



## Lee & Man Paper Announces 2013 Interim Net Profit at HK\$971 Million Net Profit per Ton Maintained at a Satisfactory level of HK\$417

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### Speeds Up Construction of Production Lines in Chongqing and Vietnam

(Hong Kong, 5 August 2013) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEx: 2314), one of the largest containerboard manufacturers in China, announced today its interim results for the six months ended 30 June 2013. During the period, the Group achieved revenue of HK\$8,102 million (six months ended 30 September 2012: \$7,224 million). Net profit attributable to owners of the Company was HK\$971 million (six months ended 30 September 2012: HK\$674 million). Basic earnings per share were HK20.67 cents (six months ended 30 September 2012: HK14.38 cents).

The Board has resolved to declare an interim dividend of HK\$0.073 per share for the six months ended 30 June 2013 (six months ended 30 September 2012: HK\$0.050 per share).

During the period under review, the increase in Group’s containerboard sales volume was mainly due to full commercial operation of PM17. The Group’s total sales volume achieved 2.33 million tons, and the net profit per ton was HK\$417.

The production line of PM18 paper machine at Jiangxi industrial park with annual capacity of 320,000 tons has begun operation in June 2013 and is believed to make contribution in the second half of the year. The linerboard production lines of PM20 at Chongqing industrial park and PM19 at Vietnam are under construction. Due to capacity expansion, the Group’s net gearing ratio increased from last year end’s 58% to 63%, still at a satisfactory level.

As at 30 June 2013, the Group maintained a strong financial position with bank balances and cash of HK\$736 million (31 December 2012: HK\$657 million).

**Mr Raymond Lee, Chairman of Lee & Man Paper**, said, “Given the fierce competition due to the overcapacity of the paper industry, the Group expects to face a greater pricing challenge in the second half of the year. On the other hand, in view of the huge China market and the closure of obsolete production capacity due to a failure in environmental protection issues, there exist optimistic business opportunities and prospects. With reasonable investment costs per ton of paper and acceptable level of borrowings achieved, the Group is competitive enough to face market challenges. With a reasonable debt level, the Group will also continue to expand and develop in suitable regions, in particular to invest paper mills overseas, so as to avoid excessive concentration in China. We would like to strive for greater profit for the Company and generate better return for all Shareholders in the future.”

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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 4.91 million tonnes of containerboard and 150,000 tonnes of pulp.

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