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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 MANDATES TO ISSUE
AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS**

Notice convening the annual general meeting of Lee & Man Paper Manufacturing Limited to be held on 16 August, 2010 at 11:30 a.m. at The Ballroom, 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. 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 and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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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 The Ballroom, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, on 16 August 2010 at 11:30 a.m.
“Articles”	means the articles of association of the Company adopted pursuant to written resolutions passed on 16 August 2004 (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 12 July 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in 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\$0.025 each in the capital of the Company

DEFINITIONS

“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
“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

Kunihiko Kashima

Non-Executive Director:

Professor Poon Chung Kwong

Yoshio Haga (*Vice-Chairman*)

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

14 July 2010

To the shareholders of the Company

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR GENERAL MANDATES 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 16 August 2010 at 11:30 a.m at The Ballroom, 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 and renew and approve Directors' service contracts and appointment letters.

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 4,551,441,648 Shares were in issue. Subject to the passing of Ordinary Resolution 11 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 910,288,329 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 SERVICE CONTRACTS AND APPOINTMENT LETTERS RELATING TO DIRECTORS

In accordance with Article 86(3) and Article 87(1) of the Articles, each of Mr. Lee Wan Keung, Patrick, Mr. Kunihiko Kashima, Mr. Yoshio Haga, Mr. Wong Kai Tung, Tony and Mr. Peter A. Davies 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:

- (a) the service contracts of Mr. Lee Wan Keung, Patrick and the appointment letter of Mr. Kunihiko Kashima, the executive Directors;
- (b) the appointment letters of each of Professor Poon Chung Kwong and Mr. Yoshio Haga, the non-executive Directors; and
- (c) the appointment letters of 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: 16 August 2010

Time: 11:30 a.m.

Venue: The Ballroom, 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. The return of a form of proxy will not preclude you from attending and voting in person at the AGM 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, the re-election of Directors and the renewal and approval of Directors' service contracts and appointment letters.

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 4,551,441,648 Shares.

Subject to the passing of Ordinary Resolution No. 12 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 455,144,164 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 (subject to the Companies Law), 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 or out of capital (subject to the Companies Law). 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 2010) 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. No connected person has notified the Company that they have undertaken to sell or not to sell his Shares to the Company in the event the Repurchase Mandate is approved and exercised.

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 2,321,235,241 Shares, representing approximately 51.00% 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 56.67% 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2009		
July	3.335	1.775
August	3.675	2.630
September	3.875	3.180
October	4.025	3.205
November	5.575	3.705
December	5.425	4.650
2010		
January	6.630	4.340
February	5.350	4.300
March	6.470	5.160
April	7.000	6.160
May	7.140	5.170
June	6.850	5.280
1 July to the Latest Practicable Date (12 July 2010)	5.920	5.160

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 Wan Keung, Patrick – Executive Director

Mr. Lee Wan Keung, Patrick, aged 67, Chairman of the Company and founder of the Group, is in charge of senior staff recruitment, staff management, corporate strategy, building construction and public relations for the Group in the PRC. He has over 47 years of experience in manufacturing and international trade. Mr. Lee is the former standing member of the Political Consultative Committee of Guangdong Province and former chairman of Hong Kong Hainan Commercial Association. He is now the honorary principal of the Qionghai Jiaji Secondary School and Hainan Guoxing Secondary School. He has also been awarded honorary citizenship of Dongguan.

Pursuant to a service contract to be entered into with the Company and Mr. Lee, Mr. Lee's appointment shall be for an initial period of three years commencing on 1 September 2010 and will continue thereafter unless and until terminated by either party by three month's prior written notice. At Mr. Lee's request, no salary is payable to Mr. Lee under his proposed service contract. Mr. Lee will however be entitled to a discretionary bonus provided that the total amount of bonus payable to all the Directors for such year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year.

Mr. Lee is the father of Mr. Lee Man Chun, Raymond and Mr. Lee Man Bun, both of whom are Executive Directors of the Company. Save for his directorship in the Company and 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. As at the Latest Practicable Date, 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.

