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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)

RESULTS OF EXTRAORDINARY GENERAL MEETING AND DESPATCH OF PROSPECTUS

All ordinary resolutions set out in the Notice contained in the Circular were duly passed at the EGM held on 28 February 2006.

The Prospectus containing further information regarding, among other things, the Rights Issue, including information on dealings in and transfers and acceptances of the Rights Shares, and other information in respect of the Group is expected to be despatched to the Shareholders on 10 March 2006. The Prospectus will also be sent to the Excluded Shareholders, for their information only, on the same day.

An unaudited pro forma statement of adjusted consolidated net tangible assets of the Group for the purpose of illustrating the effect of the Rights Issue is set out below.

Reference is made to the announcement dated 24 January 2006 published by KanHan Technologies Group Limited (the “Company”) and the circular dated 13 February 2006 (the “Circular”). Terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

* *For identification purposes only*

RESULTS OF EGM

The Directors are pleased to announce that all ordinary resolutions set out in the notice of EGM (the “Notice”) contained in the Circular were duly passed at the EGM held on 28 February 2006.

As at the date of the EGM, before the Share Consolidation and the increase in authorised share capital of the Company becoming effective, the total authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Existing Shares, of which 737,458,400 had been issued and fully paid or credited as fully paid. All Shareholders were entitled to vote for or against the ordinary resolutions numbered 1 and 2 set out in the Notice. Pursuant to Rule 10.29(1) of the GEM Listing Rules and as disclosed in the Circular, Mr. Mo Wai Ming, Lawrence and Mr. Ma She Shing, Albert, being the executive Directors, and their respective associates, who were collectively interested in 183,508,000 Existing Shares (representing approximately 24.88% of the total issued share capital of the Company as at the date of the EGM), have abstained from voting on ordinary resolution numbered 3 set out in the Notice to approve the Rights Issue at the EGM. The total number of Existing Shares entitling the Independent Shareholders to attend and vote for or against ordinary resolution numbered 3 set out in the Notice was 553,950,400 Existing Shares (representing approximately 75.12% of the total issued share capital of the Company as at the date of the EGM). There were no Existing Shares entitling the Independent Shareholders to attend and vote only against ordinary resolution numbered 3 set out in the Notice at the EGM.

Ordinary resolutions numbered 1 and 2 set out in the Notice in relation to respectively the Share Consolidation and the increase in authorized share capital of the Company were duly passed by the Shareholders on a show of hands at the EGM.

The poll results for ordinary resolution numbered 3 set out in the Notice in relation to the Rights Issue were as follows:

	For (number of Existing Shares)	percentage	Against (number of Existing Shares)	percentage
Resolution No. 3	238,622,000	100%	0	0%

Standard Registrars Limited, the Company’s Hong Kong branch share registrar, was appointed as the scrutineer at the EGM for the purpose of vote-taking.

DESPATCH OF PROSPECTUS DOCUMENTS

The Prospectus Documents are expected to be despatched to the Qualifying Shareholders on 10 March 2006. The Prospectuses are expected to be despatched to the Excluded Shareholders, for their information only, on the same day.

Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 14 March 2006 to Wednesday, 22 March 2006 (both dates inclusive). If any of the conditions of the Rights Issue is not fulfilled and/or, in respect of the conditions that are waivable, waived (as the case may be) on or before Wednesday, 31 May 2006 (or such later time and/or date as the Company and Kingston Securities (on behalf of all the Underwriters) may agree in writing), or the Underwriting Agreement is terminated, the Rights Issue will not proceed and the Rights Issue will lapse.

Any person contemplating buying or selling the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 14 March 2006 and Wednesday, 22 March 2006 (both dates inclusive), bears the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholder or other persons contemplating to deal in the Shares or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

Shareholders and potential investors are advised to exercise caution when dealings in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is extracted from the Circular:

The unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 13 of Appendix 1B and Rule 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the Rights Issue on the net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2005.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position of the Group following the Rights Issue.

	Unaudited consolidated net tangible assets of the Group as at 30 June 2005 HK\$'000	Estimated net proceeds from the Rights Issue HK\$'000 (a)	Unaudited pro forma adjusted consolidated net tangible assets of the Group HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share
Before completion of the Share Consolidation and the Rights Issue	<u>3,280</u>			HK\$0.0047/ Existing Share (b)
After completion of the Share Consolidation but before completion of the Rights Issue	<u>3,280</u>			HK\$0.0222/ Consolidated Share (c)
After completion of the Share Consolidation and the Rights Issue	<u>3,280</u>	23,200	<u>26,480</u>	HK\$0.0449/ Consolidated Share (d)

Notes:

- (a) The estimated net proceeds from the issue of 442,475,040 Rights Shares are based on the Subscription Price of HK\$0.057 per Rights Share after deducting the related expense of approximately HK\$2 million.
- (b) The calculation is based on 700,458,400 Existing Shares in issue as at 30 June 2005 assuming no Share Options have been exercised.
- (c) The calculation is based on 147,491,680 Consolidated Shares before completion of the Rights Issue.
- (d) The calculation is based on 589,966,720 Consolidated Shares comprising 147,491,680 Consolidated Shares and 442,475,040 Rights Shares to be issued.

By Order of the Board
KanHan Technologies Group Limited
Mo Wai Ming, Lawrence
Director

Hong Kong, 28 February 2006

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

This announcement, for which the 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 Group. 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.

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