 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 in respect of the New Agreements and the transactions contemplated thereunder and the New Annual Caps;
“Company”	Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
“Continuing Connected Transactions”	the continuing connected transactions between Jiangsu Paper and Jiangsu Chemical, which is beneficially owned by Mr Lee Wan Keung, Patrick, which constitute continuing connected transactions of the Company which require reporting, announcement and Independent Shareholders’ approval;
“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 to be convened to approve, among other things, the New Agreements, the transactions contemplated hereunder and each of the New Annual Caps;

DEFINITIONS

“Existing Agreements”	the agreement dated 14 March 2008 between Jiangsu Paper and Jiangsu Chemical in relation to the services provided to generate steam by Jiangsu Paper to Jiangsu Chemical and the agreement dated 14 March 2008 between Jiangsu Paper and Jiangsu Chemical in relation to the services provided to generate electricity by Jiangsu Paper to Jiangsu Chemical;
“Existing Annual Caps”	the maximum annual consideration for providing services to Jiangsu Chemical under the Existing Agreements for each of the three financial years ended 31 March 2009, and ending 31 March 2010 and 2011 as approved by independent Shareholders at the Company’s extraordinary general meeting held on 25 April 2008;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Board Committee”	a board committee comprising Mr Peter A Davies and Mr Chau Shing Yim David, both of whom are independent non-executive Directors, and which will 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 Company Limited, a wholly foreign-owned enterprise established in the PRC and an indirectly wholly-owned subsidiary of the Company;
“kcal”	kilocalorie;
“kg”	kilogram;
“kWh”	unit of electricity, i.e. kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour;
“Latest Practicable Date”	31 May 2010;
“Lee & Man Holding”	Lee & Man Holding Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;

DEFINITIONS

“Lee & Man Industrial”	Lee & Man Industrial Manufacturing Limited, a company indirectly wholly owned by a daughter of Mr Lee Wan Keung, Patrick;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Agreements”	the New Steam Services Agreement and New Electricity Services Agreement;
“New Annual Caps”	the maximum annual consideration to be paid or received for providing services to generate electricity and steam by Jiangsu Paper to Jiangsu Chemical under the New Agreements for each of the three financial years ending 31 March 2011, 2012 and 2013;
“New Electricity Services Agreement”	the agreement dated 20 May 2010 entered into between Jiangsu Paper and Jiangsu Chemical pursuant to which Jiangsu Paper provides services to generate electricity for Jiangsu Chemical;
“New Steam Services Agreement”	the agreement dated 20 May 2010 entered into between Jiangsu Paper and Jiangsu Chemical pursuant to which Jiangsu Paper provides services to generate steam for Jiangsu Chemical;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of PRC;
“Shareholder(s)”	holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ton”	a metric ton, a measurement of mass equal to 1,000 kilograms; 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

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 in Hong Kong

5th Floor, Liven House

61-63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

3 June 2010

To Shareholders of the Company

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement made by the Company dated 20 May 2010. On 20 May 2010 Jiangsu Paper, an indirectly wholly-owned subsidiary of the Company, entered into the New Agreements with Jiangsu Chemical to replace the Existing Agreements. Jiangsu Chemical is an indirectly wholly-owned subsidiary of Lee & Man Holding, an associate of Mr Lee Wan Keung Patrick, the chairman, a Director and the controlling shareholder of the Company. Accordingly, the transactions under the New Agreements constitute continuing connected transactions under the Listing Rules.

For the purpose of the Listing Rules, the New Annual Caps when aggregated with the annual caps under the Business Services Agreements would result in the Aggregated Annual Caps being more than 2.5% and less than 25% of the applicable percentage ratios and also greater than HK\$10,000,000. Consequently, the New Agreements and New Annual Caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules. Accordingly, each of the New Agreements is conditional upon the approval of the Independent Shareholders at the EGM.

* for identification purposes only

LETTER FROM THE BOARD

In addition, since Lee & Man Holding is a company listed on the Stock Exchange, the New Agreements also constitute continuing connected transactions for Lee & Man Holding and are subject to approval by their independent shareholders.

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; 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, 24 June 2010 for the purpose of, among others, obtaining the approval from the Independent Shareholders in respect of the subject transactions by way of poll.

