

Lee & Man Paper 2015 Interim Net Profit at HK\$1,120 Million

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Own Branded “Hanky” Tissue Paper to Launch in the Fourth Quarter Vietnam Plant to Commence Production in the First Quarter of 2016 Further Enhances Profitability

(Hong Kong, 10 August 2015) – **Lee & Man Paper Manufacturing Limited** (“Lee & Man Paper” or the “Group”) (HKEx: 2314), one of the largest containerboard manufacturers in China, has today announced its interim results for the six months ended 30 June 2015. During the period under review, the Group recorded a total sales volume of 2.68 million tons, a total revenue of HK\$8.7 billion, interim net profit of HK\$1,120 million, and the average net profit of the products was HK\$417 per ton, the Group maintained an overall steady profit growth. Earnings per share for the period were HK24.03 cents as compared to HK19.46 cents for the corresponding period last year.

The Board of Directors declared payment of an interim dividend of HK\$0.085 per share for the six months ended 30 June 2015 (2014: HK\$0.068 per share).

Mr. Raymond Lee, Chairman of Lee & Man Paper, said, “The demand for packaging papers in China should continue to rise in the long run. To address the overcapacity and environmental protection issues associated with the paper industry, China has been promoting the elimination of obsolete production capacity in the past few years, which has improved the supply over demand situation in the industry thereby helping the industry to regain its bargaining power.”

To generate growth, the Group has entered into the tissue paper business during the period under review and will produce and launch its own branded “Hanky” tissue paper in the fourth quarter this year. The pulp production equipment in the Group’s Chongqing plant can help lower the costs of producing tissue paper products, thus the tissue paper business is expected to bring a greater contribution in the future.

In addition to the tissue paper business, the Group is also actively investing overseas in the construction of paper factories to support the expansion of the Southeast Asian markets. It is expected that the paper machine project in Hau Giang, Vietnam will begin operation in the first quarter of 2016.

As at 30 June 2015, the Group maintained a strong financial position with bank balances and cash of HK\$1,393 million (31 December 2014: HK\$2,033 million). The Group’s net gearing ratio decreased from 62% as at the end of last year to 59%.

Mr. Edmond Lee, Chief Executive Officer of Lee & Man Paper, concluded, “Based on the Group’s continued formulation and execution of prudent strategies, and with a reasonable debt level, we will continue to increase our capacity in existing industrial parks and develop new industrial parks in pace with economic development. We will also strictly control costs and strengthen capital operations in order to maintain the Group’s competitiveness in the paper industry and further enhance our 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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