

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 and its members' liability is limited)

(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 2023 at 12:00 noon at SPRG office, 24/F Admiralty Centre Tower I, 18 Harcourt Road, Hong Kong is set out on pages 16 to 20 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 Hong Kong branch share registrar of Lee & Man Paper Manufacturing Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board of Directors	3
Appendix I — Explanatory Statement	9
Appendix II — Details of Directors proposed to be re-elected at the AGM	13
Notice of Annual General Meeting	16

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 SPRG office, 24/F Admiralty Centre Tower I, 18 Harcourt Road, Hong Kong on 9 May 2023 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
“Board”	means the board of Directors of the Company
“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 and its members’ liability is limited and the shares of which are listed on the Stock Exchange
“Director(s)”	means directors of the Company or the Board, 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 23 March 2023, 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 and its members' liability is limited)
(Stock Code: 2314)

Executive Directors:

Dr. Lee Man Chun Raymond (*Chairman*)
Mr. Lee Man Bun
Mr. Li King Wai Ross
Mr. Lee Jude Ho Chung
Mr. Yip Heong Kan

Registered Office:

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

Non-Executive Director:

Professor Poon Chung Kwong

Principal Office in Hong Kong:

39th Floor
Lee & Man
Commercial Center
169 Electric Road
North Point
Hong Kong

Independent Non-Executive Directors:

Mr. Wong Kai Tung Tony
Mr. Peter A. Davies
Mr. Chau Shing Yim David

4 April 2023

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 2023 at 12:00 noon at SPRG office, 24/F Admiralty Centre Tower I, 18 Harcourt Road, 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 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 4,309,565,000 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. 11 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 430,956,500 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 9 to 12 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. 10 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 861,913,000 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 Articles 87(1) and 87(2) of the Articles, each of Mr. Li King Wai Ross, Professor Poon Chung Kwong and Mr. Chau Shing Yim David will retire at the AGM and, being eligible, Mr. Li King Wai Ross and Mr. Chau Shing Yim David will offer each of themselves for re-election. Professor Poon Chung Kwong has decided not to offer himself for re-election at the AGM as he desires to focus on his family.

Professor Poon Chung Kwong has confirmed that he has no disagreement with the Board and there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange with regard to his retirement.

The Board would like to express its gratitude to Professor Poon Chung Kwong for his valuable contributions to the Company during his tenure of office.

The Nomination Committee will recommend to the Board for the appointment of a Director including an INED in accordance with the following procedures and process:

- i. The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience (if required);
- ii. The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, recommendations from a third-party agency firm and proposals from the Shareholders with due consideration given to the criteria which include but are not limited to:
 - (a) Diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
 - (b) Commitment for responsibilities of the Board in respect of available time and relevant interest;
 - (c) Qualifications, including accomplishment and experience in the relevant industries in which the Group's business is involved;
 - (d) Independence;
 - (e) Reputation for integrity;

LETTER FROM THE BOARD OF DIRECTORS

- (f) Potential contributions that the individual can bring to the Board; and
 - (g) Plan(s) in place for the orderly succession of the Board.
- iii. The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidate;
 - iv. The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
 - v. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
 - vi. The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;
 - vii. The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;
 - viii. The Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
 - ix. All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

The Nomination Committee had evaluated the performance of each of the retiring Directors for the year and found their performance satisfactory after having considered a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, as set out in the board diversity policy of the Company. Therefore, the Nomination Committee nominated the retiring Directors to the Board to propose to Shareholders for re-election of Mr. Li King Wai Ross as executive Director, and Mr. Chau Shing Yim David as independent non-executive Director at the AGM.

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

Details of the appointment letters of Mr. Wong Kai Tung Tony, and Mr. Peter A. Davies, the independent non-executive Directors, are also set out in Appendix II of this circular.

LETTER FROM THE BOARD OF DIRECTORS

Despite the fact that Mr. Wong Kai Tung Tony, Mr. Peter A. Davies and Mr. Chau Shing Yim, David, the three independent non-executive Directors, have served the Company for more than 10 years, the Board believes that the skill and experience that they acquired from different background will be beneficial to the Board with diversity of their comprehensive experience and knowledge will continue to contribute effectively to the Board.

THE AGM

The following are the details of the AGM:

Date: 9 May 2023

Time: 12:00 noon

Venue: SPRG office, 24/F Admiralty Centre Tower I, 18 Harcourt Road, Hong Kong

The Notice is set out on pages 16 to 20 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 Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, 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 Thursday, 4 May 2023 to Tuesday, 9 May 2023, 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 Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 3 May 2023.

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.

LETTER FROM THE BOARD OF DIRECTORS

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 4,309,565,000 Shares.

Subject to the passing of Ordinary Resolution No. 11 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 430,956,500 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 2022) 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 Rules 26 and 32 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Dr. Lee Wan Keung Patrick (directly held and deemed to be interested in Shares held by his spouse), Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross (deemed to be interested in Shares held by his spouse) held 434,746,920 Shares, 1,358,991,040 Shares, 1,358,991,040 Shares and 4,564,865 Shares respectively, representing approximately 10.09%, 31.53%, 31.53% and 0.11% of the issued capital of the Company. For the purpose of the Takeovers Code, Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross are parties presumed to be acting in concert with each other and are taken to have an interest in a total of 3,157,293,865 Shares, representing approximately 73.26% of the total number of Shares in issue. If the Repurchase Mandate is exercised in

full and assuming that there are no further changes in the ownership structure of the Company, Dr. Lee Wan Keung Patrick, Dr. Lee Man Chun Raymond, Mr. Lee Man Bun and Mr. Li King Wai Ross will be interested in approximately 81.40% of the issued capital of the Company.

The Listing Rules prohibit a company from making repurchase of its shares on the Stock Exchange if the repurchase would result in a public shareholding of less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange).

