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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 RIGHTS ISSUE**

The Directors are pleased to announce that as at 4:00 p.m. on Monday, 27 March 2006, being the latest time for acceptance of, and payment for the Rights Shares and application for the excess Rights Shares, 131 valid acceptances for provisional allotment of the Rights Shares have been received for an aggregate of 370,404,100 Rights Shares (representing approximately 83.71% of the total number of Rights Shares offered under the Rights Issue) and 1,136 valid applications for excess Rights Shares have been received for an aggregate of 484,843,165 excess Rights Shares (representing approximately 109.58% of the total number of Rights Shares offered under the Rights Issue). Accordingly, an aggregate of 855,247,265 Rights Shares were applied for, representing approximately 193.29% of the total number of 442,475,040 Rights Shares offered under the Rights Issue. The Rights Issue was oversubscribed.

The Rights Issue, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Thursday, 30 March 2006.

Share certificates for the fully-paid Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on Monday, 3 April 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at their own risks on Monday, 3 April 2006. Dealings in the fully-paid Rights Shares will commence on Thursday, 6 April 2006.

Reference is made to the prospectus dated 10 March 2006 (the "Prospectus") issued by KanHan Technologies Group Limited (the "Company") in relation to, amongst other things, the Rights Issue. Capitalised terms used herein shall have the same meanings as defined in the Prospectus unless otherwise stated.

\* *For identification purposes only*

Pursuant to the Rights Issue, the Qualifying Shareholders were entitled to (i) apply for the Rights Shares with assured allotments at the price of HK\$0.057 each on the basis of three Rights Shares for every one Consolidated Share held on the Record Date; and (ii) apply for any excess Rights Shares at the same price each.

## RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that as at 4:00 p.m. on Monday, 27 March 2006, being the latest time for acceptance of, and payment for the Rights Shares and application for the excess Rights Shares, 131 valid acceptances for provisional allotment of the Rights Shares have been received for an aggregate of 370,404,100 Rights Shares (representing approximately 83.71% of the total number of Rights Shares offered under the Rights Issue) and 1,136 valid applications for excess Rights Shares have been received for an aggregate of 484,843,165 excess Rights Shares (representing approximately 109.58% of the total number of Rights Shares offered under the Rights Issue). Accordingly, an aggregate of 855,247,265 Rights Shares were applied for, representing approximately 193.29% of the total number of 442,475,040 Rights Shares offered under the Rights Issue. The Rights Issue was oversubscribed.

The Rights Issue, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Thursday, 30 March 2006. Based on the results above, the Rights Issue was oversubscribed and accordingly, the Underwriters do not have further obligations under the Underwriting Agreement.

## EXCESS APPLICATION

The Directors have determined that the 72,070,940 Rights Shares available for excess application would be allotted on the following basis:

<b>No. of excess Rights Shares applied for</b>	<b>No. of valid applications</b>	<b>Approximate percentage/ Basis of allotment (Note)</b>
1 to 20,000	1,052	100% (In full)
20,001 to 70,000	4	Odd lot excess Rights Shares applied for in full plus the remaining excess Rights Shares applied for at approximately 12.88% and rounded up to a board lot
70,001 to 20,000,000	74	Odd lot excess Rights Shares applied for in full and the remaining excess Rights Shares applied for at approximately 12.88% and rounded down to a board lot
20,000,001 to 50,000,000	4	Odd lot excess Rights Shares applied for in full and the remaining excess Rights Shares applied for at approximately 12.48% and rounded down to a board lot
50,000,001 to 100,000,000	1	Approximately 11.78%
100,000,001 or above	1	Approximately 10.98%

*Note:* Preference was given to topping-up odd lot to whole board lot.

Having taken into suggestions of the Registrar, the excess Rights Shares were allocated at the discretion of the Directors on a fair and equitable basis by reference to the number of excess Rights Shares applied for by each Qualifying Shareholders, but giving preference to topping-up odd lots to whole board lots.

## SHAREHOLDING STRUCTURE

Pursuant to the Underwriting Agreement, Mr. Mo had subscribed for 105,904,800 Rights Shares, being his entitlement under the Rights Issue as Shareholder and applied for 22,527,772 excess Rights Shares. 105,904,800 provisionally allotted Rights Shares and 2,817,772 excess Rights Shares were allocated to Mr. Mo under the Rights Issue. Accordingly, upon allotment and issue of the Rights Shares, Mr. Mo will be interested in 144,024,172 Consolidated Shares, representing approximately 24.41% of the issued share capital of the Company as enlarged by the issue of Rights Shares.

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Consolidated Shares</i>	<i>Approx. %</i>	<i>Number of Consolidated Shares</i>	<i>Approx. %</i>
Mr. Mo ( <i>Note 1</i> )	35,301,600	23.93	144,024,172	24.41
Ma She Shing, Albert ( <i>Note 2</i> )	1,400,000	0.95	5,600,000	0.95
YesMobile Holdings Company Ltd. ( <i>Note 3</i> )	20,757,280	14.07	20,757,280	3.52
Alexandra Investment Manager, LLC ( <i>Note 4</i> )	15,002,000	10.17	15,002,000	2.54
Other Public Shareholders	75,030,800	50.88	404,583,268	68.58
<b>Total</b>	<b><u>147,491,680</u></b>	<b><u>100.00</u></b>	<b><u>589,966,720</u></b>	<b><u>100.00</u></b>

### Notes:

- Mr. Mo is an executive Director and a substantial Shareholder. As stated in the Prospectus, of the 144,024,172 Consolidated Shares (immediately after allotment and issue of the Rights Issue), 129,766,892 Consolidated Shares will be charged in favour of Manciple Enterprises Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Lau Kim Hung, Jack.
- Mr. Ma She Shing, Albert is an executive Director.

3. To the best knowledge of the Directors, before the completion of the Rights Issue, save for being a substantial Shareholder, YesMobile Holdings Company Limited and its ultimate beneficial owner(s) are third parties independent of, and not connected with the Company and its connected person(s) (as defined under the GEM Listing Rules).
4. To the best knowledge of the Directors, before the completion of the Rights Issue, except for being a substantial Shareholder, Alexandra Investment Manager, LLC and its ultimate beneficial owner(s) are third parties independent of, and not connected with the Company and its connected person(s) (as defined under the GEM Listing Rules).

## **DESPATCH OF SHARE CERTIFICATES AND REFUND CHEQUES AND COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES**

Share certificates for the fully-paid Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on Monday, 3 April 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at their own risks on Monday, 3 April 2006. Dealings in the fully-paid Rights Shares will commence on Thursday, 6 April 2006.

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

Hong Kong, 31 March 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 will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting.*