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Lee & Man Paper Manufacturing Limited
理文造紙有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2314)

Recent increase in the turnover of shares

The Board of the Company has noted the recent increase in turnover of the shares of the Company today and wishes to state that it is not aware of any reasons for such increase except that Gold Best, the controlling shareholder of the Company, has acquired an aggregate of 5,360,000 shares of the Company at an average price of HK\$6.224 per share on the market today.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board of directors (the "Board") of Lee & Man Paper Manufacturing Limited ("Company") has noted the recent increase in turnover of the shares of the Company today and wish to state that, except for the information disclosed herein, it is not aware of any reasons for such increase.

The Board was informed that Gold Best Holdings Ltd. ("Gold Best"), the controlling shareholder of the Company, has acquired an aggregate of 5,360,000 shares of the Company at an average price of HK\$6.224 per share on the market today. Such acquisition represents approximately 0.56% of the existing issued share capital of the Company. Before acquisition, Gold Best owned approximately 72.82% of the existing issued share capital of the Company. After the acquisition, Gold Best owns approximately 73.38% of the existing issued share capital of the Company and will remain as the controlling shareholder of the Company.

The entire issued share capital of Gold Best is owned by Newcourt Trustees Limited as trustee for The Fortune Star 1992 Trust, a discretionary trust the discretionary objects of which include Mr. Lee Wan Keung, Patrick and Mr. Lee Man Chun, Raymond (both of whom are directors of the Company), certain of their family members and other charitable objects.

Save for the above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As at the date of this announcement, the executive directors of the Company are Mr. Lee Wan Keung, Patrick, Mr. Lee Man Chun, Raymond and Mr. Tan Siak Him, Alexander; and the independent non-executive directors of the Company are Mr. Wong Kai Tung, Tony and Mr. Heng Kwoo Seng.

Made by the order of the Board of the Company the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Cheung Kwok Keung
Company Secretary

Hong Kong, 4th August, 2004

* for identification purposes only