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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)

FURTHER DELAY IN PUBLICATION OF THE RESULTS OF THE GROUP FOR THE YEAR ENDED 31ST DECEMBER, 2002 AND DESPATCH OF THE ANNUAL REPORT AND CHANGE OF AUDITORS

In the Announcement of 29th April, 2003, it was stated that the publication of announcement of the Audited Final Results of the Group for the year ended 31st December, 2002 would be postponed to on or before 31st May, 2003 and the Annual Report of the Company was expected to be distributed to its shareholders within two weeks thereafter.

At the request of the Company, KPMG have tendered their resignation as the auditors of the Group on 20th May, 2003 and Ting Ho Kwan & Chan have been appointed as auditors of the Group on the same day to fill the causal vacancy arising from the resignation of KPMG and to hold office until the conclusion of the coming annual general meeting of the Company.

In view of the change of auditors of the Group, the Directors expect that the publication of announcement of the Audited Final Results of the Group for the year ended 31st December, 2002 will be further postponed to on or before 15th July, 2003 and the Annual Report of the Company is expected to be distributed to its shareholders within two weeks thereafter.

The Directors acknowledge that the above further postponement constitutes breaches of paragraphs 11(1), 8(2) and 8(1) of the Listing Agreement. The Stock Exchange reserves its right to take action against the Company and the Directors in relation thereto.

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

The Announcement of 29th April, 2003

In the Announcement of 29th April, 2003 (the "Announcement"), it was envisaged that the directors (the "Directors") of Sun Man Tai Holdings Company Limited (the "Company") expected that the audited final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2002 (the "Audited Final Results") would be postponed to on or before 31st May, 2003 and the annual report of the Company for the year ended 31st December, 2002 ("Annual Report") was expected to be distributed to its shareholders within two weeks thereafter.

Change of Auditors and Further Delay in Releasing the Audited Final Results

The Directors announce that the publication of announcement of the Audited Final Results of the Group for the year ended 31st December, 2002 will be further postponed to on or before 15th July, 2003 and the

Annual Report of the Company is expected to be distributed to its shareholders within two weeks thereafter. The further delay is because KPMG, the predecessor auditors, have not completed the necessary audit procedures within the time for publication of the Audited Final Results as stated in the Announcement. During the course of the audit, the Company's management was unable to provide all necessary information regarding the transactions undertaken by the Group and a number of outstanding documents are yet to be made available to the predecessor auditors. As stated in the Announcement, a recent change of the Board on 1st April, 2003 caused the management of the Company require unexpected extra time to gather the information and evidence of some transactions of the Group including, inter alia, certain accounting records of the PRC subsidiaries of the Company. In view of this, KPMG, at the request of the Company, have tendered their resignation as the auditors of the Group on 20th May, 2003. On the same day, Ting Ho Kwan & Chan have been appointed as auditors of the Group to fill the causal vacancy arising from the resignation of KPMG and to hold office until the conclusion of the coming annual general meeting of the Company.

As informed by Ting Ho Kwan & Chan, they have received a professional clearance letter from the predecessor auditors and accordingly, Ting Ho Kwan & Chan have accepted the appointment as auditors of the Group.

The Directors have confirmed that as at the date of this announcement and so far as the Directors are aware, save for the matters mentioned above, there are no circumstances connected with the resignation of KPMG which ought to be brought to the attention of the new auditors, the shareholders and the creditors of the Group.

Breach of Listing Agreement

The Directors acknowledge that the further postponement of the publication of Audited Final Results and distribution of Annual Reports constitutes breaches of paragraphs 11(1), 8(2) and 8(1) of the Listing Agreement. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reserves its right to take action against the Company and the Directors in relation thereto.

Directors' Confirmation

The Directors confirmed that they and their respective associates have not dealt in any of the shares of the Company since 22nd 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.

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

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

Hong Kong, 21st May, 2003

* *For identification purpose only*

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