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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)

STABILISING ACTION

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is made pursuant to the requirement under Section 9(2) of the Securities and Futures (Price Stabilising) Rules.

The Board would like to announce that the stabilising period in connection with the Global Offering ended on 19 October 2003. During the stabilising period, CLSA Limited, as stabilising manager, had exercised in full, on 15 October 2003, the Over-allotment Option to require Lee & Man Paper Manufacturing Limited (the "Company") to issue 28,124,000 additional Shares at the Offer Price of HK\$4.17 per Share solely to cover over-allocations in the Placing, as more particularly described in the Company's announcement of 16 October 2003. Apart from the exercise of the Over-allotment Option, no other stabilising action had been taken by CLSA Limited during the stabilising period.

Unless otherwise stated, terms used in this announcement shall have the same meaning as defined in the prospectus issued by the Company dated 16 September 2003.

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

Hong Kong, 24 October 2003

* *For identification purposes only*