

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

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

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

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



理文造紙有限公司\*

*Lee & Man Paper Manufacturing Limited*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2314)

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

A notice convening the annual general meeting (“AGM”) of Lee & Man Paper Manufacturing Limited to be held on 9 May 2018 at 12:00 noon at Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong is set out on pages 14 to 18 of this circular. Whether or not shareholders are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with Tricor Investor Services Limited, the share registrar of Lee & Man Paper Manufacturing Limited, at Level 22, Hopewell Centre, 183 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 AGM. 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 AGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

# CONTENT

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b> .....	3
<b>Appendix I — Explanatory Statement</b> .....	7
<b>Appendix II — Details of Directors proposed to be re-elected at the AGM</b> .....	11
<b>Notice of Annual General Meeting</b> .....	14

## 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 Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on 9 May 2018 at 12:00 noon
“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
“Companies Law”	means the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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 People’s Republic of China
“Issue Mandate”	means a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal in the Shares on the terms set out in the Notice
“Latest Practicable Date”	means 21 March 2018, 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

## DEFINITIONS

“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
“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 622 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:*

Dr. Lee Man Chun Raymond (*Chairman*)

Mr. Lee Man Bun

Mr. Li King Wai Ross

*Non-Executive Director:*

Professor Poon Chung Kwong

*Independent Non-Executive Directors:*

Mr. Wong Kai Tung Tony

Mr. Peter A. Davies

Mr. 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

29 March 2018

*To the shareholders of the Company*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide you notice of the AGM, and provide you with information regarding, amongst other things, resolutions to be proposed at the AGM to be held on 9 May 2018 at 12:00 noon at Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong which, upon approval, would enable the Company to, among other things:

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

\* *for identification purposes only*

## LETTER FROM THE BOARD OF DIRECTORS

- (c) add to the Issue Mandate in (b) above those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (a) above; and
- (d) re-elect certain Directors and renew and approve Directors' appointment letters.

### **PROPOSED RENEWAL OF REPURCHASE MANDATE AND ISSUE 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 number of which does not exceed 10% of the aggregate number of the issued share capital of the Company as at the date of passing the ordinary resolution; (ii) allot, issue or otherwise deal in Shares of not exceeding 20% of the aggregate number of the issued share capital of the Company on the date of the passing of the ordinary resolution; (iii) add to the Issue Mandate in (ii) above those Shares repurchased by the Company pursuant to the Repurchase Mandate described in (i) above, during the Relevant Period as set out in the Notice.

As at the Latest Practicable Date, a total of 4,470,000,000 Shares were in issue.

On the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed subject to the passing of Ordinary Resolution No. 12 as set out in the Notice at the AGM and the relevant provisions of the Listing Rules, under the Repurchase Mandate in (i) above to repurchase a maximum of 447,000,000 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 7 to 10 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.

On the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed subject to the passing of Ordinary Resolution No. 11 as set out in the Notice at the AGM and the relevant provisions of the Listing Rules, under the Issue Mandate in (ii) above to issue a maximum of 894,000,000 Shares. As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the Issue Mandate is exercised and Shares are placed for cash consideration under the Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (a) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (b) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
  - (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the Issue Mandate;
  - (ii) the date of the placing agreement or other agreement involving the proposed issue of Shares under the Issue Mandate; and

## LETTER FROM THE BOARD OF DIRECTORS

(iii) the date on which the placing or subscription price is fixed.

In terms of price at which Shares may be issued at time of exercise of the Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

### **PROPOSED RE-ELECTION OF CERTAIN DIRECTORS AND DETAILS OF APPOINTMENT LETTERS RELATING TO DIRECTORS**

In accordance with Article 87(1) of the Articles, each of Mr. Li King Wai Ross and Mr. Wong Kai Tung Tony will retire at the AGM and, being eligible, will offer each of themselves for re-election.

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

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

### **THE AGM**

The following are the details of the AGM:

Date: 9 May 2018

Time: 12:00 noon

Venue: Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong

The Notice is set out on pages 14 to 18 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 Limited, at Level 22, Hopewell Centre, 183 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, and in which event, the instrument appointing a proxy shall be deemed to be revoked.

### **CLOSURE OF REGISTER OF MEMBERS IN RELATION TO THE AGM**

For ascertaining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 4 May 2018 to Wednesday, 9 May 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3 May 2018.

## LETTER FROM THE BOARD OF DIRECTORS

### 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 renewal of the general mandates to issue and repurchase Shares, the addition to the Issue Mandate those shares repurchased pursuant to the Repurchase Mandate, the re-election of Directors and the renewal and approval of Directors' appointment letters.

