



理文造紙有限公司

Lee & Man Paper Manufacturing Limited

PRESS RELEASE

For Immediate Release

LEE & MAN PAPER ANNOUNCES 2006/07 ANNUAL RESULTS

NET PROFIT UP 68.3% TO HK\$1,010 MILLION DRIVEN BY THE GROWTH OF CAPACITY AND FURTHER INCREASE IN MARGIN

Results Highlights	For the year ended 31 March		Change (%)
	2007 (HK\$ million)	2006 (HK\$ million)	
Turnover	5,161	3,778	↑ 36.6%
Gross Profit	1,361	874	↑ 55.7%
Net Profit	1,010	600	↑ 68.3%
Basic Earnings per share	HK100.71 cents	HK62.24 cents	↑ 61.8%
Dividend per share	HK36 cents	HK24 cents	↑ 50%

Hong Kong, 16 July 2007 – 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 2007.

For the year 2006/2007, Lee & Man Paper reported a turnover of HK\$5,161 million, up 36.6% from the previous year. Net profit was HK\$1,010 million, representing a significant growth of 68.3% from the preceding year. These increases were mainly attributable to a significant increase in the Group’s sales of containerboard, which was made possible by an expansion in production capacity. Basic earnings per share were HK100.71 cents (FY2005/06: HK62.24 cents).

The Board of Directors of the Group recommended the payment of a final dividend of HK20 cents per share (FY2005/06: HK24 cents per share), which together with the interim dividend of HK16 cents per share (FY2005/06: Nil) made a total dividend of HK36 cents per share for the year ended 31 March 2007 (FY2005/06: HK24 cents per share).

Mr. Raymond Lee, CEO of Lee & Man Paper, said, “With the successful implementation of our expansion plan, designed to capture the strong demand for containerboard driven by substantial exports and domestic demand from manufacturing in China, we achieved satisfactory results this year. The net profit margin further increased to 19.6%, from 15.9% last year, thanks to our integrated operation that includes pulp and recovered paper, advanced technology and stringent cost controls. Our market share for containerboard in China has increased to 8% and is expected to reach 14% in 2008.”

During the year, sales of containerboard accounted for 91.7% of the Group’s total turnover, and market pulp accounted for 8.3% of the Group’s total turnover. Total sales volume was 1.77 million tons composition of 1.67 million tons of containerboard and 102,000 tons of pulp. Another 100,000 tons of pulp was used internally.

“Looking ahead, demand for containerboard remains strong, particularly in China. We will continue to expand our production capacities and develop new products in order to capture



理文造紙有限公司

Lee & Man Paper Manufacturing Limited

market opportunities. Furthermore, as a responsible corporate citizen, it is our aim to lead the industry to a greener and healthier future by enhancing our technology so to reduce water and energy consumption as well as pollutants,” Mr. Lee concluded.

~ End ~

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 corrugated media used to produce cardboard boxes for packaging purposes. Currently, the Group has five paper production plants located at Hongmei and Huangyong in Dongguan, Changshu in Jiangsu, Chongqing, and Vietnam. The Group also has a pulp mill in California, USA. Total annual production capacity of the Group is currently 2.5 million tons of containerboards and 0.2 million tons of pulp.

Media Enquiries:

Lee & Man Paper Manufacturing Ltd

Ms Cat Lee

Tel: 2319 9889

Email: cat_lee@leeman.com.hk

Ketchum Hong Kong

Ms Carol Wong / Ms Winnie Lo

Tel: 3141 8098/ 3141 8028

Email: carol.wong@knprhk.com / Winnie.lo@knprhk.com