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**KANHAN TECHNOLOGIES GROUP LIMITED**

**看漢科技集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8175)**

**ANNOUNCEMENT OF INVESTIGATION RESULT IN RESPECT  
OF CONCENTRATION OF PUBLIC FLOAT**

The Board of Directors was informed by the Stock Exchange on 30th March 2004 that at the close of business on 24th February 2004, there might be a high concentration of the Shares of the Company held by a few shareholders. The Company made an announcement relating to concentration of public float on 6th April 2004 to disclose the interests of the Directors and shareholders and to keep the market promptly informed of this circumstance. However, in the announcement, the information regarding the identity of the Company's shareholders were not available. Therefore, the Company has conducted an investigation under Section 329 of the Securities and Futures Ordinance to establish the identity of its shareholders and their respective shareholdings in the Company. This investigation has now been completed.

Based on the responses received, the Board notes that the majority of the public shareholding is held by a relatively small number of shareholders. The other Respondents include 1 substantial shareholder who had interests in Shares representing approximately 15.42%, and 14 parties who had interests in Shares representing approximately 3.66%, 3.01%, 2.67%, 2.06%, 1.83%, 1.71%, 1.37%, 1.19%, 1.11%, 0.89%, 0.89%, 0.89% and 0.63% respectively. The aggregate shareholding of these 15 parties amounted to approximately 38.22%.

The Board confirms that at least 29.19% of the total issued Shares are held in the hands of the public and the Company is in compliance with Rule 11.23(1) of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

Given the concentration of public float of the Company in hands of a limited number of shareholders as at 24th February 2004, the Company hereby makes the announcement to keep the market promptly informed of this circumstance.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

The board (the "Board") of directors of the Company (the "Directors") was informed by the Stock Exchange on 30th March 2004 that at the close of business on 24th February 2004, there might be a high concentration of the issued share capital of the Company ("Shares") held by a few shareholders, with possibly only less than 6.39% of the total issued Shares held by the public. Therefore, the Company made an announcement relating to concentration of public float on 6th April 2004 to disclose the interests of the Directors and shareholders and to

keep the market promptly informed of this circumstance. However, in the announcement, the information regarding the identity of the Company's shareholders were not available. The Company has conducted an investigation under section 329 of the Securities and Futures Ordinance to establish the identity of its shareholders and their respective shareholdings in the Company. This investigation has now been completed.

The Company selected 24th February 2004 as the cut-off date for the purpose of the investigation to look into the sufficiency of the Shares in the public hands for the maintenance of an orderly market. The Company requested Standard Registrars Limited, the Company's share registrar, to generate a shareholders' report dated on 24th February 2004. In addition, investigation letters were sent to CCASS participants who held Shares of the Company as at 24th February 2004. As at 16th July 2004, replies representing a total of 486,412,100 Shares of the Company (representing approximately 99.99% of the total issued share capital of the Company comprising 486,432,000 Shares in issue) have been received from Standard Registrars Limited and CCASS participants (the "Respondents"). As at the date of this announcement, the Company is still waiting for the reply of a respondent who held 19,900 Shares of the Company.

The replies received from the Respondents indicate that as at 24th February 2004, Mr. Mo Wai Ming, Lawrence, Ms. Wai Lai Yung, Mr. Lee Ching Ming and Mr. Yuen Ka Lok, Ernest, the directors of the Company, in aggregate held approximately 55.39% (269,456,000 Shares) of the total issued Shares. The Board also notes that the majority of the public shareholding was held by a relatively small number of shareholders. The other Respondents include 1 substantial shareholder who had interests in Shares representing approximately 15.42%, and 14 parties who had interests in Shares representing approximately 3.66%, 3.01%, 2.67%, 2.06%, 1.83%, 1.71%, 1.37%, 1.19%, 1.11%, 0.89%, 0.89%, 0.89%, 0.89% and 0.63% respectively. The aggregate shareholding of these 15 parties amounted to approximately 38.22%.

Apart from the substantial shareholder disclosed above, the Directors confirm that the other Respondents were independent third parties of and not connected to the chief executive, directors or substantial shareholders of the Company or any of its subsidiaries or any of their respective associate (as defined in the Listing Rules).

The Board confirms that at least 29.19% of the total issued Shares are held in the hands of the public and the Company is in compliance with Rule 11.23(1) of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

However, given the concentration of public float of the Company in hands of a limited number of shareholders as at 24th February 2004, the Company hereby makes the announcement to keep the market promptly informed of this circumstance.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

Made by the order of the Board, the directors of the Company collectively and individually accept responsibility for the accuracy of this announcement.

As at the date of this announcement, Mr. Mo Wai Ming, Lawrence, Ms. Wai Lai Yung, Mr. Lee Chi Ming and Mr. Sun Kam Fai, Zacky are executive Directors, Mr. Yuen Ka Lok, Ernest is non-executive Director, and Ms. Li Mo Ching, Joyce and Ms. Tam Cheuk Ling, Jacqueline are independent non-executive Directors.

By order of the Board  
**Ng Tim Tak**  
Company Secretary

Hong Kong, 23rd July, 2004

*This announcement, for which the directors (the “Directors”) of the Company 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 enquires, 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 founded on bases and assumption that are fair and reasonable.*

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

\* For identification purpose only