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LEE & MAN CHEMICAL COMPANY LIMITED

理文化工有限公司

(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.leeman.com.hk>

(Stock Code : 746)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Lee & Man Chemical Company Limited 理文化工有限公司 (the “Company” and together with its subsidiaries, the “Group”) wishes to inform shareholders of the Company and potential investors that based on preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group is expected that its unaudited consolidated net profit for the first six months ended 30 June 2012 would decrease significantly as compared to that for the corresponding period last year.

The significant decrease in unaudited consolidated net profit was mainly attributable to the uncertainty of global economy and the slowdown of domestic economic growth in China; the demand for the Group’s products has declined and the selling prices of the Group’s products have dropped significantly as compared to the first half of 2011, resulting in the decrease in its profit margin. As estimated by the Group’s management, there would be a more than 45% year-on-year drop in the unaudited consolidated profit for the six months ended 30 June 2012.

This profit warning announcement is only based on the preliminary assessment by the Group’s management according to the consolidated management accounts of the Group, and such information has not been audited or reviewed by the Group’s independent auditors. The Group’s financial results for the six months ended 30 June 2012 is expected to be announced on or before 31 August 2012.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Lee & Man Chemical Company Limited
理文化工有限公司
Wai Siu Kee
Chairman

Hong Kong, 12 July 2012

As at the date of this announcement, the Board of the Company comprises four executive directors, namely Ms. Wai Siu Kee, Mr. Lee Man Yan, Mr. Yang Zuo Ning and Ms. Wong Yuet Ming and three independent non-executive directors, namely Mr. Wong Kai Tung, Tony, Mr. Wan Chi Keung, Aaron BBS JP and Mr. Heng Victor Ja Wei.