



[For Immediate Release]

For the Six Months Ended 30 September 2012  
**Lee & Man Paper Records 15% Containerboard Sales Volume Growth  
Net Profit Increases to HK\$674 Million**

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**Resumed Production Expansion in Vietnam to Start Operations by End of 2013**

**Results Highlights**

(HK\$ million)	Six Months Ended 30 September		Change
	2012	2011	
Revenue	<b>7,224</b>	7,360	(1.9%)
Net Profit	<b>674</b>	647	4.3%
Net Profit Margin	<b>9.33%</b>	8.79%	0.54 pp
Basic Earnings per Share	<b>HK14.38cents</b>	HK13.79 cents	4.3%
Interim Dividend per Share	<b>HK5.0 cents</b>	HK4.8 cents	4.2%

Hong Kong, 20 November 2012 – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEx: 2314), one of the largest containerboard manufacturers in China, announced today its results for the six months ended 30 September 2012.

For the six months ended 30 September 2012, the Group achieved revenue of HK\$7,224 million (2011: HK\$7,360 million). Despite the production expansion leading to a 15% growth of containerboard sales volume, overall revenue was affected by the adjustment in product selling prices as a result of the market slowdown and competition. Net profit attributable to equity holders of the Company was HK\$674 million (2011: HK\$647 million), whereas the net profit margin improved to 9.33%. Basic earnings per share were HK14.38 cents (2011: HK13.79 cents).

**Mr Raymond Lee, Chief Executive Officer of Lee & Man Paper**, said, “Although the business environment remains challenging, the Group was able to safeguard the net profit and net profit margin during the period. To pursue sustainable growth, we have continued prudent expansion of production with a steady debt-to-equity ratio at 0.65 and strong operating cash flows. As such, we will resume operation of paper machine PM 20 in Vietnam with an annual capacity of 400,000 tonnes of containerboard by the end of 2013. With the rise of light industries in Southeast Asia, this expansion will diversify our investment and contribute long-term benefits to Lee & Man Paper.”

The new production line for coated duplex board, PM 17, with an annual capacity of 600,000 tonnes commenced production in August 2012. In addition, the Group is actively constructing its fifth paper production industrial park in Ruichang, Jiangxi Province, equipped with PM18 boasting an annual capacity of 350,000 tons of containerboard. It is expected to begin operation by March 2013 and will capture the demand for quality containerboard in central and western China.

As at 30 September 2012, the Group maintained a strong financial position with bank balances and cash of HK\$724 million (31 March 2012: HK\$731 million).

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“The closure of inferior domestic paper production plants has continued due to environmental issues, offsetting the concerns of industry oversupply. The Group is stepping up efforts in developing new markets and controlling costs, as well as optimising capital structure to maximise returns for our shareholders,” **Mr Lee** concluded.

During the period, Lee & Man Paper announced the change of financial year end date from 31 March to 31 December to align the financial year end dates of the Group members and streamline the preparation of the financial statements. As a result, the announcement publication deadline for the financial information for the 9 months ending 31 December 2012 will be 31 March 2013, whereas that for the 6 months ending 30 June 2013 will be 31 August 2013.

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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 design capacity of the Group is currently 6.05 million tonnes of containerboard.

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