The Directors have no intention to repurchase Shares to such an extent which will result in the number of Shares held by the public being reduced to less than the prescribed minimum percentage of Shares.

Save as disclosed herein, the Directors are not aware of any other consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company repurchased an aggregate 6,978,000 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\$
10 October 2022	2,309,000	2.52	2.46
11 October 2022	1,495,000	2.59	2.53
12 October 2022	3,000,000	2.59	2.53
13 October 2022	174,000	2.60	2.57
	<u>6,978,000</u>		

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:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
March	5.18	3.83
April	4.20	3.53
May	3.87	3.47
June	3.85	3.20
July	3.44	2.90
August	3.23	2.75
September	2.92	2.45
October	2.69	2.36
November	3.05	2.31
December	3.72	2.95
2023		
January	3.88	3.33
February	3.97	3.14
1 March to the Latest Practicable Date (23 March 2023)	3.71	3.16

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 47, a member of Chong Qing CPPCC Committee and an Executive Director of the Company, 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. He has over 21 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 has entered into a service agreement with the Company for an initial period of three years commencing 1 April 2020, which will continue thereafter unless and until terminated by either the Company or Mr. Li giving to the other not less than three months’ notice in writing to terminate the service agreement. Pursuant to the service agreement with Mr. Li, he is entitled to receive an annual remuneration of HK\$5,000,000, which is determined with reference to the fees paid by comparable companies, time commitment, responsibilities of Mr. Li, and the Company’s performance, and a discretionary bonus (if any, as determined by the Board at its sole discretion).

As at the Latest Practicable Date, Mr. Li deemed to be interested 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.

Save as disclosed above, Mr. Li does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

(2) Mr. Chau Shing Yim David — Independent Non-Executive Director

Mr. Chau Shing Yim David (“Mr. Chau”), aged 59, an Independent Non-executive Director of the Company, has over 30 years of experience in corporate finance and was formerly a partner of one of the big four accounting firms, Mr. Chau was a key member who found their corporate finance division and held the position as their Head of Merger and Acquisition and Corporate Advisory. Mr. Chau is a member of the Institute of Chartered Accountants in England and Wales (“ICAEW”), and was granted the Corporate Finance Qualification of ICAEW. He is also a member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is a Senior Fellow and an Ex-director of the Hong Kong Securities and Investment Institute; he is the Ex-Chairman of China Strategy Committee and the Ex-Chairman of Corporate Outreach Committee. Mr. Chau is a member of Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital (“PYNEH”) and a trustee of the PYNEH Charitable Trust.

Mr. Chau is currently an independent non-executive director and audit committee chairman of BC Technology Group Limited, China Evergrande Group, China Evergrande New Energy Vehicle Group Limited, China Ruyi Holdings Limited, Productive Technologies Company Limited and Man Wah Holdings Limited. All the aforesaid companies are listed on the Stock Exchange of Hong Kong.

Pursuant to an appointment letter to be entered into with the Company, the appointment of Mr. Chau shall be for a term of approximately 1 year commencing from 9 May 2023 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 May 2024. The appointment may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to the appointment letter, Mr. Chau will be entitled to receive an annual remuneration of HK\$450,000. His 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, his duties and responsibility within the Group and his expected contribution to the Group. The Company and Mr. Chau consider such terms of appointment as reasonable.

As at the Latest Practicable Date, Mr. Chau was not interested or deemed to be interested in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save for his directorship in the Company, Mr. Chau does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, each of Mr. Li King Wai Ross and Mr. Chau Shing Yim David, and the Company are not aware of any other information which needs to be disclosed pursuant to Rules 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

Name of Director	Nature of interest	Number of Shares	Approximate percentage of the issued Shares
Mr. Li King Wai Ross	Held by spouse	4,564,865	0.11%

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. Wong Kai Tung Tony and Mr. Peter A. Davies, the independent non-executive Directors, to renew their respective terms of appointment for a term of approximately 1 year commencing from 9 May 2023 upon conclusion of the AGM and ending at the next annual general meeting but, in any event, no later than 31 May 2024.

Pursuant to their respective appointment letters, each of Mr. Wong Kai Tung Tony and Mr. Peter A. Davies will be entitled to an annual remuneration of HK\$450,000. 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 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 and its members' liability is limited)

(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 Tuesday, 9 May 2023 at 12:00 noon at SPRG office, 24/F Admiralty Centre Tower I, 18 Harcourt Road, 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 2022;
2. To declare a final dividend for the year ended 31 December 2022;
3. To re-elect Mr. Li King Wai Ross as an executive director of the Company;
4. To re-elect Mr. Chau Shing Yim David 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 Mr. Wong Kai Tung Tony, an independent 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 approve, confirm and ratify the remuneration paid to directors for the year ended 31 December 2022 as set out in the annual report of the Company for the year ended 31 December 2022;
8. To authorise the Directors to fix the remuneration of the Directors for the year ending 31 December 2023 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;
9. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors for the ensuing year and to authorise the Directors to fix their remuneration;

* for identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

10. **“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 the passing 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);”

11. **“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:

12. “**THAT** conditional upon resolutions numbered 10 and 11 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 11 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 10 above.”

By Order of the Board
Law Kit Yu
Company Secretary

Hong Kong, 4 April 2023

Principal Office:

39th Floor
Lee & Man
Commercial Center
169 Electric Road
North Point
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 five executive directors, namely Dr. Lee Man Chun Raymond, Mr. Lee Man Bun, Mr. Li King Wai Ross, Mr. Lee Jude Ho Chung and Mr. Yip Heong Kan, 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 branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, 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 Thursday, 4 May 2023 to Tuesday, 9 May 2023, 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 Hong Kong branch share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 3 May 2023.