

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



LINF AIR

LINF AIR HOLDINGS LIMITED

福茂控股有限公司

(incorporated in the Cayman Islands with limited liability)

Placing and Public Offer

Number of Offer Shares	: 75,000,000 Shares
Number of Placing Shares	: 67,500,000 Shares (subject to re-allocation)
Number of Public Offer Shares	: 7,500,000 Shares (subject to re-allocation)
Offer Price	: Not more than HK\$1.06 per Offer Share (payable in full on application and subject to refund) and expected to be not less than HK\$0.88 per Offer Share
Nominal value	: HK\$0.10 each
Stock code	: 462

Lead manager and bookrunner



TIS Securities (HK) Limited

Joint Sponsors



SOMERLEY LIMITED



TIS Securities (HK) Limited

Co-Lead Manager and Underwriter

Daiwa Securities SMBC Hong Kong

Co-Managers and Underwriters

Somerley Limited

BCOM Securities Company Limited

First Shanghai Securities Limited

SinoPac Securities (Asia) Limited

Barits Securities (Hong Kong) Limited

Core Pacific-Yamaichi International (H.K.) Limited

Quam Securities Company Limited

Taiwan Securities (Hong Kong) Company Limited

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility as to the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix VII to this prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance of Hong Kong, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price will be determined by agreement between the Company and the Lead Manager (for itself and on behalf of the Underwriters) at or before the Price Determination Time, which is expected to be at or before 5:00 p.m. (Hong Kong time) on 2nd June, 2005 or such other time and date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters). The Offer Price will fall within the indicative Offer Price range stated in this prospectus unless otherwise announced, as explained below. Investors applying for the Offer Shares must pay the maximum Offer Price of HK\$1.06 per Offer Share together with brokerage of 1%, Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and SFC investor compensation levy of 0.002% of the maximum Offer Price of HK\$1.06 per Offer Share. The Lead Manager (for itself and on behalf of the Underwriters) may, with the consent of the Company, reduce the indicative Offer Price range below that as stated in this prospectus (which is HK\$0.88 per Offer Share to HK\$1.06 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Public Offer. In such case, notice of the reduction in the indicative Offer Price range will be published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Public Offer. Applications for the Offer Shares submitted prior to the last day for lodging applications under the Public Offer cannot be subsequently withdrawn even if the Offer Price range is so reduced. If, for any reason, the Offer Price is not agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters) by the Price Determination Time, the Share Offer will not proceed and will lapse.

Prospective investors should note that the Lead Manager has a right upon giving a notice in writing to the Company to terminate the Underwriting Agreement upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of this prospectus at any time prior to 5:00 p.m. (Hong Kong time) on the business day prior to the Despatch Date. Such events include, but without limitation, coming into force of any new law or regulation, occurrence or a change in local, national, international conditions or an adverse change in the market conditions or other occurrence which in the absolute opinion of the Lead Manager will adversely affect the business of the Group or the Share Offer in a material respect.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk factors" in this prospectus.

27th May, 2005