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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)

**PROPOSED SUBDIVISION OF SHARES
AND
CHANGE IN BOARD LOT SIZE**

The Board proposes that each of the existing issued and unissued Shares of HK\$0.10 each in the share capital of the Company be subdivided into four Subdivided Shares.

The proposed Shares Subdivision is conditional upon the fulfillment of the conditions set out below. An ordinary resolution to approve the Share Subdivision will be proposed at the EGM.

The Shares are currently traded on the Stock Exchange in board lots of 400 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded on the Stock Exchange in board lots of 1,000 Subdivided Shares.

A circular containing details of the Share Subdivision together with the notice of the EGM will be dispatched to the Shareholders as soon as practicable.

PROPOSED SUBDIVISION OF SHARES

The Board proposes that each of the existing issued and unissued Shares of HK\$0.10 each in the share capital of the Company be subdivided into four shares of HK\$0.025 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out below.

The Share Subdivision will reduce the nominal value, and increase the total number of shares of the Company currently in issue. The Share Subdivision will bring about a theoretical corresponding downward adjustment to the trading price of the shares of the Company on the Stock Exchange and enhance the liquidity in the trading of the shares of the Company. Accordingly, the Board is of the view that the Share Subdivision is beneficial to the Company and the Shareholders as a whole.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Subdivision, the implementation of the Share Subdivision will not alter

the underlying assets, business operations, management or financial position of the Company or the shareholdings, rights and interests of the Shareholders. There may be adjustments to the relevant exercise price of the outstanding share options granted pursuant to the Company's share option scheme as a result of the Share Subdivision.

The Subdivided Shares will rank pari passu in all respects with each other.

Share capital structure of the Company

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000, divided into 2,000,000,000 Shares, of which 1,137,380,412 Shares are in issue and fully paid or credited as fully paid. Without taking into account the possible allotment and issue of 51,992,000 Shares pursuant the same number of outstanding share options, and assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the day on which the Share Subdivision becomes effective, immediately upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$200,000,000 divided into 8,000,000,000 Subdivided Shares, of which 4,549,521,648 Subdivided Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu in all respects with each other in accordance with the articles of association of the Company.

Adjustments to share options and the Shares issuable

As at the date of this announcement, the Company has outstanding share options granted under its share option scheme entitling the holders thereof to subscribe for up to 51,992,000 Shares. The Share Subdivision will cause adjustments to be made to the exercise prices and/or the number of such share options. Any such adjustments will be made in compliance with Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and in accordance with the rules of the share option scheme of the Company. The Company will instruct its auditors or an independent financial adviser to certify the adjustments to the share options and will inform the holders of the share options of the adjustments accordingly.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Subdivision; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares, and any new Subdivided Shares which may fall to be issued pursuant to the exercise of any outstanding share options.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in board lots of 400 Shares. Upon the Share Subdivision becoming effective, the Board proposes the Subdivided Shares will be traded on the Stock Exchange in board lots of 1,000 Subdivided Shares. The estimated market value per board lot of the Subdivided Shares is expected to be HK\$4,955 (calculated based on the theoretical adjusted closing price of the Subdivided Shares assuming the Share Subdivision had become effective on the date of this announcement).

The Directors consider that the change of the board lot size is in the interest of the Company and the Shareholders as a whole.

In order to alleviate the difficulties arising from the existence of odd lots resulting from the Share Subdivision and the change in board lot size, the Company has agreed to arrange for matching services regarding the sale and purchase of such odd lots from 21 December 2009 to 26 January 2010 (both days inclusive). Shareholders should note that matching of the sales and purchases of such odd lots is on a best-efforts basis and successful matching is not guaranteed. The Company will bear the costs for the matching services.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision and the change in board lot size is set out below:

Despatch of the circular regarding the Share Subdivision	3 December 2009
Publication of the notice of EGM	3 December 2009
Latest time for lodging the form of proxy for the EGM	10.00 a.m., 16 December 2009
EGM.....	10.00 a.m., 18 December 2009
Announcement of poll results of the EGM	18 December 2009

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision

Effective time (Hong Kong) of the Share Subdivision	9:30 a.m. 21 December 2009
Dealings in the Subdivided Shares commence	9:30 a.m., 21 December 2009
Original counter for trading in existing Shares in board lots of 400 Shares temporarily closes	9:30 a.m., 21 December 2009
Temporary counter for trading in board lots of 1,600 Subdivided Shares (in the form of certificates of existing Shares ("Existing Share Certificates")) opens	9:30 a.m., 21 December 2009

First day of free exchange of Existing Share Certificates for new certificates for the Subdivided Shares (“ New Share Certificates ”)	21 December 2009
First day of operation of odd lot trading facility	21 December 2009
Original counter for trading in Subdivided Shares in board lots of 1,000 Subdivided Shares (in the form of New Share Certificates) reopens	9:30 a.m., 6 January 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and the Existing Share Certificates) commences9:30 a.m., 6 January 2010
Parallel trading in Subdivided Shares (in the form of New Share Certificates and the Existing Share Certificates) ends4:00 p.m., 26 January 2010
Temporary counter for trading in board lots of 1,600 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m., 26 January 2010
Last day of operation of odd lot trading facility	26 January 2010
Last day for free exchange of Existing Share Certificates for the New Share Certificates	29 January 2010

Subject to the Share Subdivision becoming effective, Shareholders may submit their Existing Share Certificates to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, in exchange for the New Share Certificates free of charge between 9:00 a.m. and 4:30 p.m. on any business day from 21 December 2009 to 29 January 2010 (both dates inclusive). It is expected that New Share Certificates will be available for collection within 10 business days after the submission of the Existing Share Certificates to Tricor Investor Services Limited for exchange.

After 29 January 2010, exchange of Existing Share Certificates for New Share Certificates can only be made at a cost of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates involved is higher.

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m., 26 January 2010 and thereafter will not be accepted for delivery, trading and settlement purposes. However, all Existing Share Certificates will continue to be good evidence of legal title to such equivalent number of Subdivided Shares.

The colour of the New Share Certificates will be announced by the Company in due course.

GENERAL

An ordinary resolution to approve the Share Subdivision will be proposed at the forthcoming EGM. A circular containing details of the Share Subdivision and a notice of EGM will be despatched to the Shareholders as soon as practicable.

The Company will make further announcements as and when appropriate to inform the Shareholders the result of the EGM and the effective date of the Share Subdivision.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares.

As no Shareholders have a material interest in the Share Subdivision, which is different from that of the other Shareholders, no Shareholders will be required to abstain from voting on the resolution to approve the Share Subdivision.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“EGM”	an extraordinary general meeting of the Company to be convened to consider and approve, among other things, the Share Subdivision
“Shareholders”	shareholder(s) of the Company
“Share Subdivision”	the proposed subdivision of each Share into four Subdivided Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	subdivided ordinary share(s) of HK\$0.025 each in the issued and unissued share capital of the Company upon completion of the Share Subdivision
“%”	per cent.

On behalf of the Board
Cheung Kwok Keung
Company Secretary

Hong Kong, 30 November 2009

As at the date of this notice, 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 Peter A Davies and Mr Chau Shing Yim David.

** For identification purpose only*