



理文造紙有限公司

Lee & Man Paper Manufacturing Limited

[For Immediate Release]

LEE & MAN PAPER ANNOUNCES 2010/11 INTERIM RESULTS

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**RECORD REVENUE AND NET PROFIT OF HK\$6,899 MILLION AND
HK\$839 MILLION RESPECTIVELY**

CAPACITY EXPANSION TO STRENGTHEN MARKET LEADING POSITION

Results Highlights (HK\$'million)	Six months ended 30 September		
	2010	2009	Change
Revenue	6,899	5,060	↑ 36%
Gross Profit	1,239	1,247	↓ 1%
Net Profit	839	817	↑ 3%
Basic Earnings per share	HK18.44 cents	HK17.95 cents	↑ 3%
Dividend per share	HK6 cents	HK5.5 cents	↑ 9%

Hong Kong, 8 November 2010 – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (stock code: 2314), one of the largest containerboard manufacturers in China, announced today its interim results for the six months ended 30 September 2010.

For the first half of fiscal year 2010/11, the Group’s revenue and net profit attributable to shareholders both reached a record high of HK\$6,899 million and HK\$839 million (FY2009/10: HK\$5,060 million and HK\$817 million) respectively, representing an increase of 36% and 3%. Basic earnings per share for the period under review were HK18.44 cents (FY2009/10: HK17.95 cents). The Board of Directors declared payment of an interim dividend of HK6 cents (FY2009/10: HK5.5 cents).

Mr. Raymond Lee, CEO of Lee & Man Paper, said, “In the past two years, the Group’s strategy has been adjusted to focusing on debt reduction and financial risk management for a healthy development, which have begun to bear fruit as clearly seen in our results. Although the substantial increase of the prices of waste paper, coal and raw materials in the review period has boosted our operating costs, we strived to manage our supply chain effectively to mitigate the impact and notably improved our profitability. With this outstanding performance, we have continued as the leader in the industry in terms of profit of paper per tonne.”

During the period, the Group has enlisted Nippon Paper as a strategic shareholder which is expected to bring substantial benefit to the Group on product quality and new product development in the foreseeable future. Leveraging the experience of Nippon Paper, the Group is able to produce 600,000 tonnes of high-end coated duplex board a year utilising one of the paper machines, marking a breakthrough in the Group’s new product development.

To meet the escalating market demand of China market, the Group will commence operation of three new production lines in Chongqing and Hongmei in Dongguan in 2011 with a total annual design production capacity of 1.5 million tonnes. It has also set up a new production base with two new production lines in Jiujiang in Jiangxi Province, which are expected to commence operation in mid-2012 with an annual design production capacity of 900,000 tonnes, boosting the Group's total production capacity to nearly 7 million tonnes, up by more than 50% of the Group's existing capacity and placing the Group among the top three paper manufacturers in the world.

"We will speed up our capacity expansion plan to optimise our business in China, as well as continue to adhere to a course of 'high-end, high value and high profits' in our future product development strategy. Meanwhile, the Group is seeking a suitable location in northern China for establishing the first production base in the northern region, which will help set a solid foundation for our sustainable growth in the long term." **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.

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