THE AGREEMENTS

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

1. New Steam Services Agreement

Date:	20 May 2010
Parties:	(i) Jiangsu Paper (an indirectly wholly-owned subsidiary of the Company) (ii) Jiangsu Chemical
Nature of Transaction:	Jiangsu Paper will provide services to generate steam for Jiangsu Chemical at a charge of RMB30.00 per ton measured at Jiangsu Paper's meter. The coal for generating the steam will be supplied by Jiangsu Chemical to Jiangsu Paper in advance. The quantity of coal to be supplied by Jiangsu Chemical will be 0.164 ton of coal for 1 ton of steam, based on the coal standard at 4,750 kcal/kg. Jiangsu Chemical will provide the steam pipelines and relevant facilities to transfer steam to its production facilities. Jiangsu Chemical will also be responsible for the maintenance and repairs of steam pipelines and relevant facilities.
Term of Agreement:	3 years commencing with effect from 1 April 2010 till 31 March 2013.
Payment:	Steam service fees will be paid in cash by Jiangsu Chemical within 14 days after the end of each month based on actual consumption of the amount of the steam but subject to the limits of the New Annual Caps.

LETTER FROM THE BOARD

2. New Electricity Services Agreement

Date:	20 May 2010
Parties:	(i) Jiangsu Paper (an indirectly wholly-owned subsidiary of the Company) (ii) Jiangsu Chemical
Nature of Transaction:	Jiangsu Paper will provide services to generate electricity for Jiangsu Chemical at a charge of RMB0.08 per kWh measured at Jiangsu Paper's meter. The coal for generating the electricity will be supplied by Jiangsu Chemical to Jiangsu Paper in advance. The quantity of coal to be supplied by Jiangsu Chemical will be 0.557 kg for 1 kWh, based on the coal standard at 4,750 kcal/kg. Jiangsu Chemical will provide the electricity cables and relevant facilities to transmit electricity to its production facilities. Jiangsu Chemical will also be responsible for the maintenance and repairs of electricity cables and relevant facilities.
Term of Agreement:	3 years commencing with effect from 1 April 2010 till 31 March 2013.
Payment:	Electricity service fees will be paid in cash by Jiangsu Chemical within 14 days after the end of each month based on actual consumption of the electricity units but subject to the limits of the New Annual Caps.

Under the New Agreements, the steam and electricity service fees were based on the estimated supply costs (including overheads and a mark up representing the investment and financing costs of the electricity and steam generating facilities) of Jiangsu Paper. The New Agreements were negotiated and determined on an arm's length basis based on normal commercial terms. The Existing Agreements and Existing Annual Caps will continue to apply until the New Agreements come into effect, whereupon the Existing Agreements will be superseded by the New Agreements. The Directors are of the opinion that the New Agreements are entered into after arm's length negotiations, the terms of the New Agreements represent normal commercial terms and that the New Agreements and New Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

HISTORICAL AMOUNTS AND ANNUAL CAPS

The aggregate consideration for the services provided to generate steam and electricity for each of the years ended 31 March 2009 and 31 March 2010 were as follows:–

Type of Transaction	Amount	
	year ended 31 March 2009	year ended 31 March 2010
Services to generate steam by Jiangsu Paper to Jiangsu Chemical	RMB11,058,000 (approximately HK\$12,566,000)	RMB32,650,000 (approximately HK\$37,529,000)
Services to generate electricity by Jiangsu Paper to Jiangsu Chemical	RMB6,772,000 (approximately HK\$7,696,000)	RMB22,169,000 (approximately HK\$25,482,000)
Total	RMB17,830,000 (approximately HK\$20,262,000)	RMB54,819,000 (approximately HK\$63,011,000)

At the extraordinary general meeting of the Company held on 25 April 2008, the following Existing Annual Caps for the Existing Agreements for each of the three financial years ended 31 March 2009, 2010 and ending 31 March 2011, were approved by the Independent Shareholders.

