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LINFAIR

## LINFAIR HOLDINGS LIMITED

福茂控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 462)

### HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange.

The Board was recently informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a small number of shareholders as at 29th May, 2006. In view of the high concentration of Shares in the hands of a small number of shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded.

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

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

The board of directors (the “Directors”) of Linfair Holdings Limited (the “Company”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (the “SFC”), 17 shareholders held an aggregate of 53,988,000 shares in the Company (the “Shares”), representing approximately 18% of the issued share capital of the Company as at 29th May, 2006. Such shareholding together with the 225,000,000 Shares held by Polestar Assets Limited (representing approximately 75% of the issued Shares) represented approximately 93% of the issued Shares as at 29th May, 2006. Thus, only approximately 7% of the issued Shares were held by other investors.

The Company has reviewed the shareholders register of the Company as of 29th May, 2006 and the report from the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited (“CCASS Report”) as of 29th May, 2006 and note that other than Polestar Assets Limited (see further information below) and HKSCC Nominees Limited, there is no registered shareholder which holds more than 5% of the issued share capital of the Company as of 29th May, 2006. The Company is unable to identify the beneficial owners of the respective shareholding through the CCASS Report, which only shows the shareholdings of various stockbrokers and/or custodian accounts and an investor participant.

According to the latest notifications received by the Company in respect of disclosure of interests under the Securities and Futures Ordinance and having made all reasonable enquires with the Directors and the connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) of the Company, as at 11th July, 2006, to the best knowledge of the Company, the Company confirms that the public float in respect of the Shares is maintained and the shareholding structure of the Company is as follows

Shareholders	Number of Shares	%
Polestar Assets Limited ( <i>Note</i> )	225,000,000	75
Public shareholders	75,000,000	25
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Total	300,000,000	100
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*Note:* Polestar Assets Limited is beneficially owned as to 80% by Mr. Chang Ei Eu, the Chairman of the Company and as to 20% by his spouse, Ms. Hsieh Ming Chiu, an executive Director.

Historically, the Company was a thinly traded stock with price movement in a range between HK\$0.52 and HK\$0.91. In May 2006, the SFC observed that the Share price rose 14% from HK\$0.72 to HK\$0.82 on 16th May, 2006 and then stabilised at HK\$0.80 with a daily turnover of around 1,000,000 Shares towards the end of May. The counter finished the month of June 2006 at HK\$0.78 (the closing Share price as at 30th June, 2006).

In view of the high concentration of Shares in the hands of a small number of shareholders, the Company would like to inform shareholders and potential investors of the Company that the price of the Shares could fluctuate substantially even with a small number of Shares traded.

**Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

By order of the Board  
**Linfair Holdings Limited**  
**Chang Ei Eu**  
*Chairman*

Hong Kong, 13th July, 2006

*As at the date of this announcement, the board of the Directors comprises three executive Directors, being Mr. Chang Ei Eu, Ms. Hsieh Ming Chiu and Mr. Chow Kin Ming, and three independent non-executive Directors, being Mr. Lee Kin Keung, Dr. Lam Chun Kong and Ms. Tung Pui Man.*

Please also refer to the published version of this announcement in The Standard.