

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands and its members' liability is limited)

(Stock Code: 2314)

**ANNOUNCEMENT
ENTERING INTO OF SUPPLEMENTAL AGREEMENT TO
THE CAMBODIAN LAND SPA BY SHUNYING**

Reference is made to the announcement of Lee & Man Paper Manufacturing Limited (the “**Company**”) dated 21 June 2021 (the “**First Announcement**”) and the announcement of the Company dated 25 June 2021 (the “**Second Announcement**”) in relation to, among other things, the Share Acquisition and the Loan Assignment. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the First Announcement.

By way of update, subsequent to the Second Announcement, Shunying (a company which has become a subsidiary of the Company) has continued with the coordination with the Local Seller for the acquisition of the Land and the preliminary preparation for the construction of the Factory on the Land. During the preliminary preparation, Shunying found that certain part of the intended Factory site would need substantial land flattening and levelling work before the construction of the Factory. After taking into account the costs of the Local Seller to complete such work and the delay it may cause to the construction timetable, Shunying and the Local Seller re-negotiated for the transfer of additional pieces of flat land adjacent to the Land to tackle the issues (the “**Additional Land II**”). Meanwhile, the Local Seller has obtained through a company wholly owned by him (the “**Landowner**”) the ownership certificates from the relevant land authority in Cambodia evidencing the Landowner’s ownership of the hard title of the land at which the Land is located.

Against the above background, Shunying, the Local Seller and the Landowner entered into a supplemental agreement (the “**Supplemental Agreement III**”) to the Cambodian Land SPA such that, among other things, the Landowner can be included as a party to the Land SPA and the Additional Land can be included as the land to be transferred to Shunying. The principal terms of the Supplemental Agreement III are set out as follows:

* *For identification purposes only*

1. **Inclusion of Landowner as a party to the Amended Land SPA:** Under the Supplemental Agreement III, the Landowner shall accede to the Cambodian Land SPA as amended and supplemented by the Supplemental Agreement III (the “**Amended Land SPA**”) and shall be deemed and construed as a party to the Amended Land SPA as fully and with the same force and effect as if the Landowner has originally executed the Cambodian Land SPA. The Landowner shall have joint and several obligations with the Local Seller under the Amended Land SPA from the date of the Supplemental Agreement III, and any payment obligation of Shunying shall be made only to the Local Seller, and the performance obligations of Shunying under the Amended Land SPA shall be owed strictly towards the Local Seller solely.
2. **Expanded area of the Land:** Under the Amended Land SPA, the Landowner agrees to sell, and the Local Seller shall procure the Landowner to sell to Shunying the Land with an area of approximately 126.11 hectares and the Additional Land II with an area of approximately 9.89 hectares (together referred to as the “**Upsized Land**” with total area of approximately 136.00 hectares) in the same amount of consideration, being US\$98,748,000.
3. **Change of instalment schedule and payment conditions:** As disclosed in the First Announcement, the shareholders of Shunying have funded Shunying for the payment of the refundable deposits of the Land Price in the aggregate amount of US\$50,400,000 to the Local Seller. Under the Amended Land SPA, the remaining US\$48,348,000 of the Land Price shall be payable to the Local Seller in the following manner:
 - (a) a refundable deposit of US\$21,500,000 shall be payable by 3 instalments within 7 working days from the date of receipt of the payment advice from the Local Seller upon the fulfilment of different conditions by the Local Seller and the Landowner to Shunying’s satisfaction and all true copies of the relevant documents specified in respective conditions having been received by Shunying. Such conditions include, among other things, (i) all government documents and licenses necessary and/or as requested by Shunying for the construction and operation of the Factory and for the conduct and/or operation of the pulp and paper manufacturing business in Cambodia having been properly revised and updated to account for the Upsized Land; (ii) The Council of Ministers or The Council for the Development of Cambodia (“**CDC**”) agrees and approves on that the No.3 Road connecting to the Port, the Factory and the Port shall as a whole be regarded and designated as a Special Economic Zone & Port (“**SEZ**”) of Shunying; and (iii) Shunying’s ownership certificate evidencing the hard title under the category of Construction and Residential Land of the Factory site having been issued by the relevant land authority in Cambodia and the tax payment receipt having been issued. As at the date of this announcement, the first instalment in the sum of US\$1,500,000 has been paid to the Local Seller as the relevant conditions have been met;
 - (b) a refundable deposit of US\$23,000,000 shall be payable by 2 instalments within 7 working days from the date of receipt of the payment advice from the Local Seller upon the fulfilment of different conditions by the Local Seller and the Landowner to Shunying’s satisfaction and all true copies of the relevant documents specified