Type of Transaction	Amount		
	Year ended 31 March 2009	Year ended 31 March 2010	Year ending 31 March 2011
Services to generate steam by Jiangsu Paper to Jiangsu Chemical	RMB32,500,000 (approximately HK\$35,425,000)	RMB50,000,000 (approximately HK\$54,500,000)	RMB37,500,000 (approximately HK\$40,875,000)
Services to generate electricity by Jiangsu Paper to Jiangsu Chemical	RMB21,500,000 (approximately HK\$23,435,000)	RMB30,000,000 (approximately HK\$32,700,000)	RMB22,500,000 (approximately HK\$24,525,000)
Total	RMB54,000,000 (approximately HK\$58,860,000)	RMB80,000,000 (approximately HK\$87,200,000)	RMB60,000,000 (approximately HK\$65,400,000)

LETTER FROM THE BOARD

NEW ANNUAL CAPS

The Company proposes that the New Annual Caps under 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 2011, 2012 and 2013 be as follows:–

Type of Transaction	Amount		
	Year ending 31 March 2011	Year ending 31 March 2012	Year ending 31 March 2013
Services to generate steam by Jiangsu Paper to Jiangsu Chemical	RMB20,100,000 (approximately HK\$22,853,700)	RMB20,100,000 (approximately HK\$22,853,700)	RMB20,100,000 (approximately HK\$22,853,700)
Services to generate electricity by Jiangsu Paper to Jiangsu Chemical	RMB44,800,000 (approximately <u>HK\$50,937,600</u>)	RMB44,800,000 (approximately <u>HK\$50,937,600</u>)	RMB44,800,000 (approximately <u>HK\$50,937,600</u>)
Total	RMB64,900,000 (approximately <u>HK\$73,791,300</u>)	RMB64,900,000 (approximately <u>HK\$73,791,300</u>)	RMB64,900,000 (approximately <u>HK\$73,791,300</u>)

The New Annual Caps have been determined by reference to the amount of historical transactions between Jiangsu Paper and Jiangsu Chemical for the two financial years ended 31 March 2009 and 2010, taking into account Jiangsu Paper's own anticipated consumption requirements, the spare electricity and steam capacity of Jiangsu Paper available for Jiangsu Chemical's requirements, the production plans and the related estimated electricity and steam requirements of Jiangsu Chemical for the period from 1 April 2010 up to 31 March 2013, as well as the estimated unit price of steam and electricity services to be provided.

CONDITION PRECEDENT

Each of the New Agreements is conditional upon the approval of the Independent Shareholders at the EGM. In addition, since Lee & Man Holding is a company listed on the Stock Exchange, the New Agreements also constitute continuing connected transactions for Lee & Man Holding and is subject to approval by their independent shareholders.

INFORMATION ON LEE & MAN HOLDING AND JIANGSU CHEMICAL

Lee & Man Holding and its subsidiaries are principally engaged in the manufacture and sale of handbags and chemical production. The principal business of Jiangsu Chemical is in the production and sales of chloromethane products, and the production facilities of Jiangsu Chemical is nearby the production of the Group in Jiangsu.

LETTER FROM THE BOARD

REASONS FOR AND BENEFIT OF THE TRANSACTIONS UNDER NEW AGREEMENTS

The New Agreements have been negotiated and agreed on an arms' length basis between Jiangsu Paper and Jiangsu Chemical based on normal commercial terms. The supply of steam in excess of those required for its own anticipated consumption requirement for supply to Jiangsu Chemical will enable Jiangsu Paper to generate additional income. It will also enhance the overall operational efficiency of the generating facilities due to larger economies of scale, and to lower the unit costs of steam and electricity to Jiangsu Paper.

GENERAL

The Group is a large-scale paper manufacturer and specializes in the production of linerboard and corrugating medium. The principal business of Jiangsu Paper is manufacturing and trading of paper.

Jiangsu Chemical is an indirectly wholly-owned subsidiary of Lee & Man Holding, an associate of Mr Lee Wan Keung Patrick, the chairman, a Director, and the ultimate controlling shareholder of the Company. As at the Latest Practicable Date, Mr Lee Wan Keung Patrick is interested in 51% of Gold Best Holdings Ltd., which in turn is interested in approximately 63% of the shares in the Company. Accordingly, the transactions under the New Agreements constitute continuing connected transactions under the Listing Rules. The Company does not hold any shares in Lee & Man Holding and vice versa as at the Latest Practicable Date.