As at the Latest Practicable Date, Gold Best Holdings Ltd, the controlling shareholder of the company, held 2,321,235,241 Shares, representing approximately 51.00% of the Shares then in issue while Mr. Lee held 51% of the entire issued share capital of Gold Best Holdings Ltd. Save as disclosed herein, Mr. Lee was not interested or deemed to be interested in the Shares or underlying Shares within the meaning of Part XV of the SFO.

(2) Mr. Kunihiko Kashima – Executive Director

Mr. Kunihiko Kashima, aged 50, is the General Manager of corporate planning at Nippon Paper and has 28 years of experience in planning and administrative positions within Nippon Paper.

Mr. Kashima holds a bachelor's degree in Economics from Keio University. He has experience in various roles within Nippon Paper, including corporate planning, human resources, and accounting and finance. He has been involved in most major merger and acquisition transactions and post merger restructuring projects within the Nippon Paper Group, including the

merger between Jujo Paper Co., Ltd, and Sanyo Kokusaku Pulp Co., Ltd, the merger between Jujo Paper and Daishowa Paper Manufacturing Co., Ltd, the acquisition of Australian Paper by Nippon Paper and the business collaboration with the Company.

Mr. Kashima has entered into an appointment letter with the Company for a term of three years commencing on 30 June 2010, subject to re-election at the AGM. Mr. Kunihiko Kashima has also been appointed as a member to the remuneration committee and as the assistant to the chief executive officer and assistant to the chief financial officer of the Company of the Company with effect from 30 June 2010. Mr. Kashima will not receive salary or a director's fee from the Company, but will be reimbursed in performance of his duties as a Director in accordance with the Articles. Mr. Kashima will be remunerated and reimbursed in performance of his role as the assistant to the chief executive officer and assistant to the chief financial officer of the Company in accordance with the Business Collaboration Agreement dated 22 June 2010 between the Company and Nippon Paper Group, Inc. (details of which were set out in the announcements of the Company dated 22 June 2010 and 30 June 2010). Mr. Kashima will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Save for his directorship in the Company, Mr. Kashima 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. As at the Latest Practicable Date, Mr. Kashima 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. As at the Latest Practicable Date, Mr. Kashima does not have any interests in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

(3) Mr. Yoshio Haga – Non-executive Director

Mr. Yoshio Haga, aged 60, is President and Chief Executive Officer of Nippon Paper and Nippon Paper Industries Co., Ltd. and has been since 2008. Mr. Haga has been with Nippon Paper for 36 years, and had previously worked for the predecessor company of Nippon Paper, Jujo Paper Co., Ltd. in 1974.

Mr. Haga holds a master's degree in Industrial Chemical Engineering from Kumamoto University and was Chairman of the Japan Paper Association between May 2008 and May 2010. Mr. Haga has spent the majority of his time in production management, with experience in research and development, as well as corporate planning. As the head of the corporate planning division of Nippon Paper, he led the "Group Vision 2015" initiative in cost reduction activities and large scale capital expenditure projects and has focused on the business expansion of the Nippon Paper Group both domestically and overseas. The overseas expansion projects Mr. Haga has led for Nippon Paper include the alliance with SCG Paper Public Company Limited, the alliance with Yuen Foong Yu Paper Mfg. Co., Ltd, the acquisition of Australian Paper and the business collaboration with the Company.

Mr. Haga has entered into an appointment letter with the Company for a term of three years commencing on 30 June 2010, subject to re-election at the AGM. Mr. Haga has also been appointed as a member of the audit committee of the Company by the Board with effect from 30 June 2010. Mr. Haga will not receive any salary or director's fee from the Company but will be reimbursed in

performance of his duties as a Director in accordance with the memorandum and articles of association (“Articles”) of the Company. Mr. Haga will be subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

Save for his directorship in the Company, Mr. Haga 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. As at the Latest Practicable Date, save that Mr. Haga is a director of Nippon Paper, the shares of which are listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange, Mr. Haga 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. As at the Latest Practicable Date, Mr. Haga does not have any interests in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance.

(4) Mr. Wong Kai Tung, Tony – Independent Non-Executive Director

Mr. Wong Kai Tung, Tony, aged 67, an independent non-executive Director of the Group, has been a practicing lawyer in Hong Kong since 1968 and has also been admitted as a solicitor in England and Wales. He is currently a consultant at Messrs. Hastings & Co., Solicitors and Notaries.

