



LEE & MAN PAPER ANNOUNCES 2007/08 ANNUAL RESULTS

* * *

TURNOVER SOARED 74% TO HK\$8,996 MILLION
NET PROFIT SURGED 42% TO HK\$1,431 MILLION

INCREASED PRODUCTION CAPACITIES SUPPORT SALES GROWTH

Results Highlights (HK\$'000)	Year ended 31 March		
	2008	2007	Change (%)
Turnover	8,996,000	5,161,000	↑ 74.3%
Gross Profit	2,153,000	1,361,000	↑ 58.2%
Net Profit	1,431,000	1,010,000	↑ 41.7%
Basic Earnings per share	HK 127.22cents	HK 100.71cents	↑ 26.3%
Dividend per share	HK 10 cents	HK 20cents	

Hong Kong, 17 July 2008 – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (stock code: 2314), the second largest containerboard manufacturers in China, today announced its annual results for the year ended 31 March 2008.

For the fiscal year 2007/2008, the Group achieved a turnover of HK\$8,996 million, up 74.3% compared with last year. Attributable to the expansion of production capacity substantially and enhanced operational efficiency, net profit increased by 41.7% to HK\$1,431 million. During the year under review, three containerboard production lines in China, namely PM9, PM10, PM11, began commercial operation, strengthening the Group’s market share of containerboard in China and accordingly sales revenue from the product.

Basic earnings per share were HK 127.22 cents (FY2006/07: HK 100.71 cents). The Board of Directors recommends payment of a final dividend of HK 10 cents (FY2006/07: HK 20 cents). Together with the interim dividend of HK 16 cents (FY2006/07: HK 16 cents) per share already paid, total dividend of the year amounted to HK 26 cents (FY2006/07: HK 36 cents) per share.

Mr. Raymond Lee, CEO of Lee & Man Paper, said, “We were able to deliver encouraging performance because of the success we had in expanding production capacity, controlling cost and product diversification. The Group’s annual output capacity for pulp and paper increased to 3.3 million tons and for containerboard to 3.1 million tons in the review period, representing a 45% growth in overall production capacity. The subsequent economies of scale have further strengthened our competitiveness and enabled us to maintain leadership in the global containerboard market. We are prepared to tap the growing demand for containerboard.”

During the year under review, sales of containerboard and market pulp accounted for 93% and 7% respectively of the Group's turnover. Approximately 2.65 million tons of containerboard and 122,000 tons of pulp were sold.

The Group will start operating its first bleached hardwood pulp production line in Chongqing, China (BHKP1), as well as two more containerboard production lines (PM12 and PM13) including the first such production line in Chongqing in western China in fiscal year 2008/2009. Beginning operations at Chongqing will allow us to diversify and compete in markets such as Chongqing, Sichuan, Guizhou, Yunnan, Hubei and Shanxi. They are expected to contribute notably to the Group's profitability. Furthermore, scheduled to commence production in 2009, the Group's Vietnam plant is capable of producing 450,000 metric tons of containerboard and 150,000 tons of bleached hardwood pulp annually.

"Although we delivered strong performance for the year, we will not think slight of the challenges we expect to face in the coming year, such as rising coal costs and a potential global economic slowdown. Having abundant wood supply and our low production costs structure, the Vietnam project will enable us to diversify our market outside China, especially in the region of Middle East and ASEAN countries, as well as to achieve a more diverse product mix. Being able to lower cost further, expand our sales network and manage the expansion projects effectively, we are confident of sustaining profit growth in the future," 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 medium 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 3.76 million tons of containerboards and 0.2 million tons of pulp.

For Media Enquiries:

Lee & Man Paper Manufacturing Ltd

Ms. Cat Lee Tel: (852) 2319 9889

Email: cat_lee@leeman.com.hk

Strategic Financial Relations Limited

Ms. Iris Lee Tel: (852) 2864 4829

Email: iris.lee@sprg.com.hk

Ms. Brenda Chan Tel: (852) 2864 4833

Email: brenda.chan@sprg.com.hk

Ms. Sherman Yu Tel: (852) 2114 4956

Email: sherman.yu@sprg.com.hk