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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)**

**TERMINATION OF CONTINUING SPONSOR  
APPOINTMENT OF COMPLIANCE ADVISER**

The board of directors (“the Board”) of KanHan Technologies Group Limited (“the Company”) would like to announce that the Company and South China Capital Limited (“South China”) have mutually agreed that the appointment of South China as continuing sponsor of the Company under the agreement dated 13th February, 2003 for the period from 25th February, 2003 to 31st December, 2005 will terminate with effect from 1st June, 2005.

The sponsorship fee paid to South China was a fixed monthly fee determined at the time of entering into the sponsorship agreement and covers the period from 25th February, 2003 to 31st December, 2005. The Company has recently reviewed the sponsorship fee with South China and obtained favourable quotations from other potential compliance advisers. Due to the fact that the Company and South China did not reach a consensus on the continuing sponsorship fee, South China and the Company mutually agreed to terminate the sponsorship agreement. The Board considers that a new sponsorship agreement is available to the Company on more favourable cost terms. South China has confirmed in writing on 1st June, 2005 that there are no significant matters that have to be brought to the attention of the Stock Exchange of Hong Kong Limited, or to the attention of the Company’s shareholders. The Board confirmed that there has not been any disagreement between the Board and South China in respect of the termination of sponsorship. The termination is made pursuant to the clause in the sponsorship agreement and neither party would have a claim on each other.

The Board further announces that Hantec Capital Limited has been appointed as its compliance adviser from 1st June, 2005 to 31st December, 2005, being the remaining balance of the minimum period as required by rule 6A.19 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

As at the date of this announcement, Mr. Mo Wai Ming, Lawrence and Mr. Ma She Shing, Albert are executive directors, and Ms. Li Mo Ching, Joyce, Mr. Kwok Chi Sun, Vincent and Mr. Lee Kun Hung are independent non-executive directors.

By order of the Board  
**Au Shui Ming, Anna**  
*Company Secretary*

Hong Kong, 3rd June, 2005

\* For identification purpose only

*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.*