



**Lee & Man Paper 2014 Annual Net Profit at HK\$1.9 Billion
Total Sales Volume Increased to 5.06 Million Tons**

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**Strategically Expands Product Offerings to Increase Income Source
Vietnam Plant Will Begin Operation in the Second Half of 2015**

(Hong Kong, 9 March 2015) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEx: 2314), one of the largest containerboard manufacturers in China, announced today its annual results for the twelve months ended 31 December 2014. During the period, the Group recorded a total sales volume of 5.06 million tons, a total revenue of HK\$17.1 billion, annual net profit of HK\$1.9 billion, and the average net profit of the products was HK\$376 per ton, the Group maintained an overall steady profit.

The Board of Directors declared payment of a final dividend of HK7.5 cents per share. Together with the interim dividend of HK6.8 cents per share already paid, total dividends for the year amounted to HK14.3 cents per share, representing a stable payout ratio of about 35% of net profit.

Mr Raymond Lee, Chairman of Lee & Man Paper, said, “The paper industry suffered from overcapacity and paper price pressure in recent years, but in the long-run, the demand for packaging papers in China will keep on increasing. At the same time, more and more inferior production capacities will close due to the tightened environmental protection regulations. It is believed that the supply over demand situation for the paper industry will be further improved.”

The production line of PM20 at Chongqing industrial park with an annual capacity of 320,000 tons began operation in July 2014. The acquisition of the tissue business was also completed in November 2014. Such acquisition will provide the Group with an opportunity to expand its paper products range and enter the tissue paper market. It is in the interest of the Group to diversify its line of paper based products and that this will in turn increase the revenue base of the Group. As a paper manufacturer, the Group is in a position to take advantage of its existing economies of scale to lower the costs of manufacturing tissue paper products which will provide a more competitive edge for marketing its tissue paper products. It is expected that the tissue business in the future will contribute further to the Group.

Given the buoyant development of the light industries in countries such as Vietnam, Myanmar and Laos, the Group is also actively investing overseas in the construction of paper factories to stay in-line with the expansion of the Southeast Asian markets. It is expected that the paper machine project in Hau Giang, Vietnam will begin operation in late 2015.

As at 31 December 2014, the Group maintained a strong financial position with bank balances and cash of HK\$2,033 million (31 December 2013: HK\$711 million). The Group’s net gearing ratio slightly decreased from 63% as at the end of last year to 62%.

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Mr Edmond Lee, Chief Executive Officer of Lee & Man Paper, concluded, “Based on the Group’s consistent adoption of prudent strategies, and with a reasonable debt level, Lee & Man Paper will continue to increase its capacity in existing industrial parks and develop new industrial parks in tandem with the pace of economic development. The management of the Group will continue to make efforts to strictly control costs and strengthen capital operation in order to maintain the Group’s competitiveness in the paper industry. We will ensure that the Group’s business will continue under the leadership of an experienced and capable management team, with a view to further enhancing the Group’s profitability.”

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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 five paper production plants in China, located at Huangyong in Dongguan, Hongmei in Guangdong, Changshu in Jiangsu, Yongchuan in Chongqing and Jiujiang in Jiangxi. Total annual production capacity of the Group is currently 5.23 million tons of containerboard, 150,000 tons of pulp and 25,000 tons of tissue paper.

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