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

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2314

APPOINTMENT OF NEW DIRECTOR

With reference to the announcement made on 16 August 2004 regarding the appointment of Mr. Lee Man Bun ("Mr. Lee") as the new executive director of Lee & Man Paper Manufacturing Limited (the "Company") on the same date. The Board of Directors (the "Board") is pleased to provide further information below.

Prior to joining the Company as an executive director, Mr. Lee has not been a director in any other listed company in the past 3 years. Pursuant to the service agreement with Mr. Lee, he is entitled to receive an annual remuneration of HK$331,500 and a discretionary bonus to be decided by the majority of the directors provided that the total amount of bonus payable to all the directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the group for the relevant year. The Company's policy on remuneration for executive directors is based on that director's experience, responsibility, workload and the time devoted to the group.

As at the date of this announcement, Gold Best Holdings Ltd., the controlling shareholder of the Company, was wholly-owned by Newcourt Trustees Limited as trustee for The Fortune Star 1992 Trust, a discretionary objects of which includes Mr. Lee. As at the date of this announcement, Gold Best Holdings Ltd. held 711,730,000 shares of the Company, representing approximately 74.02% of the shares of the Company then in issue. In accordance with the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as at the date of this announcement and save as disclosed herein, Mr. Lee was not interested or deemed to be interested in the shares or underlying shares of the Company. Both the Board and Mr. Lee confirmed that they were not aware of any other matters which need to be drawn to the attention of the shareholders of the Company.

As at the date of this announcement, the Board comprises of 4 executive directors, namely, Mr. Lee Wan Keung, Patrick, Mr. Lee Man Chun, Raymond, Mr. Lee Man Bun and Mr. Tan Siak Him, Alexander and 2 independent non-executive directors, namely, Mr. Heng Kwoo Seng and Mr. Wong Kai Tung, Tony.

By order of the Board
Cheung Kwok Keung
Company Secretary

Hong Kong, 19 August 2004

* *for identification purposes only*