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LAI FAI INTERNATIONAL HOLDINGS LIMITED

麗輝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The board of directors (the “Board”) of Lai Fai International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) announces that the second quarter results and the interim results of the Group for the first half of the financial year ending 31 December 2003 may be significantly affected by the decline in the number of Japanese tourists visiting Hong Kong as a result of public safety concerns over the recent outbreak of atypical pneumonia in Hong Kong

This announcement is made pursuant to paragraph 17.10 of the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Group is based in Hong Kong and engages in the retail and wholesale of jewellery products. A substantial part of the Group’s retail business focuses on Japanese tourists traveling on packaged tours to Hong Kong that are arranged by inbound Japanese tour operators.

The World Health Organisation (“WHO”)’s travel advisory to all countries against non-essential visits to Hong Kong, issued on 2 April 2003, has led to a drastic fall in the number of Japanese tourists visiting Hong Kong. This in turn has had a severe impact on the Group’s turnover for the first month of the second quarter for the financial year ending 31st December, 2003. Accordingly, the Board announces that the second quarter results and the interim results of the Group for the first half of the financial year ending 31st December 2003 may be significantly affected by the widespread public safety concerns arising from the recent outbreak of atypical pneumonia in Hong Kong.

The Board has responded to the abrupt disruption to its business by controlling cost on expenditures and preserving reserves on the one hand and enhancing the Group’s wholesale activities on the other, although such measures may not immediately become apparent in the short term. As at the date of this announcement, the Group has adequate operating funds for its foreseeable and reasonable cash flow requirements.

As at the date of this announcement, the WHO has not withdrawn its travel advisory against non-essential travel to Hong Kong. The Board does not currently have a view as to how long the disruption to the Group's business and consequently, its turnover caused by the outbreak of atypical pneumonia will continue and as at the date of this announcement, the Board is therefore unable to quantify the potential impact of the outbreak of atypical pneumonia on the Group's results.

Shareholders of the Company and investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Lai Fai International Holdings Limited
Li Shui
Chairman

Hong Kong, 25th April 2003

This announcement, for which the Directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least seven days from its date of publication.