



# KANTONE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1059)

## PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

In view of the current financial turmoil, the Board expects the financial performance of the Group for the six months ending 31 December 2008 will decline substantially as compared with the same period for the previous year.

This announcement is made by Kantone Holdings Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company and its subsidiaries (collectively the “Group”) are principally engaged in the sales of general systems products; provision of services (including software customisation and provision of e-lottery services) and software licensing; leasing of systems products; development and provision of IT solutions for e-gaming, leisure and entertainment; and holding strategic investments in advanced technology product development companies. In view of the current financial turmoil, the Board expects the financial performance of the Group for the six months ending 31 December 2008 will decline substantially as compared with the same period for the previous year.

The Group does not engage in speculative derivatives or structured product transactions, and based on the current financial situation, the Board considers the Group is capable of taking on new opportunities that bode well for its overall strategic growth plan.

The Board will closely monitor the global economic situation, and where required, make revision to the Group’s operational plans and budget accordingly.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board

**LAI Yat Kwong**

*Director*

Hong Kong, 22 December 2008

*As at the date of this announcement, the executive directors of the Company are Mr Paul Kan Man Lok and Mr Lai Yat Kwong; the non-executive directors are Mr Leo Kan Kin Leung, Ms Shirley Ha Suk Ling and Mr Paul Michael James Kirby; and the independent non-executive directors are Prof Liang Xiong Jian, Mr Frank Bleackley, Prof Julia Tsuei Jo and Ms Miranda Ho Mo Han.*