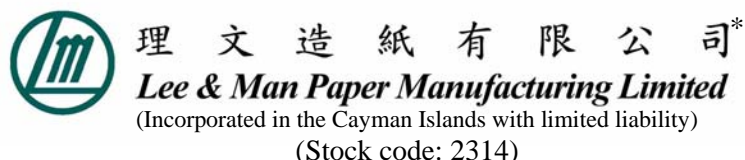


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**ANNOUNCEMENT
PLACING OF EXISTING SHARES
BY CONTROLLING SHAREHOLDER AND
RESUMPTION OF TRADING IN SHARES**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

On 7 September 2007, the Board has been notified by Gold Best, the controlling shareholder of the Company, that Gold Best has entered into an agreement with the Placing Agent for the placing, on a fully-underwritten basis, of the Placing Shares. Pursuant to the placing agreement, the Placing Agent will either procure purchasers for or purchase itself the Placing Shares. The Placing Shares represent approximately 1.76% of the existing issued share capital of the Company. Gold Best will receive, before expenses, a placing price of HK\$31.80 per Share. The Placing Agent will receive a commission of no less than 2% under the placing agreement. Completion is expected to take place on Tuesday, 11 September 2007.

Gold Best intends to apply the placing proceeds for its own investments in forestry resources.

Trading in the Shares and the convertible bonds (Stock Code: 2533) on the Stock Exchange was suspended at the request of the Company with effect from 9:30a.m. on Friday, 7 September 2007 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares and the convertible bonds with effect from 9:30a.m. on Monday, 10 September 2007.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

On 7 September 2007, the Board has been notified by Gold Best, the controlling shareholder of the Company, that Gold Best has entered into an agreement with the Placing Agent for the placing, on a fully-underwritten basis, of the Placing Shares. The Placing Agent will receive a commission of no less than 2% under the placing agreement. The Placing Shares represent approximately 1.76% of the existing issued share capital of the Company. Gold Best will receive, before expenses, a placing price of HK\$31.80 per Share. Gold Best's shareholding in the Company will decrease from approximately 63.49% to approximately 61.73% upon completion of the placing. The Placing Agent will either procure purchasers for or purchase

itself the Placing Shares. Completion is expected to take place on Tuesday, 11 September 2007. Pursuant to the placing agreement, Gold Best has undertaken that it shall not, and has undertaken to procure that any of its associates or affiliates shall not, dispose of any Share at any time up to 90 days from the date of completion without the prior written consent of the Placing Agent. There is no such restriction on the Company to deal in its Shares under the placing agreement. The placing agreement also contains certain grounds of termination on account of force majeure events. Gold Best intends to apply the placing proceeds for its own investments in forestry resources.

Upon being notified by Gold Best of the proposed placing and taking into account that the number of Placing Shares was approximately 8 times the daily average number of Shares traded on the Stock Exchange in the last five trading days prior to the suspension, the directors of the Company considered the placing price sensitive and requested the suspension. At the request of the Company, trading in the Shares and the convertible bonds (Stock Code: 2533) was suspended from 9:30a.m. on Friday, 7 September 2007 pending the publication of this announcement.

Application has been made by the Company for the resumption of trading in the Shares and the convertible bonds with effect from 9:30a.m. on Monday, 10 September 2007.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:-

"Board"	the board of directors of the Company;
"Company"	Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
"controlling shareholder"	has the same meaning ascribed thereto under the Listing Rules;
"Gold Best"	Gold Best Holdings Ltd., a company incorporated under the laws of British Virgin Islands;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"Placing Agent"	Citigroup Global Markets Asia Limited
"Placing Shares"	20,000,000 Shares;
"Shares"	shares of HK\$0.10 in the share capital of the Company; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 7 September 2007

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. Li King Wai Ross, one non-executive director, namely Professor Poon Chung Kwong and three independent non-executive directors, namely Mr. Wong Kai Tung Tony, Mr. Heng Kwoong Seng and Ms. Law Kar Shui Elizabeth.

**For identification only*