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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)

ANNOUNCEMENT

The board of directors (the “Board”) of Sun Man Tai Holdings Company Limited (the “Company”) wishes to make a clarification on the Articles on the newspapers on 30 November 2004 in relation to Mr. Qian Yong Wei (“Mr. Qian”), the non-executive director of the Company. The Board is unaware of the source of information on which the Articles were based and is not able to verified the contents contained in the Articles except for those regarding Mr. Qian. In connection to the above, the Board wishes to advise that on 15 November 2004, Mr. Qian was found guilty to bribery by the Intermediate People’s Court of Changchun City of Jilin Province (吉林省長春市中級人民法院) of the People’s Republic of China (the “PRC”) with a determinate sentence of three and a half years.

Due to Mr. Qian’s conviction of bribery, the employment of Mr. Qian will be terminated and that the Board will proceed to hold an extraordinary general meeting (the “EGM”) in connection therewith accordingly. The directors will be aggregated from different cities of the PRC to determine the place and time of the EGM and will publish a further announcement about the EGM in due course.

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 latest position, trading in the shares of the Company will continue to be suspended.

Reference is made to the announcement made by the Company on 10 June 2003.

The Board wishes to make a clarification on the newspapers articles reported in Hong Kong Daily News, Oriental Daily, Sing Pao Daily News and Sing Tao Daily on 30 November 2004 (collectively “the Articles”) in relation to Mr. Qian. The Board is unaware of the source of information on which the Articles were based and is not able to verified the contents contained in the Articles except for those regarding Mr. Qian. In connection to the above, the Board wishes to advise that on 15 November 2004, Mr. Qian was found guilty to bribery by the Intermediate People’s Court of Changchun City of Jilin Province (吉林省長春市中級人民法院) of the PRC with a determinate sentence of three and a half years.

The Board does not have knowledge of the grounds for the abovementioned court's verdict, but would pay full respect to the decision made by it.

The Board considers that Mr. Qian's matter will not adversely affect the Company's business, operation or financial position as all the Company's business and operation are carried out pursuant to agreements signed and plans vested, which should not be affected by events of any one of the directors. At present, the Company is effectively managed by the executive directors and Mr. Qian, being a non-executive director, has not been involved in the operations of the Company.

Due to Mr. Qian's conviction of bribery, the employment of Mr. Qian will be terminated and that the Board will proceed to hold the EGM accordingly. The directors will be aggregated from different cities of the PRC to determine the place and time of the EGM and will publish a further announcement about the EGM in due course.

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 latest position, trading in the shares of the Company will continue to be suspended.

At the date of this announcement, the executive Directors are Ms. Xu Zhe Cheng, Mr. Chiu Yeung and Mr. Ren Jun Tao; the non-executive Director is Mr. Qian Yong Wei; and the independent non-executive Directors are Mr. Mu Xiangming, Mr. Lo Wa Kei Roy and Mr. Cheng Chak Ho.

By Order of the Board
Chiu Yeung
Executive Director

Hong Kong, 15 December 2004

* *for identification purposes only*

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