



[For Immediate Release]

## LEE & MAN PAPER ANNOUNCES 2009/10 ANNUAL RESULTS

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### **NET PROFIT SOARS BY OVER 5 TIMES TO HK\$1,833 MILLION EXPANDS PRODUCTION CAPACITY TO CAPTURE RESILIENT MARKET OPPORTUNITIES**

Results Highlights (HK\$'000)	Year ended 31 March		Change
	2010	2009	
Revenue	<b>11,099,000</b>	9,649,000	↑ 15%
Gross Profit	<b>2,786,000</b>	1,043,000	↑ 167%
Net Profit	<b>1,833,000</b>	302,000	↑ 507%
Basic Earnings per Share	<b>HK40.30 cents</b>	HK6.64 cents	↑ 507%
Final Dividend per Share	<b>HK8 cents</b>	Nil	N/A

Hong Kong, 21 June 2010 – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (stock code: 2314), the second largest containerboard manufacturer in China, announced today its annual results for the year ended 31 March 2010.

During the year, the Group achieved revenue of HK\$11,099 million, an increase of 15% compared with last year, attributable to greater containerboard sales driven by full-year commercial operation of containerboard production lines PM12 in Hongmei and PM13 in Chongqing. Net profit soared remarkably by more than five times to HK\$1,833 million, primarily due to a higher gross profit margin as a result of better cost management. Basic earnings per share were HK40.30 cents (FY2008/09: HK6.64 cents). Together with the interim dividend of HK5.5 cents per share (as adjusted) already paid, total dividends for the year amounted to HK13.5 cents (FY2008/09: HK1.25 cents per share (as adjusted)).

**Mr. Raymond Lee, Chief Executive Officer of Lee & Man Paper**, said, “Thanks to the collective effort of our business partners and staff, the Group has quickly resumed profit growth after the financial tsunami. We were also able to lower the net debt-to-equity ratio to 64% as at 31 March 2010, in line with our previous commitment. Our strong financial position with sufficient cash and abundant banking facilities will enable us to move forward on expansion plans.”

The operation of PM12 and PM13 during the entire year with an annual production capacity of 450,000 tons and 400,000 tons respectively boosted the Group’s total annual containerboard capacity to 4.55 million tons. Sales of containerboard and market pulp accounted for 96% and 4% respectively of the Group’s total revenue. In terms of weight, approximately 3.6 million tons of containerboard and approximately 100,000 tons of pulp were sold.

To further expand production capacity, the modification of PM6 in Changshu will be completed as planned in late June 2010. The Group intends to speed up installation of PM15, with an annual production capacity of 500,000 tons, and expects production to commence in late 2010. New projects that would increase annual capacity by 950,000 tons are also under planning, with the target for production to commence by March 2012.

"We are confident that the capacity expansion plan will drive the Group's profit growth steadily. In addition, we are evaluating business collaboration opportunities with strategic partners to strengthen the Group's competitiveness." **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 production capacity of the Group is currently 4.55 million tons of containerboard.

#### **For Media Enquiries:**

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