On 21 May 2008, Dongguan Lee & Man, an indirectly wholly-owned subsidiary of the Company, entered into the Business Services Agreements with Lee & Man Industrial, which is indirectly wholly-owned by a daughter of Mr Lee Wan Keung Patrick, details of which are set out in the Company's announcement dated 21 May 2008. Under the Listing Rules, the Existing Agreements were aggregated with the Business Services Agreements and the respective annual caps thereunder also aggregated. Consequently, when determining the applicable percentage ratios under the New Agreements, the Company has continued to aggregate the annual caps under the Business Agreements.

Under the Listing Rules, the New Annual Caps, in aggregate, when aggregated with the annual caps under the Business Services Agreements, would result in the Aggregated Annual Caps being more than 2.5% and less than 25% of the applicable percentage ratios and also greater than HK\$10,000,000. Consequently, 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 New Agreements and the Business Services Agreements, the Company has confirmed with Mr Lee Wan Keung Patrick, 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. As at the Latest Practicable Date, Mr Lee Wan Keung Patrick and his associates are interested in 2,867,388,800 shares of the Company, representing approximately 63% of the shares in the Company. Mr Lee Wan Keung Patrick and his associates will abstain from voting at the EGM of the Company to approve the New Agreements, and the votes of the Independent Shareholders in the EGM will be taken by poll.

POLL PROCEDURE

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 EGM shall be voted by poll. Votes may be given either personally or by proxy.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 11 of this circular which contains its recommendation to the Independent Shareholders in respect of the resolution to approve the transactions contemplated under the New Agreements.

The advice of CIMB to the Independent Board Committee and the Independent Shareholders as to whether the terms of the New Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole are set out on pages 12 to 19 of this Circular.

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)

3 June 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We have been appointed as the 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 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 New Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole, as set out in the “Letter from CIMB” 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 in relation thereto as stated in its letter, we consider the terms of the transactions contemplated under the New 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 New Agreements.

Yours faithfully

Independent Board Committee

Mr Peter A Davies

Independent Non-executive Director

Mr Chau Shing Yim David

Independent Non-executive Director

* *for identification purposes only*

LETTER FROM CIMB SECURITIES (HK) LIMITED

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from CIMB in respect of the New Agreements, the transactions contemplated thereunder and the New Annual Caps, prepared for the purpose of incorporation into this circular.



25th Floor, Central Tower
28 Queen's Road Central
Hong Kong

3 June 2010

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

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Agreements and the New Annual Caps, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the circular of the Company dated 3 June 2010 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

It was announced by the Company on 20 May 2010 that on the even date, Jiangsu Paper, an indirectly wholly-owned subsidiary of the Company, and Jiangsu Chemical, an indirectly wholly-owned subsidiary of Lee & Man Holding, entered into the New Agreements with a term of three years commencing from 1 April 2010 to 31 March 2013 to replace the Existing Agreements. Pursuant to the New Electricity Services Agreement, Jiangsu Paper will provide services to generate electricity for Jiangsu Chemical and pursuant to the New Steam Services Agreement, Jiangsu Paper will provide services to generate steam for Jiangsu Chemical, subject to the terms and conditions of each of the New Agreements.

As at the Latest Practicable Date, Jiangsu Chemical is an indirectly wholly-owned subsidiary of Lee & Man Holding, an associate of Mr. Lee Wan Keung, Patrick ("Mr. Lee"), the chairman, a Director and the controlling shareholder of the Company. Accordingly, the transactions under the New Agreements constitute continuing connected transactions of the Company under the Listing Rules.

For the purpose of the Listing Rules, the New Annual Caps when aggregated with the annual caps under the Business Services Agreements would result in the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Aggregated Annual Caps being more than 2.5% and less than 25% and the Aggregated Annual Caps being greater than HK\$10 million. Consequently, the New Agreements and the New Annual Caps are subject to reporting, announcement and the Independent Shareholders' approval requirements under Rule 14A.35 of the Listing Rules. As at the Latest Practicable Date, Mr. Lee is interested in 51% of Gold Best Holdings Ltd., which in turn is interested in

LETTER FROM CIMB SECURITIES (HK) LIMITED

approximately 63 % of the shares of the Company. As such, Mr. Lee and his associates will abstain from voting at the EGM to approve the New Agreements and the transactions contemplated thereunder and the New Annual Caps.

