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SUN MAN TAI HOLDINGS COMPANY LIMITED

新萬泰控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 433)

**RESIGNATION OF AUDITORS AND
FURTHER DELAY IN PUBLICATION OF THE RESULTS OF THE
GROUP FOR THE YEAR ENDED 31 DECEMBER 2002
AND DESPATCH OF THE ANNUAL REPORT
AND FURTHER DELAY IN PUBLICATION OF THE RESULTS OF THE
GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2003
AND DESPATCH OF THE INTERIM REPORT**

The Company announces that Ting Ho Kwan & Chan and the Company could not arrive at a consensus on the audit fee for the year ended 31st December, 2002. Consequently, Ting Ho Kwan & Chan resigned as auditors of the Group on their own accord on 29 March, 2004. Ting Ho Kwan & Chan confirmed in its notice of resignation dated 29 March, 2004 that there are no circumstances which should be brought to the attention of the members and creditors of the Group. The Company will appoint another firm of auditors to fill the casual vacancy arising from the resignation of Ting Ho Kwan & Chan.

In view of the change of auditors of the Group, the Directors expect that the publication of the announcement of the Audited Final Results of the Group for the year ended 31 December, 2002 will be further postponed from 31 March, 2004 to on or before 31 May, 2004 and the despatch of the Annual Report of the Company will take place within two weeks thereafter. The incompleteness of the Audited Final Results of the Group for the year ended 31 December, 2002, caused further delay of the publication of the announcement of the Interim Results of the Group for the six months ended 30 June 2003 to on or before 30 June, 2004 and the despatch of the Interim Report of the Company will take place within two weeks thereafter.

The Company admits that its delay in publication of the Audited Final Results announcement and the Annual Report constitutes breaches of rules 13.49(1) and 13.46(2)(a) and (b) of the Listing Rules and that the delay in publication of the Interim Results announcement and the Interim Report constitutes breaches of rules 13.49(6) and 13.48(1) of the Listing Rules. The Stock Exchange reserves its right to take action against the Company and/or the Directors in relation thereto.

Trading in the Company's shares has been suspended since 6 June, 2003 at the request of the Company under the situation as described in the clarification announcement of the Company dated 10 June, 2003. Pending the release of further announcement relating to the Company's position, trading in the shares of the Company will continue to be suspended.

Resignation of Auditors and Further Delay in Releasing the Audited Final Results and Interim Results

Sun Man Tai Holdings Company Limited (the "Company") announces that Ting Ho Kwan & Chan and the Company could not arrive at a consensus on the audit fee for the year ended 31st December, 2002. Consequently, Ting Ho Kwan & Chan resigned as auditors of the Company and its subsidiaries (collectively the "Group") on their own accord on 29 March, 2004. The audit work carried out by Ting Ho Kwan & Chan had been in progress since June 2003 and was subsequently suspended, pending for, inter alia, agreement to be reached between the Company and Ting Ho Kwan & Chan about the audit fee. Ting Ho Kwan & Chan confirmed in its notice of resignation dated 29 March, 2004 that there are no circumstances which should be brought to the attention of the members and creditors of the Group. The Company will appoint another firm of auditors to fill the casual vacancy arising from the resignation of Ting Ho Kwan & Chan.

In view of the change of auditors of the Group, the directors of the Company (the "Directors") expect that the publication of the announcement of the audited final results of the Group for the year ended 31 December, 2002 (the "Audited Final Results") will be further postponed from 31 March, 2004 to on or before 31 May, 2004 and the despatch of the annual report of the Company for the year ended 31 December, 2002 (the "Annual Report") will take place within two weeks thereafter. The incompleteness of the Audited Final Results of the Group for the year ended 31 December, 2002, caused further delay of the publication of the announcement of the unaudited interim results of the Group for the six months ended 30 June 2003 (the "Interim Results") to on or before 30 June, 2004 and the despatch of the interim report of the Company for the six months ended 30 June 2003 (the "Interim Report") will take place within two weeks thereafter.

Breach of Listing Rules

The Company admits that its delay in publication of the Audited Final Results announcement and the Annual Report constitutes breaches of rules 13.49(1) and 13.46(2)(a) and (b) of the Rules Governing The Listing of Securities On The Stock Exchange of Hong Kong Ltd (the “Stock Exchange”) (the “Listing Rules”) and that the delay in publication of the Interim Results announcement and the Interim Report constitutes breaches of rules 13.49(6) and 13.48(1) of the Listing Rules. The Stock Exchange reserves its right to take action against the Company and/or the Directors in relation thereto.

Directors’ Confirmation

The Directors have confirmed that they and their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) have not dealt in any of the shares of the Company since 22 March, 2003 and have undertaken to the Stock Exchange that they and their respective associates will not deal in the Company’s shares before the publication of the Audited Final Results and the distribution of the Annual Report. The Directors (save for Mr. Qian Yong Wei who could not be contacted prior to the issue of this announcement) have also undertaken to the Stock Exchange that they and their respective associates will not deal in the Company’s shares before the publication of the Interim Results and the distribution of the Interim Report.

The Directors of the Company as at the date of this announcement include Mr. Qian Yong Wei, Ms. Xu Zhe Cheng, Mr. Ren Jun Tao, Mr. Chiu Yeung, Mr. Mu Xiangming and Mr. Cheng Chak Ho.

Trading in the Company’s shares has been suspended since 6 June, 2003 at the request of the Company under the situation as described in the clarification announcement of the Company dated 10 June, 2003. Pending the release of further announcement relating to the Company’s position, trading in the shares of the Company will continue to be suspended.

By order of the Board
Sun Man Tai Holdings Company Limited
CHIU Yeung
Executive Director

Hong Kong, 31 March, 2004

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.