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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**

**DELAY IN COMPLETION OF COMPULSORY ACQUISITION  
AND  
WITHDRAWAL OF LISTING**

**Financial adviser to the Offeror**



**KINGSWAY CAPITAL LIMITED**

As of 26th September, 2005 (being the last date on which any dissenting Shareholder was entitled to make an application to the Court), since no application had been made to the Court by any dissenting Shareholder, the Offeror is entitled and bound to acquire the Outstanding Shares.

On 27th September, 2005, the amount of the Final Consideration was set aside by the Company to be posted to the Shareholders of the Outstanding Shares. The Offeror has instructed its stock brokers to withdraw from CCASS those shares held by it and registered in the name of HKSCC Nominees for the transfer to its own name on or before 27th September, 2005, for the purpose of ascertaining the number of Outstanding Shares registered in the name of HKSCC Nominees and hence the Final Consideration on such Shares registered in the name of HKSCC Nominees. However, due to the delay in execution by one of the Offeror's stock brokers, the Offeror was only able to withdraw from CCASS some of its Shares registered in the name of HKSCC Nominees on or before 27th September, 2005.

Since the compulsory acquisition cannot be completed without transferring all the Shares to the Offeror, the Offeror has to postpone the completion of the compulsory acquisition until all of its Shares registered with CCASS are withdrawn and transferred to its own name. Until then, the Final Consideration on the Outstanding Shares that are registered in the name of HKSCC Nominees cannot be ascertained. It is expected the completion of the compulsory acquisition and the despatch of the cheques on the Final Consideration will be delayed from 27th September, 2005 to on or about 13th October, 2005.

Application for the withdrawal of listing of the Shares from GEM has been made to the Stock Exchange. Due to the delay in the completion of the compulsory acquisition, withdrawal of listing of the Shares is expected to be postponed from 9:30 a.m. on 29th September, 2005 to 9:30 a.m. on 14th October, 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, 1st June, 2005, and 26th August, 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 announcement dated 26th August, 2005.

### **DELAY IN COMPLETION OF COMPULSORY ACQUISITION**

A notice of compulsory acquisition was 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. As stated in the Notice, any dissenting Shareholder may make an application to the Court within one month from the date of the Notice. A search of the Grand Court Cause Book was made on 26th September, 2005 (being the last date on which any dissenting Shareholder was entitled to make an application to the Court). As no application had been made to the Court by any dissenting Shareholder, the Offeror is entitled and bound to acquire the Shares from the Shareholders (other than the Offeror and its concert parties) who have not accepted the Offer (the “Outstanding Shares”). The Offeror was advised by its Cayman Islands legal adviser that conducting a search of the Grand Court Case Book is all that is necessary to ascertain the absence of any application to the Court. On 27th September, 2005, the amount of the consideration (less stamp duty) on the Outstanding Shares (the “Final Consideration”) was set aside by the Company to be posted to the Shareholders of the Outstanding Shares.

Certain Shares held by the Offeror are registered with CCASS in the name of HKSCC Nominees Limited (“HKSCC Nominees”). On 23rd September, 2005 and 26th September, 2005, respectively, the Offeror instructed its stock brokers to withdraw from CCASS those shares held by it and registered in the name of HKSCC Nominees for the transfer to its own name on or before 27th September, 2005, for the purpose of ascertaining the number of Outstanding Shares registered in the name of HKSCC Nominees and the Final Consideration on such Shares registered in the name of HKSCC Nominees. However, due to the delay in execution by one of the Offeror’s stock brokers, the Offeror was only able to withdraw from CCASS some of its Shares registered in the name of HKSCC Nominees on or before 27th September, 2005.

As a result of such delay, as of 27th September, 2005, on the Company's shareholder record, the Shares registered in the name of HKSCC Nominees comprised the Shares held by the Offeror as well as part of the Outstanding Shares. Although the Offeror was certain about the number of Shares it held and registered with HKSCC Nominees, in the perspective of HKSCC Nominees, being a nominee shareholder, the Shares held by the Offeror and registered with HKSCC Nominees were indistinguishable from the Outstanding Shares that were registered with HKSCC Nominees. In such case, HKSCC Nominees was not able to ascertain the number of Outstanding Shares registered HKSCC Nominees, and hence it was not able to ascertain the Final Consideration on such Outstanding Shares. The Offeror has consulted with HKSCC Nominees, its financial adviser and its stock brokers to explore ways to complete the compulsory acquisition without causing a delay in the timetable, but it was concluded that a delay would be inevitable. Since the compulsory acquisition cannot be completed without transferring all the Shares to the Offeror, the Offeror has to postpone the completion of the compulsory acquisition until all of its Shares registered in the name of HKSCC Nominees are withdrawn and transferred to its own name. Once this is done, the Shares registered in the name of HKSCC Nominees will contain only the Outstanding Shares and accordingly HKSCC Nominees will be able to ascertain the Final Consideration on the Outstanding Shares that are registered in the name of HKSCC Nominees. As of the date of this announcement, the Offeror has worked with its stock brokers to expedite the withdrawal of the Offeror's Shares registered in the name of HKSCC Nominees from CCASS. At present, the Offeror expects such withdrawal would be completed on or before 12th October, 2005. Accordingly, it is expected the completion of the compulsory acquisition and the despatch of the cheques on the Final Consideration will be delayed from 27th September, 2005 to on or about 13th October, 2005.

#### **WITHDRAWAL OF LISTING**

Trading of the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 2nd June, 2005. Reference is made to the joint announcement dated 26th August, 2005 in relation to the initial expected date of withdrawal of listing of the Shares on or before 29th September, 2005. Application for the withdrawal of listing of the Shares from GEM has been made to the Stock Exchange. In light of the delay in the completion of the compulsory acquisition, the withdrawal of listing of the Shares will be postponed from 9.30 a.m. on 29th September, 2005 to 9:30 a.m. on 14th October, 2005.

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, 27th September, 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.*