

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MegaInfo Holdings Limited

萬佳訊控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

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 of the Company as at 3 August 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.

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

The board of Directors (the “**Board**”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (the “**SFC**”), 6 shareholders (the “**Six Shareholders**”) held an aggregate of 104,390,662 shares in the Company (the “**Shares**”), representing approximately 19.51% of the issued share capital of MegaInfo Holdings Limited (“**Company**”) as at 3 August 2006. The total number of issued Shares as at 3 August 2006 was 535,000,000 Shares. As at 3 August 2006, the shareholding of the Six Shareholders together with the 401,250,000 Shares held by MAXPROFIT GLOBAL INC (representing 75% of the issued Shares) represented approximately 94.51% of the issued Shares and only approximately 5.49% of the issued Shares were held by other investors.

On 1 August 2006, the Company announced that the public float of the Company was restored to 25% of the total issued Shares after the placing of 48,290,889 Shares (equivalent to about 9.03% of the then total issued share capital of the Company) by MAXPROFIT GLOBAL INC through an independent placing agent on 27 July 2006. Upon the resumption of trading of the Shares on the Stock Exchange on 1 August 2006, share price of the Company increased substantially by about 1,830% to close at HK\$0.83 with an exceptional high turnover of 55,683,956 Shares versus the

pre-suspension price of HK\$0.043 and a thin turnover of only 8,217 Shares on 18 July 2006. During the period from 2 August 2006 to 21 August 2006, the share price of the Company continued to fluctuate to close at prices ranging from HK\$0.24 to HK\$0.67 with an average daily turnover of 13,168,002 Shares.

The Company reviewed the shareholders register of the Company as at 3 August 2006 and the report from the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited (“**CCASS Report**”) as at 3 August 2006 and noted that other than MAXPROFIT GLOBAL INC and HKSCC Nominees Limited, there was no registered shareholder which held 5% or more of the issued share capital of the Company as at 3 August 2006. Other than the aforesaid shareholding held by MAXPROFIT GLOBAL INC in the Company, the Company is unable to identify the beneficial owners of the respective shareholdings of the aforesaid Six Shareholders through the CCASS Report, which only shows the shareholdings of various stockbrokers and/or custodian accounts and shareholdings of investor participants with insignificant shareholdings.

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 Growth Enterprise Market of the Stock Exchange (the “**GEM Listing Rules**”)) of the Company, as at 29 August 2006, to the best of the Company’s knowledge, 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	Approximate % of issued Shares
MAXPROFIT GLOBAL INC (<i>Note 1</i>)	401,250,000	72.12
Mr. SUN Ho (<i>Note 2</i>)	5,350,000	0.96
Mr. KOT Wai Ming (<i>Note 2</i>)	5,350,000	0.96
Public shareholders	<u>144,450,000</u>	<u>25.96</u>
Total	<u><u>556,400,000</u></u>	<u><u>100.00</u></u>

Notes:

1. MAXPROFIT GLOBAL INC is beneficially and wholly owned by Mr. Sun Ho.
2. Each of the two executive Directors, Mr. Sun Ho and Mr. Kot Wai Ming, holds 5,350,000 Shares following their exercise in full of the options granted to them on 14 August 2006 by the Company pursuant to the share option scheme of the Company adopted on 18 November 2004.

In view of the high concentration of the 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
MegaInfo Holdings Limited
Sun Ho
Chairman

The Hong Kong Special Administrative Region of
the People's Republic of China, 29 August 2006

As at the date of this announcement, the Board comprises Mr. Sun Ho and Mr. Kot Wai Ming as executive Directors; Mr. Wang Ronghua, Mr. Hua Fengmao and Mr. Kwok Wing Leung Andy as independent non-executive Directors.

*This announcement, for which the directors of the Company (“**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.*

This announcement will appear and remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* *for identification purpose only*