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**STANDBROOK ENTERPRISES  
LIMITED**

*(Incorporated in the British Virgin Islands  
with limited liability)*

**LAI FAI INTERNATIONAL HOLDINGS  
LIMITED**

*(Incorporated in the Cayman Islands with  
limited liability)*  
(Stock code: 8183)

**MANDATORY UNCONDITIONAL CASH OFFER  
BY  
KINGSWAY FINANCIAL SERVICES GROUP LIMITED  
ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED  
SHARES AND THE SHARE OPTIONS OF  
LAI FAI INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY THE  
OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**CLOSE OF THE OFFER**

**PRIVATISATION OF  
LAI FAI INTERNATIONAL HOLDINGS LIMITED  
AND  
SUSPENSION OF TRADING**

**Financial adviser to  
the Offeror**



**KINGSWAY CAPITAL LIMITED**

**CLOSE OF THE OFFER AND ACCEPTANCE LEVEL**

The Offer closed at 4:00 p.m. on 1st June, 2005. As at 4:00 p.m. on 1st June, 2005, the Offeror received valid acceptances in respect of 35,975,000 Shares under the Offer for Shares, representing approximately 99.22% of the Shares under the Offer and approximately 27.90% of the entire issued share capital of the Company. Ten valid acceptances in respect of 1,095,000 Share Options under the Offer for Share Options had also been received, representing 100% of the outstanding Share Options granted under the Pre-IPO Share Option Scheme. Prior to the opening of the Offer, the Offeror (and its concert parties) beneficially owned 92,688,000 Shares, representing approximately 71.88% of the entire issued share capital of the Company. Taking into account the valid acceptances tendered under the Offer, the Offeror (and its concert parties) are interested in 128,663,000 Shares, representing approximately 99.78% of the entire issued share capital of the Company as at the date of this announcement.

## **PRIVATISATION OF THE COMPANY**

As more than 90% of the Shares subject to the Offer had been tendered and acquired by the Offeror under the Offer as at 4:00 p.m. on 1st June, 2005, the Offeror is entitled to implement the compulsory acquisition process under Section 88 of the Companies Law (2004 Revision) of the Cayman Islands. As stated in the announcement dated 18th May, 2005, the Offeror will proceed to privatise the Company and will implement the compulsory acquisition procedure (pursuant to the compulsory acquisition power under Section 88 of the Companies Law (2004 Revision) of the Cayman Islands) to acquire the Shares at HK\$0.80 per Share with respect to the Shares held by Shareholders (other than the Offeror and its concert parties) who have not accepted the Offer.

## **SUSPENSION OF TRADING**

Upon the acquisition of all the Shares (other than those held by the Offeror and its concert parties) by the Offeror, the Company will apply for the withdrawal of its listing under Rule 9.23 of the GEM Listing Rules. This announcement serves as the notice of the proposed withdrawal of listing to all Shareholders pursuant to Rule 9.23 of the GEM Listing Rules.

The Company has applied for suspension of trading of the Shares from the Stock Exchange with effect from 9:30 a.m. on 2nd June, 2005. Trading of the Shares will remain suspended until withdrawal of listing of the Company's securities from GEM pursuant to Rule 9.23 of the GEM Listing Rules.

Further announcement will be made if there is any update or changes in the timetable on the privatisation of the Company and the proposed withdrawal of listing. Circulars containing such information will be despatched to the Shareholders when necessary.

Reference is made to the joint announcements of the Company and Standbrook Enterprises Limited dated 7th April, 2005, 12th April, 2005, 18th May, 2005, and the composite offer document dated 27th April, 2005 ("Composite Offer Document"). Unless otherwise defined herein, capitalised terms shall have the same meanings as used in the Composite Offer Document.