The Independent Board Committee comprising two independent non-executive Directors, namely Mr. Peter A Davies and Mr. Chau Shing Yim David, has been formed to advise the Independent Shareholders in relation to the New Agreements and the transactions contemplated thereunder and the New Annual Caps. As Mr. Wong Kai Tung Tony, one of the independent non-executive Directors, is also an independent non-executive director of Lee & Man Holding, he will not be on the Independent Board Committee.

Our role, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation thereto, is to (i) provide the Independent Board Committee and the Independent Shareholders an independent opinion and recommendation as to whether (a) the entering into of the New Agreements is in the interests of the Group and the Shareholders as a whole; (b) the terms of the New Agreements are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned; and (c) the New Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned; and (ii) advise the Independent Shareholders on how to vote at the EGM.

BASIS OF OUR OPINION

In formulating our recommendation, we consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view to justify reliance on 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 Company, Lee & Man Holding, or any of their respective subsidiaries or associates. We have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the management of the Company. The Directors have declared in a responsibility statement set out in the Appendix to the Circular that they jointly and severally accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the Directors' representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in relation to the New Agreements and the transactions contemplated thereunder and the New Annual Caps, we have considered the following principal factors and reasons:

(I) Background, reasons for and benefits of entering into the New Agreements

The Group is principally engaged in the large-scale paper manufacturing and specializing in the production of linerboard and corrugating medium and Jiangsu Paper is principally engaged in manufacturing and trading of paper.

As noted from the announcement and the circular of the Company dated 14 March 2008 and 31 March 2008 respectively, Jiangsu Paper entered into the Existing Agreements with Jiangsu Chemical for provision of services to generate electricity and steam for a term of two years and eight months commencing from 1 May 2008 to 31 December 2010. The Existing Agreements and their respective Existing Annual Caps had been approved by the then independent Shareholders of the Company on 25 April 2008. The New Agreements were entered into between the same parties to replace the Existing Agreements and to provide for the continuation of supply of steam and electricity generation services.

We have discussed with the management of the Company and understand that the Group's total installed annual electricity generation capacity of approximately 1,568 million kWh and that of the steam generation of 3.2 million tons are designed for its long-term paper and related products production plan and have not been fully utilized by the Group during the term of the Existing Agreements. During the six months ended 31 March 2010, Jiangsu Paper consumed electricity of approximately 462.8 million kWh, representing approximately 59.0% of its electricity generation capacity (on a pro-rata basis), and steam of approximately 1.3 million tons, representing approximately 81.3% of its steam generation capacity (on a pro-rata basis). The management of the Company considers that the electricity and steam generation capacities are not likely to be fully utilized in the near future.

As Jiangsu Paper will be compensated for provision of electricity generation services at the Electricity Service Fee and steam generation services at the Steam Service Fee (as defined and analyzed in the section headed "Major terms of the New Agreements" below), we concur with the view of the Directors that the Continuing Connected Transactions will benefit the Group by generating additional income to the Group through selling the unutilized electricity and steam of Jiangsu Paper to Jiangsu Chemical.

The management of the Company also advised that the Continuing Connected Transactions are expected to enhance the overall operation efficiency of the electricity and steam generation facilities of Jiangsu Paper as a result of the scale of economy mainly attributable to the expected decrease in overheads, investment and financing costs of the electricity and steam generation facilities with the increasing production volume.

Given the above, we are of the view that the entering into of the New Agreements is in the interests of the Group and the Shareholders as a whole, and the Continuing Connected Transactions contemplated under the New Agreements fall within the ordinary and usual course of business of the Group.

(II) Major terms of the New Agreements

The New Electricity Services Agreement stipulates that Jiangsu Paper agrees to provide Jiangsu Chemical and Jiangsu Chemical agrees to purchase from Jiangsu Paper services to generate electricity at a charge of RMB0.08 per kWh (the “Electricity Service Fee”). The New Steam Services Agreement stipulates that Jiangsu Paper agrees to provide Jiangsu Chemical and Jiangsu Chemical agrees to purchase from Jiangsu Paper services to generate steam at a charge of RMB30 per ton (the “Steam Service Fee”). The New Agreements were negotiated and determined on an arm’s length basis based on normal commercial terms.

Our analysis in respect of the pricing principles of the New Agreements is set out below.

