



理文造紙有限公司
Lee & Man Paper Manufacturing Limited

[For Immediate Release]

**Lee & Man Paper Announces
Results for the Nine Months Ended 31 December 2012
Net Profit per ton Surges by 14.6% to HK\$416**

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Strategic Production Expansion to Pursue Sustainable Growth

(Hong Kong, 18 March 2013) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEx: 2314), one of the largest containerboard manufacturers in China, announced today its results for the nine months ended 31 December 2012.

For the nine months ended 31 December 2012, the Group achieved revenue of HK\$11,424 million (twelve months ended 31 March 2012: HK\$14,716 million) and net profit attributable to owners of the Company was HK\$1,321 million (twelve months ended 31 March 2012: HK\$1,351 million). Basic earnings per share were HK28.17 cents (twelve months ended 31 March 2012: HK28.82 cents).

Mr Raymond Lee, Chief Executive Officer of Lee & Man Paper, said, “Benefited from improved economy and rebounded market demand of China, both sales volume and profit margin of the products have increased, resulting to a rise of average net profits per ton of 14.6% to HK\$416 from HK\$363 last year. With gradual recovery of the domestic market and the closure of inferior capacity due to environmental protection issue, the Group will continue the strategic expansion of production capacity not only in China but also Southeast Asia to broaden the income stream and diversify our investment.”

The production line of PM17 coated duplex board with annual capacity of 600,000 tons has commenced production in August last year, while the product line of PM18 paper machine at Jiangxi industrial park with annual capacity of 350,000 tons is expected to begin operation before May 2013. It is believed that additional capacities from the above two new paper machines will bring contribution to the Group in the second half year.

The construction of product line of PM19 and PM20 paper machines with annual capacity of 350,000 tons and 300,000 tons at Jiangxi and Chongqing industrial parks is expediting, targeting to commence operation by the end of this year and June 2014 respectively. Given the buoyant development of the light industries in countries such as Vietnam, Myanmar and Laos, the Group will start the construction of its paper machine in Vietnam and will help to diversify investments.

As at 31 December 2012, the Group maintained a healthy financial position with bank balances and cash of HK\$657 million (31 March 2012: HK\$731 million). The Group’s net debt-to-equity ratio decreased from 65% as at 31 March 2012 to 58% as at 31 December 2012.

“Looking ahead, we remain optimistic about the future of the paper industry in China. The Group will conduct on-going and stringent cost control and improve capital management in order to remain competitive in the industry. Depending on the pace of economic development, we will also develop new regional plants so as to maximize return on investments to the shareholders.” **Mr Lee** concluded.

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About Lee & Man Paper Manufacturing Limited

Lee & Man Paper Manufacturing Limited is one of the leading paper manufacturers in China, specialising in the production of a range of linerboard and corrugating medium used to produce cardboard boxes for packaging purposes. Currently, the Group has four paper production plants in China, located at Hongmei and Huangyong in Dongguan, Changshu in Jiangsu and Yongchuan in Chongqing. Total annual design capacity of the Group is currently 6.05 million tonnes of containerboard.

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