

SUN'S 新銀集團有限公司*
THE SUN'S GROUP LIMITED
 (Company incorporated in Bermuda with limited liability)

UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

Reference is made to the Previous Announcements regarding, amongst other things, the delay in the release of the unaudited annual results of the Group for the year ended 31 December 2002.

The Board announces that for the year ended 31 December 2002, the Group recorded unaudited turnover of approximately HK\$19.9 million and loss attributable to shareholders of approximately HK\$800.3 million. The loss attributable to shareholders is principally attributable to provisions made for diminution in value of the Group's investment and development properties of approximately HK\$757 million. Such properties were acquired by the Group under the control of former directors of the Company, including Mr. Wong Kwan, who disposed of his majority interest in the Company and resigned as Director on 29 January 2002. Further details of the unaudited annual results of the Group for the year ended 31 December 2002 are listed below.

As stated in the announcement of the Company dated 17 October 2003, the Company will release the audited annual results of the Group for the year ended 31 December 2002 on or before 21 November 2003 and the annual report of the Company for the year ended 31 December 2002 will be dispatched thereafter as soon as possible. The audit committee of the Company has reviewed the unaudited annual results prior to its publication in this announcement. **Shareholders and investors should note that there might be significant differences between the unaudited annual results set out in this announcement and the audited annual results which will be released soon.** In the event that the audited annual results differ materially from the unaudited annual results set out in this announcement, full particulars of, and the reasons for, the differences will be set out in the announcement of the audited annual results. Particularly, full disclosure will be made regarding (i) any necessary amendments to bring audited annual results for the year ended 31 December 2002 in compliance with Appendix 16 of the Listing Rules; and (ii) disagreements, if any, raised by the auditors of the Company regarding the accounting treatment which had been adopted or the particulars published in accordance with sub-paragraph 11(3)(i) of the Listing Agreement.

The Directors have spent considerable time and effort in investigating the previous transactions undertaken by the former management of the Company in order to prepare proper records and the management accounts of the Group. As such, the Company cannot release the unaudited and audited annual results for the Group for the year ended 31 December 2002 in time as required under the Listing Rules. The Directors acknowledge that the delay in the publication of the unaudited annual results and audited annual results of the Company, the dispatch of the annual report of the Company for the year ended 31 December 2002, and the publication of the interim results and the dispatch of the interim report for the six months ended 30 June 2003 constitute breaches of paragraphs 11(1), 8(1), 11(6) and 10(1), of the Listing Agreement of the Company. The Stock Exchange reserves its rights to take appropriate actions against the Company and/or its Directors in respect of such breaches.

At the request of the Company, trading in the shares of the Company has been suspended since 24 April 2003 pending for further announcement regarding the latest development of the Group and will remain suspended until further notice.

The Sun's Group Limited (the "Company", together with its subsidiaries, the "Group") refers to its previous announcements dated 27 June 2003, 7 August 2003, 27 August 2003, 29 September 2003 and 17 October 2003 (the "Previous Announcements") regarding, amongst other things, the delay in the release of the unaudited results of the Group for the year ended 31 December 2002. Pursuant to paragraph 11(3) of the Listing Agreement, the Board announces the unaudited annual results of the Group for the year ended 31 December 2002 as below. The preparation of unaudited annual results of the Group for the year ended 31 December 2002 is based on the management accounts of the Group for the corresponding period and is subject to audit by the auditors of the Company. The audit committee of the Company has reviewed the unaudited annual results prior to its publication in this announcement.

UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

The Board announces the unaudited consolidated results of the Group for the year ended 31 December 2002 together with the comparative figures for the previous corresponding year as follows:

Unaudited Consolidated Income Statement

For the year ended 31 December

	Unaudited 2002 HK\$'000	Audited 2001 HK\$'000
Turnover		
Continuing operations	13,235	299,546
Discontinuing operations	6,666	175,860
	19,901	475,406
Cost of sales	(26,153)	(789,298)
Gross loss	(6,252)	(313,892)
Other revenue	894	33,206
Selling and marketing expenses	-	(1,510)
General and administrative expenses	(40,546)	(104,365)
Other operating expenses	-	(16,074)
Loss from operations		
Continuing operations	(39,122)	(410,981)
Discontinuing operations	(6,782)	8,346
	(45,904)	(402,635)
Unelimination inter-company balances written off	(8,629)	-
Impairment loss on leasehold properties values written down	(33,175)	-
Impairment loss on investment properties values written down	(143,800)	(64,797)
Impairment loss on development properties values written down	(613,146)	(176,750)
Loan waived by an ex-director	48,000	-
Investment in a joint venture written off	(2,810)	-
Loss on disposal of investment property	(1,048)	-
Gain/(loss) of disposal of subsidiaries	24,755	(1,731)
Finance costs	(30,936)	(25,423)
Share of loss of associates	-	(832)
Loss before taxation		
Continuing operations	(31,327)	(428,649)
Impairment loss on assets value written down	(790,121)	(241,547)
Discontinuing operations	14,755	(1,972)
	(806,693)	(672,168)
Taxation	6,192	2,203
Loss after taxation but before minority interests	(800,501)	(669,965)
Minority interests	206	(52)
Profit (Loss) attributable to shareholders		
Continuing operations	(25,135)	(427,617)
Impairment loss on assets value written down	(790,121)	(241,547)
Discontinuing operations	14,961	(853)
	(800,295)	(670,017)
Dividend	Nil	Nil
Loss per share - Basic	(4.9) cents	(5.0) cents