(i) Electricity Service Fee

To assess the fairness and reasonableness of the Electricity Service Fee, we have reviewed and discussed with the management of the Company in relation to the calculation of the Electricity Service Fee prepared by the Company and understand that the Electricity Service Fee is arrived at after arm’s length negotiation between Jiangsu Paper and Jiangsu Chemical and determined on a cost-plus basis after taking into account (i) the Group’s estimation on the operation costs to be incurred by Jiangsu Paper, which mainly include overheads, cost of ancillary materials, depreciation expense and pollution discharge fee, for provision of electricity to Jiangsu Chemical; (ii) a mark-up on cost; and (iii) relevant taxation charges.

We have reviewed the costing computation prepared by the Company and are satisfied that the estimated cost for provision of electricity is reasonably computed. We are also advised by the management that the mark-up represents a reasonable return for the Group’s investment in the electricity and steam generation facilities. As a reference, we have compared to the profit margins of PRC power plants which are listed on the Stock Exchange as disclosed in their respective latest annual reports and found that the mark-up is comparable to the market.

In addition, in assessing the reasonableness of the Electricity Service Fee, we have tried to identify and compare to comparable transactions in the market. However, the Company advised us that the Group has not provided electricity to any independent third party customers and, to the best knowledge of the management of the Company, there are no relevant market rates offered by other electricity suppliers in the vicinity of Jiangsu Paper and Jiangsu Chemical which can be regarded as benchmark for determination of the Electricity Service Fee. As an alternative, we have compared the implied electricity price (which mainly comprises of the Electricity Service Fee and the coal cost for electricity generation) with the on-grid electricity tariff of captive power plants (such as Jiangsu Paper) as stipulated in the notice of adjustment on the electricity price issued by the Price Bureau of Jiangsu Province dated 19 November 2009 and note that the implied electricity price is comparable to the stipulated electricity price issued by the Price Bureau of Jiangsu Province.

LETTER FROM CIMB SECURITIES (HK) LIMITED

Given the above, we are of the view that the Electricity Service Fee is determined on a fair and reasonable basis.

(ii) *Steam Service Fee*

To assess the fairness and reasonableness of the Steam Service Fee, we have reviewed and discussed with the management of the Company in relation to the calculation of the Steam Service Fee prepared by the Company and understand that, similar to the Electricity Service Fee, the Steam Service Fee is arrived at after arm's length negotiation between Jiangsu Paper and Jiangsu Chemical and determined on a cost-plus basis after taking into account (i) the Group's estimation on the operation costs to be incurred by Jiangsu Paper, which mainly include overheads, cost of ancillary materials, depreciation expense, pollution discharge fee and cost incurred by supply of steam externally, for provision of steam to Jiangsu Chemical; (ii) a mark up on cost; and (iii) relevant taxation charges.

We have reviewed the costing computation prepared by the Company and are satisfied that the estimated cost for provision of steam is reasonably computed and the mark-up is comparable to the market.

We also note that the Group has also provided steam to independent third parties and the steam prices charged to independent third parties were determined with reference to the notice (the "Steam Notice") dated 18 November 2008 in relation to the steam prices issued by the Price Bureau of Changshu, the PRC, where Jiangsu Paper and Jiangsu Chemical are located.

For comparison purpose, we have obtained the implied steam price (which mainly comprises of the Steam Service Fee, the coal cost and the relevant depreciation of steam pipelines) computed by the Company, compared it with the steam price as stipulated in the Steam Notice and note that the implied steam price is lower than the stipulated steam price. We have discussed with the management in this regard and understand that the lower implied steam price as compared to the stipulated price is mainly because Jiangsu Chemical will absorb the cost caused by steam loss during steam transportation. After taking into account the estimated cost caused by steam loss, the implied steam price is comparable to the stipulated steam price issued by the Price Bureau of Changshu, the PRC.

Given the above, we are of the view that the Steam Service Fee is determined on a fair and reasonable basis.

The New Agreements also stipulate that the thermal coal (based on the coal standard at 4,750 kcal/kg) for generating electricity and steam shall be supplied by Jiangsu Chemical to Jiangsu Paper in advance.

Having considered the above, we consider the major terms of the New Agreements, particularly the pricing principles, are fair and reasonable so far as the Company and the Shareholders are concerned.

