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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)

**COMPLETION OF THE PLACING OF
116,740,000 OF NEW SHARES**

Placing Agent



The Board is pleased to announce that the Agent has successfully fully placed a total of 116,740,000 Placing Shares on behalf of the Company to 8 Placees at the Placing Price of HK\$0.023 per Placing Share. The Placing was completed on 27 June 2005.

Reference is made to the announcement of the Company dated 16 June 2005 (the “**Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that the Agent has successfully fully placed a total of 116,740,000 Placing Shares on behalf of the Company to 8 Placees at the Placing Price of HK\$0.023 per Placing Share. The Placing was completed on 27 June 2005.

The 116,740,000 Placing Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing.

The Directors and the Agent confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Placees and their ultimate beneficial owners (as the case may be) are independent of and not connected with any of the Directors, chief executive, substantial shareholders, management shareholders or significant shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules), and that none of the Placees fall under any of the categories set out in notes to Rule 10.12 of the GEM Listing Rules.

Set out below is the shareholding structure of the Company before and after the Placing:

Shareholders	No. of Shares in issue before the Placing	Approximate percentage before the Placing	No. of Shares in issue immediately after the Placing	Approximate percentage after the Placing
Mo Wai Ming, Lawrence (<i>Note 1</i>)	176,008,000	30.15	176,008,000	25.13
YesMobile Holdings Company Limited (<i>Note 2</i>)	97,286,400	16.67	97,286,400	13.89
Alexandra Investment Manager, LLC (<i>Note 3</i>)	75,010,000	12.85	75,010,000	10.71
Public Shareholders 8 Placees (<i>Note 4</i>)	—	—	116,740,000	16.67
Other public Shareholders	235,414,000	40.33	235,414,000	33.60
Total	<u>583,718,400</u>	<u>100.00</u>	<u>700,458,400</u>	<u>100.00</u>

Notes:

1. Mr. Mo Wai Ming, Lawrence is a Director and a substantial Shareholder.
2. Except for being a substantial Shareholder, YesMobile Holdings Company Limited and its ultimate beneficial owner(s) are Independent Third Party(ies).
3. Except for being a substantial Shareholder, Alexandra Investment Manager, LLC and its ultimate beneficial owner(s) are Independent Third Party(ies).
4. None of the 8 Placees were allotted and issued more than 5% of the issued share capital of the Company as enlarged by the Placing.

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

Hong Kong, 27 June 2005

* *For identification purpose only.*

As at the date of this announcement, the executive Directors are Mr. Mo Wai Ming, Lawrence and Mr. Ma She Shing, Albert. The independent non-executive Directors are Mr. Hsu Shiu Foo, William, Mr. Kwok Chi Sun, Vincent and Mr. Lee Kun Hung.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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