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理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the continuing connected transactions announcement published by Lee & Man Paper Manufacturing Limited (the “**Company**”) on 23 June 2014 in relation to the continuing connected transactions between Chongqing Lee & Man Paper Manufacturing Limited, an indirect wholly-owned subsidiary of the Company and Chongqing Lee & Man Tissue Manufacturing Limited, a connected person of the Company (the “**Announcement**”).

Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby makes the following supplemental disclosure in respect of the pricing policies of the Finished Goods Agreement and the Leasing and Services Agreement made in the Announcement.

PRICING POLICY OF THE FINISHED GOODS AGREEMENT

Under the Finished Goods Agreement, the price to be charged by Chongqing Paper in respect of the supply of pulp and the manufacturing materials to Chongqing Tissue shall be determined every month. Samples will be selected from one-fifth of the total transactions for similar products sold by Chongqing Paper to other independent third parties on similar terms within the Chongqing area. The final monthly price will be determined based on the average price of these samples, plus or minus 5%, but will not otherwise be on terms less favorable to Chongqing Paper than those offered by Chongqing Paper to other independent third parties within the Chongqing area for similar products. All these price and terms will be finally approved by the management on a monthly basis to ensure the Finished Goods Agreement will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole.

* For identification purposes only

PRICING POLICY OF THE LEASING AND SERVICES AGREEMENT

Under the Leasing and Services Agreement, the price and terms of services relating to the leasing of dormitories, cars, provision of staff canteen and wharf cargo handling services will be reviewed on an annual basis. For the provision of wharf cargo handling services, the annual price charged will be determined based on the average price of similar services provided by Chongqing Paper to all independent third parties in the preceding year plus the CPI of the most recent year.

The leasing of dormitories and cars and the provision of staff canteen services, will be based on the market price of similar services in the nearest city. For each such service, five samples will be taken each year from other vendors of similar services and the annual price charged will be determined based on the average price of such samples plus the CPI of the most recent year. All these pricing procedures will be carried out at the beginning of each financial year and passed to management for final approval to ensure the Leasing and Services Agreement will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole.

By order of the Board
Lee & Man Paper Manufacturing Limited
Lee Man Chun Raymond
Chairman

30 June 2014

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr Lee Man Chun Raymond, Mr Lee Man Bun, Mr Kunihiro Kashima and Mr Li King Wai Ross, two non-executive directors, namely Professor Poon Chung Kwong and Mr Yoshio Haga, and three independent non-executive directors, namely Mr Wong Kai Tung Tony, Mr Peter A Davies and Mr Chau Shing Yim David.