



## PRESS RELEASE

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### LEE & MAN PAPER ANNOUNCES 2006/07 INTERIM RESULTS

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#### NET PROFIT UP 33% TO HK\$411 MILLION

Results Highlights	Six months ended 30 September		Change (%)
	2006 (HK\$'000)	2005 (HK\$'000)	
Turnover	2,422,625	1,869,320	↑ 30%
Gross Profit	603,365	379,720	↑ 59%
Net Profit	410,923	309,350	↑ 33%

**Hong Kong, 21 November 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 interim results for the six months ended 30 September 2006.

For the period under review, Lee & Man Paper reported a turnover of HK\$2,423 million, up 30% compared with the same period last year. Net profit was HK\$411 million, representing a rise of 33%. The substantial sales growth was mainly attributable to capacity expansion from its PM7 at Dongguan Hongmei plant.

The Board of Directors recommends the payment of interim dividend of HK16 cents. (2005: Nil).

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. The eighth production line (PM8) will be starting in February 2007 and the Group’s ninth, tenth and eleventh production lines will also start operation within the next ten months.

Mr Raymond Lee, CEO of Lee & Man Paper, said, “We will continue to expand our containerboard capacities. We will also invest into pulp making in China to further integrate our business and to strengthen our position as a leading player in the industry.”

Linerboard and corrugating medium continued to be Lee & Man Paper’s core products, accounting for 68% and 23% of turnover respectively for the six months ended 30 September 2006. The Group maintained a healthy balance sheet, with its net debt-to-EBITDA ratio at 2.4(x) and cash in hand at HK\$198 million as at 30 September 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.*

**Media Enquiries:** Lee & Man Paper Manufacturing Ltd  
Ms Cat Lee (Tel: 23199889)