



Lee & Man Paper Announces 2014 Interim Net Profit at HK\$913 Million

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Chongqing Plant to Contribute Further in the 2nd Half of 2014

(Hong Kong, 31 July 2014) – **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 2014. During the period, the Group recorded a total sales volume of 2.40 million tons, a total revenue of HK\$8.3 billion, a half-year net profit of HK\$913 million, and a net profit per ton of paper of HK\$388. The Group incurred an exchange loss of HK\$67 million during the drop in Renminbi. Excluding this uncontrollable factor, the Group maintained an overall steady profit. The earnings per share for the period were HK19.46 cents as compared to HK20.67 cents for the corresponding period last year.

The Board has resolved to declare an interim dividend of HK\$0.068 per share for the six months ended 30 June 2014 (2013: HK\$0.073 per share).

During the period, the increase in Group’s containerboard sales revenue and volume was mainly due to full commercial operation of PM18 paper machine during the period. Besides, the production line of PM20 paper machine at Chongqing industrial park with annual capacity of 320,000 tons begins operation in July 2014. The construction of the Vietnam project is on schedule under normal conditions. Due to capacity expansion, the Group’s net gearing ratio increased from 63% as at the end of last year to 69%.

As at 30 June 2014, the Group maintained a strong financial position with bank balances and cash of HK\$941 million (31 December 2013: HK\$711 million).

Mr Raymond Lee, Chairman of Lee & Man Paper, said, “In the long run, the prospects are promising as the demand for packaging papers in China will keep on increasing and more and more backward production capacities will close due to limited competitive power and tightened environmental protection regulations. The Group is competitive enough to overcome market challenges. With the united efforts of the management and a reasonable debt level, the Group hopes to continue expanding and developing in suitable regions when the economy picks up in the future so as to strive for greater profit for the Group and generate better return for all shareholders.”

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

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