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**DELAY IN PUBLICATION OF  
ANNUAL RESULTS ANNOUNCEMENT AND  
DESPATCH OF ANNUAL REPORT**

The despatch of the annual report and the publication of audited results of the Company for the financial year ended 31 December 2002 have been delayed due to (i) the proposed debt restructuring of the Company; and (ii) various litigations against the Group. The announcement of audited results of the Company will be postponed to on or before 31 July 2003 and accordingly, the annual report of the Company for the year ended 31 December 2002 is expected to be despatched to the shareholders of the Company on or before 11 August 2003.

The Directors acknowledge that the delay in publication of the audited results and unaudited results of the Company and the despatch of the annual report of the Company for the financial year ended 31 December 2002 constitute breaches of paragraphs 11(1), 11(3)(i)(c), 8(1) and 8(2) of the Listing Agreement of the Company respectively. The Stock Exchange reserves its rights to take appropriate actions against the Company and/or its Directors in respect of such breaches.

Trading of the shares of the Company have been suspended at the request of the Company with effect from 24 April 2003 and remain suspended pending further announcement in relation to receipt of demand letters from certain creditors.

**Shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

Further to the announcement made by The Sun's Group Limited (the "Company", together with its subsidiaries, (the "Group")) dated 20 March 2003 regarding negotiation with creditors for a possible debt restructuring scheme of the Company and appointment of financial advisor in respect of such matter, the board of directors of the Company (the "Board") would like to inform its shareholders that the timing of preparation and despatch of the annual report and the publication of the audited results of the Company for the financial year ended 31 December 2002 will depend on the progress of the proposed debt restructuring scheme but it is expected that such publication will be made when the financial information of the proposed debt restructuring scheme can be ascertained due to the following reasons:

1. Notwithstanding that the directors of the Company (the "Directors") and the management of the Company have started preparation of, and the progress for, the finalisation of the annual results as soon as the financial year ended on 31 December 2002, the Directors and the management of the Company believe that the prescribed period of four months under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited was insufficient for the Company and its auditors to finalise the annual financial statements in view of the difficulty in finalizing accounting adjustments of the Company as a result of the reasons stated/elaborated in items 2 and 3 below.

2. Since February 2003, the Company and the Directors have tried their best endeavour to negotiate with secured creditors of the Company to compromise and come up with a satisfactory debt restructuring proposal in order to resolve the downturned cashflow and financial condition of the Company. While the Directors and the management of the Company have actively participated in the preparation of its annual results and annual report, they have also allocated a lot of resources, including both efforts and time, to handle the requests and demands of the creditors so as to come up with a proposed debt restructuring scheme. The progresses and results of the negotiations between the Company and its creditors in relation to the proposed debt restructuring scheme were also one of the significant factors that would affect the finalisation of the annual report to a certain extent.
3. Various litigations against the Group, in particular, the petitions for winding up of the Group filed by two unsecured creditors, details of which have been set out in the announcement of the Company dated 14 April 2003, make the Company take time to prepare the accounts and financial information of the subsidiaries under litigation and the results of a court hearing on 11 June 2003 for petitions for winding up of the Company filed by the unsecured creditors may affect the basis of preparation of the accounts of the Group.

Hence, the Company has not been able to prepare and despatch its annual report and publish its audited results for the financial year ended 31 December 2002 within four months after the end of its financial year as required under paragraphs 11(1) and 8(1) of the Listing Agreement of the Company. It is expected that the Company will be able to announce its audited results for the financial year ended 31 December 2002 on or before 31 July 2003 and despatch the annual report to the shareholders of the Company on or before 11 August 2003. Unaudited results for the financial year ended 31 December 2002 is expected to be published on or before 30 June 2003. And it is expected that the Company will make up its annual accounts to a date falling more than six months before the forecoming annual general meeting of the Company.

The Directors acknowledge that the delay in publication of the said audited results and unaudited results of the Company and despatch of the annual report of the Company for the financial year ended 31 December 2002 constitute breaches of paragraphs 11(1), 11(3)(i)(c), 8(1) and 8(2) of the Listing Agreement by the Company respectively. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reserves its rights to take appropriate actions against the Company and/or its Directors in respect of such breaches.

The Directors have confirmed that they and their respective associates have not dealt in any securities of the Company since 31 March 2003 and have undertaken to the Stock Exchange that they and their respective associates will not deal in the securities of the Company until the audited consolidated annual results of the Company for the year ended 31 December 2002 and the annual report of the Company are published.

Further announcement will be made if there is any material change and/or development.

Trading of the shares of the Company have been suspended at the request of the Company with effect from 24 April 2003 and remain suspended pending further announcement in relation to receipt of demand letters from certain creditors.

**Shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

This announcement is made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board  
**Yuen Wai Kuen**  
*Company Secretary*

Hong Kong, 30 April 2003

\* *For identification purpose only*

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