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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)

COMPLETION OF SHARE SALE AGREEMENT

The Board is pleased to announce that Completion of the Share Sale Agreement took place on 29 October 2010.

Reference is made to the announcements of the Company dated 7 June 2010, 15 June 2010 and 27 August 2010 respectively in relation to the sale of interest in FSGL and a connected transaction in relation to the acquisition of a company (the “Announcements”). Capitalised terms used herein have the meanings ascribed to them in the Announcements.

The Board is pleased to announce that all the conditions precedent stipulated under the Share Sale Agreement and Supplemental Deed (including the reorganisation of FSGL in relation to the New HK Company and the New WOFE which was implemented through the completion of the Master Agreement) were fulfilled and Completion took place on 29 October 2010. The consideration for the Transfer Agreement (being the price paid by the New WOFE for the transfer the Land, the relevant fixed assets and certain employees of the PRC Company to the New WOFE) which is funded by L&M Industries is RMB74,516,957.54 (equivalent to approximately HK\$86,439,670).

As disclosed in the Announcements, the Purchase Price for the Sale Shares and the assignment of the Shareholders’ Loans is the Initial Purchase Price, subject to downward or upward adjustments taking into account changes in working capital and certain other events that take place after 31 March 2010. The Purchase Price (as adjusted in accordance with the terms of the Share Sale Agreement) has been agreed at US\$72,031,879 (equivalent to approximately HK\$561,848,657). However, it has been agreed that US\$74,817 (equivalent to RMB500,000 or approximately HK\$583,574) of the Purchase Price (the “Retained Sum”) has been retained by RMS upon Completion for contingent payments in relation to certain pre-Completion issues. The Retained Sum (or the balance of which) shall be released to L&M Industries and Well Boom after the seventh anniversary of Completion. As such, after deducting the Retained Sum, US\$71,957,062 (equivalent to approximately HK\$561,265,083) has been remitted by the Purchaser in cash to L&M Industries and Well Boom in accordance with the terms of the Share Sale Agreement. The Purchase Price attributable to L&M Industries is approximately US\$54,096,664. After deducting the pro-rata portion of the Retained Sum, L&M Industries

* For identification purposes only

has received approximately US\$54,082,449 in cash for its portion of the Sale Shares and the assignment of the Shareholders' Loans.

After Completion, L&M Industries and Well Boom have ceased to have any shareholding in FSGL.

For illustration purpose in this announcement, the conversion rates of US\$1.00 = RMB6.68296, RMB1.00 = HK\$1.16 and US\$ 1.00 = HK\$7.80 were adopted.

By order of the Board
Lee & Man Paper Manufacturing Limited
Lee Wan Keung, Patrick
Chairman

Hong Kong, 29 October 2010

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond, Mr Lee Man Bun and Mr Kunihiko Kashima, 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.