Pursuant to an appointment letter to be entered into with the Company, Mr. Wong’s appointment shall be for a term of approximately 1 year commencing from 16 August 2010 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 August 2011. The appointment may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to the appointment letter, Mr. Wong 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. Wong consider such terms of appointment as reasonable. As at the Latest Practicable Date, he was interested in 600,000 Shares. Save as disclosed herein, Mr. Wong 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. Wong 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. As at the Latest Practicable Date, Mr. Wong 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.

(5) Mr. Peter A. Davies – Independent Non-Executive Director

Mr. Peter A. Davies, aged 67, an independent non-executive Director of the Group, is a retired lawyer. He has over 40 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Pursuant to an appointment letter to be entered into with the Company, the appointment of Mr. Davies shall be for a term of approximately 1 year commencing from 16 August 2010 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 August 2011. The appointment may be terminated by either party giving at least three months' prior notice in writing. Pursuant to the appointment letter, Mr. Davies 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. Davies consider such terms of appointment as reasonable. As at the Latest Practicable Date, Mr. Davies 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. Davies 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. As at the Latest Practicable Date, Mr. Davies 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 Wan Keung, Patrick, Mr. Kunihiko Kashima, Mr. Yoshio Haga, Mr. Wong Kai Tung, Tony and Mr. Peter A. Davies 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 CERTAIN DIRECTORS

In addition to the renewal and approval of the above service contract and appointment letters of the Directors who will retire at the AGM, the following appointment letters are also proposed to be renewed and approved at the AGM:—

Approval of the appointment letters of Professor Poon Chung Kwong and Mr. Chau Shing Yim David

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. Chau Shing Yim David, the independent non-executive Director, to renew their respective terms of appointment for a term of approximately 1 year commencing from 16 August 2010 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 August 2011.

Pursuant to their respective appointment letters, Professor Poon Chung Kwong is not entitled to any remuneration and Mr. Chau Shing Yim, David 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, 16 August 2010 at 11:30 a.m. at The Ballroom, 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 2010;
2. To declare a final dividend for the year ended 31 March 2010;
3. To re-elect Mr. Lee Wan Keung, Patrick as an executive Director of the Company and renew his service contract with the Company;
4. To re-elect Mr. Kunihiko Kashima as an executive Director of the Company and approve, confirm and ratify the terms of his appointment with the Company;
5. To re-elect Mr. Yoshio Haga as a non-executive Director of the Company and approve, confirm and ratify the terms of his appointment with the Company;
6. To re-elect Mr. Wong Kai Tung, Tony as an independent non-executive Director of the Company and approve, confirm and ratify the terms of his appointment with the Company;
7. To re-elect Mr. Peter A Davies as an independent non-executive Director of the Company and approve, confirm and ratify the terms of his appointment with the Company;
8. To approve, confirm and ratify the remuneration paid to Directors for the year ended 31 March 2010 as set out in the annual report of the Company for the financial year ended 31 March 2010,
9. To authorise the board of directors to fix the remuneration of the Directors for the year ending 31 March 2011 in accordance with their service contracts or letters of appointment provided that the total amount (excluding bonuses in favour of Directors) shall not exceed the amount of HK\$10,000,000. The bonuses in favour of the Directors shall be decided by the majority of the Board 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;

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

10. To re-appoint Messrs Deloitte Touche Tohmatsu as auditors for the ensuing year and authorise the board of directors to fix their remuneration;

11. **“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;
- (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, 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).”

NOTICE OF ANNUAL GENERAL MEETING

12. **“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
- (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.”

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

ORDINARY RESOLUTIONS

- 13. To approve, confirm and ratify the terms of appointment of Professor Poon Chung Kwong;
- 14. To approve, confirm and ratify the terms of appointment of Mr. Chau Shing Yim, David;
- 15. **“THAT** conditional upon resolutions numbered 11 and 12 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 12 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 11 above.”

By Order of the Board
Cheung Kwok Keung
Company Secretary

Hong Kong, 14 July 2010

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. Kunihiro Kashima, two non-executive directors, namely Professor Poon Chung Kwong and Mr. Yoshio Haga, 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 another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the AGM. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. Where there are joint registered holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the 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 holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. 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.
5. The completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. A form of proxy for use at the AGM is enclosed.