



PRESS RELEASE

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LEE & MAN PAPER ANNOUNCES 2005/06 ANNUAL RESULTS

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NET PROFIT UP 43.6% TO HK\$600 MILLION

Results Highlights	Year ended 31 March		Change (%)
	2006 (HK\$'000)	2005 (HK\$'000)	
Turnover	3,778,054	2,771,423	↑ 36.3%
Gross Profit	874,174	573,431	↑ 52.4%
Net Profit	600,028	417,743	↑ 43.6%

Hong Kong, 26 June 2006 – Lee & Man Paper Manufacturing Limited (“Lee & Man Paper” or the “Group”) (stock code: 2314), one of the largest containerboard manufacturers in China, today announced its annual results for the year ended 31 March 2006.

For the year under review, Lee & Man Paper reported a turnover of HK\$3,778 million, up 36.3% compared with last year. Net profit was HK\$600 million, representing a rise of 43.6%.

The Board of Directors recommends the payment of final dividend of HK\$0.24. (2005: HK\$0.18).

Currently, the Group has seven paper production lines and a pulp mill that can produce 1.65 million containerboards and 0.2 million pulp per year respectively. Mr Raymond Lee, CEO of Lee & Man Paper, said “We have committed plans to another four new production lines in the next 18 months. Two will be in Changshu plant and the other two will be in Hongmei plant”. With this expansion, the Group’s annual containerboard capacity will exceed 3,100,000 MT.

Mr Raymond Lee continued, “China is still the most important market and we are going to sell outside China to enhance our leadership position.”

Linerboard and corrugating medium continued to be Lee & Man Paper’s core products, accounting for 62.2% and 26.8% of turnover respectively for the year ended 31 March 2006. The Group maintained a healthy balance sheet, with its net debt-to-equity ratio at 0.47 (31 March 2005: 0.23) and cash on hand at HK\$110 million as at 31 March 2006.

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About Lee & Man Paper Manufacturing Limited

Lee & Man Paper is one of the largest containerboard producers in China. The Group specializes in the production of a range of linerboard and corrugating medium, used to produce cardboard boxes for packaging purposes. The Group has four paper mills located at Hongmei of Dongguan, Zhong Tang of Dongguan, Changshu of Jiangsu and Chongqing respectively. Besides, the Group also has a pulp mill in California, USA.

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