Yours faithfully  
For and on behalf of  
**Lee & Man Paper Manufacturing Limited**  
**Lee Man Chun Raymond**  
*Chairman*

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

This explanatory statement set out below 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.

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

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 4,470,000,000 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, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 447,000,000 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 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 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 year ended 31 December 2017) 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 approved, 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 approved. No connected person has notified the Company that they have undertaken to sell or not to sell his/her/its Shares to the Company in the event the Repurchase Mandate is approved.

#### **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 2,536,710,000 Shares, representing approximately 56.8% 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, Gold Best Holdings Ltd. will be interested in approximately 63.1% 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

The Company repurchased an aggregate of 46,640,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, with the details as follows:

Repurchase Date	No. of Shares	Purchase Price	
		Highest HK\$	Lowest HK\$
17 November 2017	5,000,000	8.84	8.78
20 November 2017	984,000	8.70	8.65
21 November 2017	1,496,000	8.67	8.57
7 December 2017	3,756,000	8.99	8.84
4 January 2018	2,996,000	9.00	8.96
5 January 2018	1,936,000	9.17	9.13
22 January 2018	472,000	9.21	9.13
1 March 2018	2,737,000	8.98	8.93
5 March 2018	2,088,000	8.99	8.97
6 March 2018	430,000	9.00	8.99
7 March 2018	7,485,000	8.98	8.70
8 March 2018	2,059,000	8.87	8.81
12 March 2018	7,440,000	9.00	8.87
13 March 2018	5,832,000	8.85	8.78
14 March 2018	1,929,000	9.00	8.86
	46,640,000		

**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:

	<b>Share Price</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
March	7.02	5.85
April	6.39	5.86
May	6.80	6.00
June	7.42	6.52
July	8.37	7.16
August	9.18	7.69
September	10.94	9.05
October	10.58	9.16
November	9.84	8.57
December	9.84	8.80
<b>2018</b>		
January	9.96	8.92
February	9.48	7.86
1 March to the Latest Practicable Date (21 March 2018)	9.19	8.67

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

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 Li King Wai Ross — Executive Director**

Mr. Li King Wai Ross (“Mr. Li”), aged 42, is responsible for the global procurement of recovered paper, logistics planning and optimisation, as well as external affairs for the Group. He holds a Master’s Degree in Science in Electrical Engineering from Stanford University in USA and a Bachelor’s Degree in Applied Science in Computer Engineering from University of British Columbia in Canada. Mr. Li has over 16 years of experience in production management, operations and technological research and development. He is the brother-in-law of Dr. Lee Man Chun Raymond and Mr. Lee Man Bun, both of whom are Executive Directors of the Company. Mr. Li is married to a daughter of Mr. Lee Wan Keung Patrick, the controlling shareholder of the Company.

Mr. Li entered into a service contract with the Company for an initial period of three years commencing 1 April 2017, which will continue thereafter unless and until terminated by either the Company or Mr. Li giving to the other not less than 3 calendar months’ notice in writing to terminate the service contract, so as to expire at no earlier of three years from 1 April 2017.

Pursuant to the service contract with Mr. Li, he is entitled to receive an annual remuneration of HK\$3,700,000 and a discretionary bonus to be determined by the majority of the Directors (with Mr. Li abstaining from voting and not being counted in the quorum in respect of any resolution proposed to determine the amount payable to Mr. Li) provided that the total amount of bonus payable to Mr. Li and the other executive Directors in respect of any financial year shall not exceed 10% of the audited consolidated net profits after taxation and minority interests but before extraordinary and exceptional items of the Group for the relevant year. The Company’s policy on remuneration for executive Directors is based on that Director’s experience, responsibility, workload and the time devoted to the Group.

Save as set out above and for his directorship in the Company, Mr. Li does not have any relationship with any other Director, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Li was interests in 4,564,865 Shares. Mr. Li did not hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

**(2) Mr. Wong Kai Tung Tony — Independent Non-Executive Director**

Mr. Wong Kai Tung, aged 75, an independent non-executive Director of the Company, 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, the appointment of Mr. Wong shall be for a term of approximately 1 year commencing from 9 May 2018 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 May 2019. 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\$450,000. 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.

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.

During the three years preceding the Latest Practice Date, he is an independent non-executive director of the listed company, Lee & Man Chemical Company Limited. Save for his directorship in the Company, Mr. Wong does not have any other 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.

