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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)

**PRIVATISATION OF
LAI FAI INTERNATIONAL HOLDINGS LIMITED
AND
DESPATCH OF NOTICE OF COMPULSORY ACQUISITION**

Financial adviser to the Offeror



KINGSWAY CAPITAL LIMITED

A notice of compulsory acquisition will be despatched by the Offeror on 27th August, 2005 to each of the Shareholders (other than the Offeror and its concert parties) who has not accepted the Offer.

Trading of the Shares will remain suspended until withdrawal of listing of the Shares from GEM. Upon completion of the compulsory acquisition, which is expected to be on or about 27th September, 2005, application will be made by the Company for the withdrawal of listing, which is expected to take effect on or about 29th September, 2005.

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 1st June, 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.

PRIVATISATION OF THE COMPANY

The Offeror has proceeded 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, representing approximately 0.22% of the entire issued capital of the Company.

DESPATCH OF NOTICE OF COMPULSORY ACQUISITION

A notice of compulsory acquisition (“Notice”) will be despatched by the Offeror on 27th August, 2005 to each of the Shareholders (other than the Offeror and its concert parties) who has not accepted the Offer. The Offeror intends to acquire the remainder of the Offer Shares one month from the date of the Notice. Consideration for the Shares to be acquired pursuant to the compulsory acquisition will be posted after one month from the date of the Notice and the compulsory acquisition shall be completed unless application has been made by any dissenting Shareholder to the Grand Court of the Cayman Islands (“Court”) within one month from the date of the Notice. Neither the Offeror nor the Company is currently aware of any circumstance that has arisen such that there would be delay on the completion of the compulsory acquisition.

SUSPENSION OF TRADING

Trading of the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 2nd June, 2005 and will remain suspended until withdrawal of listing of the Shares from GEM. Upon completion of the compulsory acquisition, the Company will apply for the withdrawal of its listing under Rule 9.23 of the GEM Listing Rules. Withdrawal of listing is expected to take effect on or about 29th September, 2005. Further announcement in relation to the withdrawal of listing will be made upon completion of the compulsory acquisition, or if the Offeror or the Company is aware that application has been made by any dissenting Shareholder to the Court which results in a material delay on the completion of the compulsory acquisition and the withdrawal of listing.

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, 26th August, 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.