## **CLOSE OF THE OFFER AND ACCEPTANCE LEVEL**

The Offer closed at 4:00 p.m. on 1st June, 2005. As at 4:00 p.m. on 1st June, 2005, the Offeror received valid acceptances in respect of 35,975,000 Shares under the Offer for Shares, representing approximately 99.22% of the Shares under the Offer and approximately 27.90% of the entire issued share capital of the Company. Ten valid acceptances in respect of 1,095,000 Share Options under the Offer for Share Options had also been received, representing 100% of the outstanding Share Options granted under the Pre-IPO Share Option Scheme. Prior to the opening of the Offer, the Offeror (and its concert parties) beneficially owned 92,688,000 Shares, representing approximately 71.88% of the entire issued share capital of the Company. Taking into account the valid acceptances tendered under the Offer, the Offeror (and its concert parties) are interested in 128,663,000 Shares, representing approximately 99.78% of the entire issued share capital of the Company as at the date of this announcement.

## **Privatisation of the Company**

As more than 90% of the Shares subject to the Offer had been tendered and acquired by the Offeror under the Offer as at 4:00 p.m. on 1st June, 2005, the Offeror is entitled to implement the compulsory acquisition process under Section 88 of the Companies Law (2004 Revision) of the Cayman Islands. As stated in the announcement dated 18th May, 2005, the Offeror will proceed to privatise the Company and will implement the compulsory acquisition procedure (pursuant to the compulsory acquisition power under Section 88 of the Companies Law (2004 Revision) of the Cayman Islands) to acquire the Shares at HK\$0.80 per Share with respect to the Shares held by Shareholders (other than the Offeror and its concert parties) who have not accepted the Offer.

Pursuant to Section 88 of the Companies Law (2004 Revision) of the Cayman Islands, the Offeror will, as soon as practicable after the expiry of four months from the opening date (being 27th April, 2005) of the Offer, despatch notices of compulsory acquisition to the Shareholders (other than the Offeror and its concert parties) who have not accepted the Offer. Consideration for the Shares to be acquired pursuant to the compulsory acquisition will be posted after the completion of the compulsory acquisition, which is expected to take place on or about the date falling five months from the opening date of the Offer.

## **SUSPENSION OF TRADING**

Upon the acquisition of all the Shares (other than those held by the Offeror and its concert parties) by the Offeror, the Company will apply for the withdrawal of its listing under Rule 9.23 of the GEM Listing Rules. This announcement serves as the notice of the proposed withdrawal of listing to all Shareholders pursuant to Rule 9.23 of the GEM Listing Rules.

The Company has applied for suspension of trading of the Shares from the Stock Exchange with effect from 9:30 a.m. on 2nd June, 2005. Trading of the Shares will remain suspended until withdrawal of listing of the Company's securities from GEM pursuant to Rule 9.23 of the GEM Listing Rules.

Further announcement will be made if there is any update or changes in the timetable on the privatisation of the Company and the proposed withdrawal of listing. Circulars containing such information will be despatched to the Shareholders when necessary.

By order of the board of  
**Standbrook Enterprises Limited**  
**Mr. Sadao Hisaaki**  
*Director*

By order of the board of  
**Lai Fai International Holdings Limited**  
**Mr. Li Shui**  
*Director and Executive Chairman*

Hong Kong, 1st June, 2005

*As at the date hereof, the Board comprises Mr. Li Shui and Mr. Lee You (being executive Directors), Mr. Yoshitaka Kitao and Mr. Yu Kam Kee, Lawrence (being non-executive Directors), and Mr. Ho Hou Chiu, William, Mr. Mak Tak Cheong, Edmund and Mr. Che King Lun, Frankly (being independent non-executive Directors).*

*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, (1) the information contained in this announcement (other than that relating to the Offeror and its shareholder and related parties, but including the Group) 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 (other than that relating to the Offeror and its shareholder and related parties, but including the Group) misleading; and (3) all opinions expressed in this announcement (other than that relating to the Offeror and its shareholder and related parties, but including the Group) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement concerning the Offeror and its shareholder and related parties (other than the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement concerning the Offeror and its shareholder and related parties (other than the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement concerning the Offeror and its shareholder and related parties (other than the Group) the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the date of its posting.*