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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)**

**FACILITY AGREEMENT  
GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES**

This announcement is made in accordance with Rule 13.18 of the Listing Rules.

On 6 December 2010, the Company entered into a Facility Agreement which contains a specific performance obligation to the effect that the Lee Family is to legally and beneficially own, directly or indirectly, in aggregate at least 51% of the entire issued share capital of and equity interest in the Company and is to otherwise exercise control over the management and affairs of the Group and/or the composition of the Board during the term of the facility made available under the Facility Agreement.

The board of directors (“**Board**”) of Lee & Man Paper Manufacturing Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) makes the following disclosures in accordance with Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**FACILITY AGREEMENT**

Pursuant to a facility agreement (the “**Facility Agreement**”) dated 6 December 2010 and entered into by the Company as guarantor, Lee & Man Industries Company Limited as borrower (the “**Borrower**” and a wholly-owned subsidiary of the Company), three other members in the Group as guarantors, The Hongkong and Shanghai Banking Corporation Limited as coordinator, agent and a lender together with Hang Seng Bank Limited, Mizuho Corporate Bank, Ltd., Hong Kong Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation as lenders, for a term loan facility (the “**Loan**”) in the aggregate amount of HK\$2,500,000,000 available to the Borrower for a period of 6 months commencing from the date of the Facility Agreement, for the refinancing of the Borrower’s existing facilities, general working capital requirements and capital expenditure of the Group. The final repayment date of all outstanding amounts under the Facility Agreement will be 6 December 2015 (provided such date is a business day, being a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, and if not, it shall be on the immediately preceding business day).

\* For identification purposes only

## **SPECIFIC PERFORMANCE OBLIGATION IMPOSED ON THE LEE FAMILY**

The Facility Agreement contains a specific performance obligation to the effect that Mr Lee Wan Keung, Mr Lee Man Chun Raymond and Mr Lee Man Bun (the “**Lee Family**”) are to legally and beneficially own, directly or indirectly, in aggregate at least 51% of the entire issued share capital of and equity interest in the Company and are to otherwise exercise control over the management and affairs of the Group and/or the composition of the Board during the term of the facility made available under the Facility Agreement.

## **IMPACT OF NON-COMPLIANCE WITH THE SPECIFIC PERFORMANCE OBLIGATION IMPOSED ON THE LEE FAMILY**

Non-compliance of the aforesaid specific performance obligation will constitute an event of default under the Facility Agreement. Upon the occurrence of such an event of default which is continuing, the agent under the Facility Agreement may, and shall if so directed by the majority lenders (being a lender or lenders whose commitments or participation in the Loan then outstanding aggregate more than  $66\frac{2}{3}\%$  of the total commitments or of all the Loans then outstanding, as defined in more detail in the Facility Agreement, the “**Majority Lenders**”):

- (i) cancel the commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or
- (ii) cancel any part of any commitment (and reduce such commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant commitment shall be immediately reduced accordingly); and/or
- (iii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and any other finance documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (iv) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the agent on the instructions of the Majority Lenders.

The occurrence of the aforesaid events may trigger default provisions under other loan facilities of the Group, whereupon the relevant lenders could demand immediate repayment of all sums outstanding under such other loan facilities.

## **GENERAL**

As at the date of this announcement, the Lee Family, together, directly or indirectly, hold approximately 52.66% of the issued share capital of the Company.

This announcement is made pursuant to Rule 13.18 of the Listing Rules. In accordance with the requirements pursuant to Rule 13.21 of the Listing Rules, disclosure will be included in the interim and annual reports of the Company for so long as the said specific performance obligation imposed on the Lee Family under the Facility Agreement continues to exist.

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

6 December 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 Kunihiro 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.*