in respective conditions having been received by Shunying. Such conditions include, among other things, (i) Shunying's ownership certificate evidencing the hard title of the two roads from the Factory site with an area of 1.2 hectares having been issued by the relevant land authority in Cambodia and the tax payment receipt having been issued; (ii) the final certificate and approval on the feasibility report having been issued by CDC to Shunying and/or its nominee to approve its investment in Cambodia as a SEZ recognised, acknowledged and/or approved by CDC and the patent tax certificate of the SEZ having been issued by the relevant tax authority in Cambodia to Shunying; (iii) the Local Seller having obtained the *Prakas* for the land on which the Port and the road, causeway, bridge will be built (the "**Port Land**") of the relevant public work and transport authority in Cambodia with stamped feasibility report and endorsed initial drawing allowing Shunying to own, construct and operate private sea port and private road; and (iv) the approval letter from CDC and the final environment and social impact assessment report on the Port from the relevant environmental protection authority in Cambodia having been issued in respect of the construction of the Port;

- (c) a refundable deposit of US\$2,500,000 shall be payable if all relevant conditions stated in the Amended Land SPA have been fulfilled. Such conditions include, among other things, (i) the nominee is allowed to import and has successfully imported 10 containers covering specified kinds of paper into Cambodia with official approval documents signed and agreed by the relevant customs authorities in Cambodia; (ii) the establishment permit, construction-related approvals and permits or occupancy certificate relating to the construction of paper plant factory, the coal-fire generator, the private road, causeway, bridge, pump room and the Port, and for the intake and discharge water infrastructures as well for the water intake and water discharge having been issued by the relevant government authorities; and (iii) all relevant licences, permits and/or approvals having been issued by the relevant government authorities or institutions in Cambodia to Shunying and/or its nominee certifying and permitting that the Upsized Land and the Port could be used for all industrial and commercial purposes relating to the pulp and paper manufacturing business operations of Shunying in Cambodia.
- (d) the final payment of US\$1,348,000 shall be payable within 7 working days after Shunying received a formal written payment advice from the Local Seller, and upon all true copies of the documents stated in the Supplemental Agreement III having been received by Shunying and all the relevant conditions having been fulfilled to the satisfaction of Shunying. Such conditions includes, among others, (i) the certificates and sub-decree on operation of SEZ and the establishment of qualified projects having been issued; (ii) the operating licences and permit having been issued by the relevant Cambodian authority regarding the paper plant factory operation, the paper manufacturing, coal-fired power station, transportation and storage, water intake and discharge, the private road, causeway, link bridge, pump room and the port; (iii) land flattening and leveling having been completed to the satisfaction of Shunying; and (if applicable) all outstanding conditions and items under (a) to (d) above having been fulfilled.

Save for the amendments above and the corresponding necessary contextual changes to the Cambodian Land SPA pursuant to the Supplemental Agreement III, all major terms and conditions of the Cambodian Land SPA shall remain in full force and effect.

On behalf of the Board
Lee Man Chun Raymond
Chairman

Hong Kong, 2nd November 2021

As at the date of this announcement, the board of directors of the Company comprises five executive directors, namely Dr. Lee Man Chun Raymond, Mr. Lee Man Bun, Mr. Li King Wai Ross, Mr. Lee Jude Ho Chung and Mr. Yip Heong Kan, one non-executive director, namely Professor Poon Chung Kwong, and three independent non-executive directors, namely Mr. Wong Kai Tung Tony, Mr. Peter A. Davies and Mr. Chau Shing Yim David.