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(III) New Annual Caps

Set out below are the details of (i) the historical transaction amounts in relation to the Continuing Connected Transactions for each of the two financial years ended 31 March 2009 and 2010; (ii) the Existing Annual Caps; and (iii) the New Annual Caps.

Type of the transaction	Historical transaction amounts		Existing Annual Caps			New Annual Caps		
	For the year ended 31 March		For the year ended 31 March		For the year ending 31 March	For the year ending 31 March		
	2009	2010	2009	2010	2011	2011	2012	2013
	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>	<i>RMB'</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
Services to generate steam by Jiangsu Paper for Jiangsu Chemical	11.058	32.65	32.5	50	37.5	20.1	20.1	20.1
Services to generate electricity by Jiangsu Paper for Jiangsu Chemical	6.772	22.169	21.5	30	22.5	44.8	44.8	44.8
Total	17.83	54.819	54	80	60	64.9	64.9	64.9

As stated in the Letter from the Board, the New Annual Caps have been determined by reference to the amount of historical transactions between Jiangsu Paper and Jiangsu Chemical for each of the two financial years ended 31 March 2009 and 2010, taking into account Jiangsu Paper's own anticipated consumption requirements, the spare electricity and steam capacity of Jiangsu Paper available for Jiangsu Chemical's requirements, the production plans and the related estimated electricity and steam requirements of Jiangsu Chemical for the period from 1 April 2010 up to 31 March 2013, as well as the estimated unit price of steam and electricity services to be provided.

The New Annual Caps in relation to the provision of the steam generation service by Jiangsu Paper to Jiangsu Chemical are lower than the relevant historical transaction amounts and the relevant Existing Annual Caps whereas the New Annual Caps in relation to the provision of the electricity generation services by Jiangsu Paper to Jiangsu Chemical represent a material increase as compared with the relevant historical transaction amounts and the relevant Existing Annual Caps.

In assessing the fairness and reasonableness of the New Annual Caps, we have discussed with the management in relation thereto and understand that the New Annual Caps are determined by the Company based on the principal factors including (i) the Electricity Service Fee of RMB0.08 kWh and the Steam Service Fee of RMB30 per ton as stipulated in the New Agreements; and (ii) the Company's estimation on the electricity and steam consumption requirements of Jiangsu Chemical during the term of the New Agreements, which are estimated after taking into account factors including Jiangsu Chemical's historical consumption of electricity and steam

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provided by Jiangsu Paper, the expected expansion of the production capacity of Jiangsu Chemical over the term of the New Agreements, and the spare electricity and steam capacity of Jiangsu Paper available to meet Jiangsu Chemical's requirements. We have reviewed the cap calculation in relation thereto and the information regarding the historical electricity and steam consumption of Jiangsu Chemical in the past few years provided by the Company.

Given the above, we are of the view that the basis adopted by the management of the Company in determining the New Annual Caps is fair and reasonable so far as the Company and the Shareholders are concerned.

However, the Shareholders should note that the New Annual Caps relate to future events and are based on the assumptions which may or may not remain valid for the entire period of the New Agreements and do not represent a forecast of the transaction amounts receivable by the Group as a result of the Continuing Connected Transactions. Consequently, we express no opinion as to how closely the actual transaction amounts of the Continuing Connected Transactions will correspond with the New Annual Caps as discussed above.

(IV) Requirements of the Listing Rules in relation to the Continuing Connected Transactions

As required by the Listing Rules, for each financial year of the Company over the term of the New Agreements, the Continuing Connected Transactions will be subject to the annual review by the independent non-executive Directors and the Company's auditors as required by Rules 14A.37 and 14A.38 of the Listing Rules, respectively.

In particular, the independent non-executive Directors must confirm that the Continuing Connected Transactions have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, the Company's auditors must provide a letter to the Board confirming that the Continuing Connected Transactions:

- have received the approval of the Board;
- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company; and
- have been entered into in accordance with the relevant agreements governing the transactions.

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Given the above, we are of the opinion that there exist sufficient procedures and arrangements in place to ensure that the Continuing Connected Transactions will be conducted on terms pursuant to the New Agreements.