Save as disclosed above, each of Mr. Li King Wai Ross and Mr. Wong Kai Tung Tony, 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 INTERESTS IN SHARES HELD BY DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION AT THE AGM**

As at the Latest Practicable Date, the interests and short positions of the Directors who have offered themselves for re-election at the AGM in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

**Interests in Shares**

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of Shares</b>	<b>Approximate percentage of the issued Shares</b>
Mr. Li King Wai Ross	Held by spouse	4,564,865	0.10%

**DETAILS OF THE APPOINTMENT LETTERS OF CERTAIN DIRECTORS**

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

The Company shall, subject to Shareholders' approval at the AGM, sign appointment letters with Mr. Peter A. Davies and Mr. Chau Shing Yim David, the independent non-executive Directors, and Professor Poon Chung Kwong, the non-executive Director, to renew their respective terms of appointment for a term of approximately 1 year commencing from 9 May 2018 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 May 2019.

Pursuant to their respective appointment letters, each of Mr. Peter A. Davies and Mr. Chau Shing Yim David will be entitled to an annual remuneration of HK\$450,000, and Professor Poon Chung Kwong will not receive any remuneration for his appointment. All of their appointment letters may be terminated by either party giving at least three months' prior notice in writing.

The remuneration was determined by the board of Directors on the recommendation of the remuneration committee of the Company 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 such terms of appointment as 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 Wednesday, 9 May 2018 at 12:00 noon at Cherry, Second Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong for the following purposes:

As ordinary business, to consider and if thought fit, pass the following as 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 December 2017;
2. To declare a final dividend for the year ended 31 December 2017;
3. To re-elect Mr. Li King Wai Ross as an executive director of the Company;
4. To re-elect Mr. Wong Kai Tung Tony as an independent non-executive director of the Company;
5. To authorise the board of directors (“Directors”) of the Company to approve and confirm the terms of appointment (including remuneration) for Professor Poon Chun Kwong, a non-executive director of the Company, further details of which are set out in the AGM circular;
6. To authorise Directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. Peter A. Davies, an independent non-executive director of the Company, further details of which are set out in the AGM circular;
7. To authorise Directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. Chau Shing Yim David, an independent non-executive director of the Company, further details of which are set out in the AGM circular;
8. To approve, confirm and ratify the remuneration paid to directors for the year ended 31 December 2017 as set out in the annual report of the Company for the year ended 31 December 2017;
9. To authorise the Directors to fix the remuneration of the Directors for the year ending 31 December 2018 in accordance with their service contracts or letters of appointment. The bonuses in favour of the Directors shall be decided by the majority of the Directors provided that the total amount of bonus payable to all the Directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the Company and its subsidiaries for the relevant year;

\* for identification purposes only

## NOTICE OF ANNUAL GENERAL MEETING

10. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors for the ensuing year and to authorise the 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 (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers 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 (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of share 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) or (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the options granted under the share option schemes of the Company or (iii) any issue of Shares in lieu of the whole or part of a dividend on Shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company (“Articles”) and other relevant regulations; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants which might be issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate number of the issued shares of the Company 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 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.

## NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares in the capital of the Company 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 recognised regulatory body or any stock exchange in any territory outside Hong Kong);”

12. **“THAT:**

- (a) subject to paragraph (b), the exercise by the board of directors of the Company during the Relevant Period of all powers of the Company to repurchase or otherwise acquire its own shares on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on another stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws, the requirements of the Hong Kong Code on Takeovers and Mergers and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased 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 number of the issued shares of the Company 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 by the Articles or any other 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;”

## NOTICE OF ANNUAL GENERAL MEETING

and as special business, to consider and, if thought fit, pass with or without amendments, the following as an ordinary resolution:

13. “**THAT** conditional upon resolutions numbered 11 and 12 set out in the notice convening the AGM being passed, the aggregate number 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 pursuant to and in accordance with the ordinary resolution number 12 above shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the board of directors of the Company pursuant to and in accordance with the ordinary resolution number 11 above.”

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

Hong Kong, 29 March 2018

*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 three executive directors, namely Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross, one non-executive director, namely Professor Poon Chung Kwong, and three independent non-executive directors, namely Mr. Wong Kai Tung Tony, Mr. Peter A. Davies and Mr. Chau Shing Yim David.*

## NOTICE OF ANNUAL GENERAL MEETING

*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 share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 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.

### **CLOSURE OF REGISTER OF MEMBERS IN RELATION TO THE AGM**

For ascertaining shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 4 May 2018 to Wednesday, 9 May 2018, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 3 May 2018.