The calculation of basic loss per share for the year ended 31 December 2002 was based on the consolidated loss attributable to shareholders of approximately HK\$800,295,000 (2001:HK\$670,017,000) and on the weighted average number of approximately 16,398,893,000 (2001:13,418,040,000) shares in issue during the year. No diluted earnings per share is presented as all share options were lapsed as at 31 December 2002 (2001: all anti-dilutive).

PRINCIPAL BUSINESS OF THE GROUP

The Group is principally engaged in property investment and development and money lending business.

RESULTS REVIEW

Turnover

During the period under review, the Group recorded an unaudited turnover of approximately HK\$19.9 million, representing a decrease of approximately 95.8% from the audited turnover of approximately HK\$475.4 million in the previous financial year 2001. The drop in turnover is mainly due to (i) the Group did not sell any properties in this year while a property, namely, Genesis, was disposed of in the financial year 2001; and (ii) the Group discontinued its telecommunication and internet business in this year.

Loss attributable to shareholders

During this year, the Group continued to make provisions for impairment loss on its properties and as such, the Group recorded an unaudited loss attributable to shareholders of approximately HK\$800.3 million (2001: loss of HK\$670.0 million). The loss attributable to shareholders is principally attributable to provisions made for diminution in value of the Group's investment and development properties of approximately HK\$757 million. Such properties were acquired by the Group under the control of former directors of the Company, including Mr. Wong Kwan, who disposed of his majority interest in the Company and resigned as a Director on 29 January 2002.

Discontinuing operations

In December 2001, the Group entered into an agreement to dispose of certain subsidiaries engaged in the telecommunications and internet business. Completion of the disposal took place in February 2002. Thereafter, the Group ceased its telecommunications and internet business, the results of which are presented as "discontinuing operations" in the above unaudited profit and loss account of the Group which has been restated to present the results of the Group's telecommunications and internet business as discontinuing operations.

PURCHASE, SALE OR REDEMPTION OF SHARES

There has been no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year ended 31 December 2002.

As stated in the announcement of the Company dated 17 October 2003, the Company will release the audited annual results of the Group for the year ended 31 December 2002 on or before 21 November 2003. **Shareholders and investors should note that there might be significant differences between the unaudited annual results set out in this announcement and the audited annual results which will be released soon.** In the event that the audited annual results differ materially from the unaudited annual results set out in this announcement, full particulars of, and the reasons for, the differences will be set out in the announcement of the audited financial results. Particularly, full disclosure will be made regarding (i) any necessary amendments to bring audited annual results for the year ended 31 December 2002 in compliance with Appendix 16 of the Listing Rules; and (ii) disagreements, if any, raised by the auditors of the Company regarding the accounting treatment which had been adopted or the particulars published in accordance with sub-paragraph 11(3)(i) of the Listing Agreement.

The Company expects to release its interim results for the six months ended 30 June 2003 on or before 12 December 2003. The interim report of the Company for the six months ended 30 June 2003 will be dispatched thereafter as soon as possible.

The Directors have spent considerable time and effort in investigating the previous transactions undertaken by the former management of the Company in order to prepare proper records and the management accounts of the Group. As such, the Company cannot release the unaudited and audited annual results for the Group for the year ended 31 December 2002 in time as required under the Listing Rules. The Directors acknowledge that the delay in the publication of the unaudited annual results and audited annual results of the Company, the dispatch of the annual report of the Company for the year ended 31 December 2002, and the publication of the interim results and the dispatch of the interim report for the six months ended 30 June 2003 constitute breaches of paragraphs 11(1), 8(1), 11(6) and 10(1), of the Listing Agreement of the Company. The Stock Exchange reserves its rights to take appropriate actions against the Company and/or its Directors in respect of such breaches.

At the request of the Company, trading in the shares of the Company has been suspended since 24 April 2003 pending for further announcement regarding the latest development of the Group and will remain suspended until further notice.

By Order of the Board
The Sun's Group Limited
 He Hui Min
 Executive Director

Hong Kong, 30 October 2003

* For identification only