RECOMMENDATION

Having considered the principal factors above, we are of the opinion that (i) the entering into of the New Agreements is in the interests of the Group and the Shareholders as a whole and the Continuing Connected Transactions fall within the ordinary and usual course of business of the Group; (ii) the terms of the New Agreements are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned; and (iii) the New Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned.

Therefore, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Agreements and the transactions contemplated thereunder and the New Annual Caps.

Yours faithfully,

For and on behalf of

CIMB Securities (HK) Limited

Alex Lau

Anthony Ng

Director

Senior Vice President

Head of Corporate Finance

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matter the omission of which would make any statement herein or this circular 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) which would be 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 he was taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or were required to be entered in the register referred therein pursuant to Section 352 of the SFO.

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</i>)	2,867,388,800	–	63.00%
Lee Man Chun Raymond	Beneficial owner	–	121,968,000 (<i>Note ii</i>)	2.68%
Lee Man Bun	Beneficial owner	–	81,200,000 (<i>Note ii</i>)	1.78%
Poon Chung Kwong	Beneficial owner	920,000	–	0.02%
Wong Kai Tung Tony	Beneficial owner	600,000	–	0.01%

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

Note ii: Further details of the share options are set out below and in each case, the grantees paid HK\$1.00 on acceptance of the options.

Directors' interests in the Share Options

Name	Date of grant	Exercise price per share (HK\$)	Exercisable period	Number of share options outstanding as at the Latest Practicable Date	Percentage of the issued share capital of the Company
Lee Man Chun	3.10.2006	3.775	1.1.2008 to 31.12.2010	1,968,000	
Raymond	5.09.2008	1.872	1.09.2009 to 31.08.2013	120,000,000	
				<u>121,968,000</u>	2.68%
Lee Man Bun	3.10.2006	3.775	1.1.2008 to 31.12.2010	1,200,000	
	5.09.2008	1.872	1.09.2009 to 31.08.2013	<u>80,000,000</u>	
				<u>81,200,000</u>	1.78%

Directors' interests in associated corporations of the Company

Name of Director	Capacity	Number of associated corporation	Number of ordinary shares	Percentage of the issued share 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 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	2,867,388,800	63.00%
Lee Wan Keung Patrick	Held by controlled corporation	2,867,388,800	63.00%
Lee Wong Wai Kuen	Held by spouse (Note)	2,867,388,800	63.00%

Note: Under the SFO, Lee Wong Wai Kuen is deemed to be interested in these 2,867,388,800 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
Poon Chung Kwong	7 September 2009	One year	Nil
Wong Kai Tung Tony	7 September 2009	One year	200,000
Peter A Davies	7 September 2009	One year	200,000
Chau Shing Yim David	7 September 2009	One year	200,000

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 2009, 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 Securities (HK) Limited, which has given its opinion or advice which is contained in this circular:

Name	Qualification
CIMB	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 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, 2009, 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 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, 2009, 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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, 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 3 June 2010 for a period of 14 days up to 16 June 2010:

- (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 11 of this circular;
- (d) the letter from CIMB, the text of which is set out on pages 12 to 19 of this circular;
- (e) the written consent of CIMB referred to in the section headed “Expert” in this Appendix;
- (f) the directors’ service contracts referred to in the section “Service Contracts” in this Appendix;
- (g) the New Agreements;
- (h) the Existing Agreements; and
- (i) the Business Services Agreements.

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 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 24 June 2010 at 10:00 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 electricity services agreement (“the New Electricity Services Agreement”) dated 20 May 2010 between Jiangsu Lee & Man Paper Manufacturing Company Limited (“Jiangsu Paper”) and Jiangsu Lee & Man Chemical Limited (“Jiangsu Chemical”) pursuant to which Jiangsu Paper provides services to generate electricity to Jiangsu Chemical and the annual caps and the 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 are they may in their opinion to be desirable for necessary in connection with the New Electricity Services 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 services agreement (“the New Steam Services Agreement”) dated 20 May 2010 between Jiangsu Lee & Man Paper Manufacturing Company Limited (“Jiangsu Paper”) and Jiangsu Lee & Man Chemical Limited (“Jiangsu Chemical”) pursuant to which Jiangsu Paper provides services to generate steam to Jiangsu Chemical and the annual caps and the 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 are they may in their opinion to be desirable for necessary in connection with the New Steam Services 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

3 June 2010

* 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 of the Company.
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.