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理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands and its members' liability is limited)

(Stock Code: 2314)

COMPLETION OF ACQUISITION OF SHARES IN SHUNYING AND SHAREHOLDERS' LOANS TO SHUNYING AND FURTHER INFORMATION ON THE TRANSACTIONS

Reference is made to the announcement of Lee & Man Paper Manufacturing Limited (the “**Company**”) dated 21 June 2021 (the “**Announcement**”) in relation to, among other things, the Share Acquisition and the Loan Assignment. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The purpose of this announcement is to (i) update the Shareholders and potential investors of the Company of the progress of the Transactions; and (ii) provide further information on the Transactions.

COMPLETION OF THE SHARE ACQUISITION AND THE LOAN ASSIGNMENT

The Board is pleased to announce that all conditions precedent of the Share Acquisition Agreement have been fulfilled and the Share Acquisition Completion took place on 25 June 2021.

Pursuant to the Share Acquisition Agreement, Able Might has paid (i) the Share Consideration to Mr. Edmond Lee of US\$490,000; and (ii) the Loan Consideration to Mr. Edmond Lee and Ms. Roletta Lee, i.e. in the sum of US\$37,598,840.82 to Mr. Edmond Lee and US\$13,192,694.54 to Ms. Roletta Lee. As a result of the Share Acquisition and the Loan Assignment, Able Might has become the registered holder of 490,000 Shunying Shares, representing 49% of the total number of issued Shunying Shares, and a creditor of Shunying in respect of the Loans.

With the arrangements under the VIE Structure in place, Able Might has control over and enjoy economic benefits flowing from the entire issued share capital in Shunying, through which the Group will control the Land upon the Land Acquisition Completion.

* *For identification purposes only*

As a result of the Share Acquisition Completion and implementation of the VIE Structure, the Group will consolidate the financial results of Shunying into those of the Group as if Shunying were an indirectly wholly-owned subsidiary of the Company and being controlled by the Group.

FURTHER INFORMATION ON THE TRANSACTIONS

The Board would also like to provide further information on the Transactions to the Shareholders and potential investors of the Company.

The Group had engaged an independent valuer in Cambodia for the valuation of the Land. The latest appraised value of the Land was approximately US\$94,295,000. The valuation was determined based on sale comparison approach.

The Land Price was assessed with reference to (i) the valuation by an independent valuer in Cambodia; and (ii) the prospect of the Land and the Port, which includes future development and construction of infrastructure over the Land, such as (1) the construction of concrete road to the Port; (2) the levelling of the Land to be completed by the Local Seller; and (3) the grant and issuance of hard title of the Land which will confer Shunying complete and unchallenged ownership to the Land.

As at the date of this announcement, Able Might has not agreed with the Cambodian Registered Owners on, nor has Able Might or the Cambodian Registered Owners proposed the amount of capital commitment and the terms of additional financing for building the Factory and operation of Shunying's pulp and paper manufacturing business in Cambodia. The Company will make announcement(s) and comply with the relevant obligations under Chapters 14 and 14A of the Listing Rules once the terms of additional financing are finalized.

The Company will also make announcement(s) and comply with the relevant obligations under Chapters 14 and 14A of the Listing Rules upon entering into of the New VIE Documents by the Cambodian Registered Owners.

By order of the Board
Lee & Man Paper Manufacturing Limited
Lee Man Chun Raymond
Chairman

Hong Kong, 25 June 2021

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Dr. 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.