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LAI FAI INTERNATIONAL HOLDINGS LIMITED

麗輝國際控股有限公司

(incorporated in Cayman Islands with limited liability)

ANNOUNCEMENT

Resignation of one of the continuing sponsors

The Company and SBI E2-Capital have mutually agreed that the engagement of SBI E2-Capital as a continuing sponsor shall be terminated with effect from 4th March 2004. The other continuing sponsor of the Company, Celestial Capital, will become the sole continuing sponsor with effect from 4th March 2004.

The board of directors (the “Board”) of Lai Fai International Holdings Limited (the “Company”) wishes to announce that the Company and SBI E2-Capital (HK) Limited (“SBI E2-Capital”) have mutually agreed on 3rd December 2003 that the engagement of SBI E2-Capital as a continuing sponsor shall be terminated with effect from 4th March 2004 under a sponsor agreement dated 10th February 2003 (the “Sponsors’ Agreement”).

Pursuant to the listing of the Company’s equity securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26th February 2003, the Company had entered into the Sponsors’ Agreement with SBI E2-Capital and Celestial Capital Limited (“Celestial Capital”) pursuant to which SBI E2-Capital and Celestial Capital were appointed as continuing sponsors for a fixed period commencing from 26th February 2003 and expiring on 31st December 2005, being the minimum period covering the financial year during which the listing of the Company occurs and the two financial years thereafter as referred to in Rule 6.01 of the Rules Governing The Listing of Securities on GEM. Owing to commercial reason, the Company and SBI E2-Capital have mutually agreed that the engagement of SBI E2-Capital as a continuing sponsor shall be terminated with effect from 4th March 2004. The other continuing sponsor of the Company, Celestial Capital, will become the sole continuing sponsor with effect from 4th March 2004.

SBI E2-Capital confirms that there is no matter in relation to its resignation that needs to be drawn to the attention of the Stock Exchange and the shareholders of the Company.

By Order of the Board
Li Shui
Executive Chairman

Hong Kong, 3rd December 2003

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:— (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.