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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)

DISPOSAL OF SHARES BY DIRECTOR

The director of the Company, Mr. Mo, has notified the Company that he has today disposed of his 4,000,000 Shares, representing approximately 0.82% of the existing issued share capital of the Company, through the market at the price of HK\$0.070 to Mr. Ho in compliance with his undertaking to the Stock Exchange to ensure that the sufficient public float will exist for the Shares on the completion of the Subscription. Mr. Mo did not know Mr. Ho before this transaction. Mr. Ho was introduced by the broker to subscribe Mr. Mo's Shares. The Company and Mr. Ho have confirmed that Mr. Ho is third party independent of the Company and connected persons of the Company (as defined in the Listing Rules). Prior to this transaction, Mr. Ho did not hold any Shares of the Company.

As at the date of this announcement after taking into account the disposal of 4,000,000 Shares by Mr. Mo, the public float of the Shares is about 30.01% of the existing issued share capital of the Company. Mr. Mo has disposed of his 4,000,000 Shares in the market in compliance with his undertaking to the Stock Exchange to ensure that the sufficient public float will exist for the Shares on the completion of the Subscription. Immediately upon completion for the Subscription, which is expected on 14th August, 2004, the public float of the Shares will be about 25.01% of the issued share capital of the company as enlarged by the issue of the Subscription Shares. Following the completion of the disposal of 4,000,000 Shares by Mr. Mo and upon the completion of Subscription, the number of Shares held by Mr. Mo has decreased from 180,008,000 Shares to 176,008,000 Shares, representing approximately 30.14% of the issued share capital of the Company and the number of Shares in public hands has increased from 141,966,000 Shares to 145,966,000 Shares, representing 25.01% of the issued share capital of the Company.

Reference are made to the announcement dated 3rd August, 2004 (the "Announcement") issued by KanHan Technologies Group Limited (the "Company") in relation to a proposed placement of 97,286,400 new Shares. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement.

The director of the Company, Mr. Mo Wai Ming, Lawrence ("Mr. Mo"), has notified the Company that he has today disposed of his 4,000,000 Shares, representing approximately 0.82% of the existing issued share capital of the Company, through the market at the price of HK\$0.070 to Mr. Ho Kien Chung ("Mr. Ho") in compliance with his undertaking to the Stock Exchange to ensure that the sufficient public float will exist for the Shares on the completion of the Subscription. Mr. Mo did not know Mr. Ho before this transaction. Mr. Ho was introduced by the broker to subscribe Mr. Mo's Shares. The Company and Mr. Ho have confirmed that Mr. Ho is third party independent of the Company and connected persons of the Company (as defined in the Listing Rules). Prior to this transaction, Mr. Ho did not hold any Shares of the Company.

* For identification purposes only

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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 a 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
Mo Wai Ming, Lawrence
Chairman

Hong Kong, 11th August , 2004

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule 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.

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