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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)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

BY WAY OF PLACING

Number of Placing Shares : **120,000,000 Shares comprising
60,000,000 New Shares and
60,000,000 Sale Shares**

Issue Price : **HK\$0.33 per Share**

Nominal value : **HK\$0.01 each**

Stock code : **8175**

Sponsor



South China Capital Limited

Lead Manager



South China Securities Limited

Co-lead Managers

KGI Capital Asia Limited

Whole Win Securities Limited

Co-managers

**First Shanghai Capital Limited
First Asia Finance Group Limited
Sinomax Securities Limited**

**Toyo Securities Asia Limited
OpenOffering Capital Limited
Horwath Capital Asia Limited**

Unless defined otherwise, terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 13 February 2003 (the “Prospectus”) issued by KanHan Technologies Group Limited (the “Company”).

SUMMARY

This announcement has been made today rather than on 24 February 2003, as announced on the GEM website on 20 February 2003, to enable settlement of the Shares today.

The Issue Price was determined at 14 February, 2003.

The Placing Shares were placed to professional, institutional and other individual investors and were fully subscribed. The placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates. No Placing Shares have been allocated to any party or group of persons specified in note 1 to Rule 10.12(4) of the GEM Listing Rules, or any nominees of any of the foregoing.

As at the date of this announcement, there is no over-allocation in the Placing and the Over-allotment Option will therefore not be exercised by South China Securities.

Immediately following the Placing, the Company will have a public float of around 29.49% (including certain pre-IPO Shareholders classified as public shareholders) of the enlarged issued share capital of the Company. Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all times immediately after the listing of the Shares on GEM.

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 25 February 2003.

It is agreed that the interest accrued on the 3% Note of HK\$83,885 will not be converted by Timeless Strategy into Shares and will be settled by cash.

LEVEL OF INTEREST

The 120,000,000 Placing Shares (comprising 60,000,000 New Shares and 60,000,000 Sale Shares) have been conditionally allocated in full to 110 professional, institutional and other individual investors and were fully subscribed. The placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or Initial Management Shareholders of the Company or any of their respective associates.

No Placing Shares have been allocated to any party or group of persons specified in note 1 to Rule 10.12(4) of the GEM Listing Rules, or any nominees of any of the foregoing.

RESULTS OF ALLOCATION

Pursuant to the Placing, the 120,000,000 Placing Shares will be held by a total of 110 placees as follows:

Number of Placing Shares	Number of placees
10,000 to 40,000	82
40,001 to 100,000	2
100,001 to 400,000	3
400,001 to 700,000	1
700,001 to 1,000,000	3
1,000,001 to 1,300,000	2
1,300,001 to 1,600,000	8
1,600,001 to 2,500,000	4
2,500,001 to 10,000,000	3
10,000,001 or above	<u>2</u>
Total	<u><u>110</u></u>

The following table sets out the distribution of the 120,000,000 Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares immediately after completion of the Placing	Approximate percentage of shareholding immediately after the completion of the Placing
Top placee	47,000,000	39.2%	9.7%
Top 5 placees	92,060,000	76.7%	18.9%
Top 10 placees	104,040,000	86.7%	21.4%
Top 25 placees	118,816,000	99.0%	24.4%

The investors should be aware that approximately 99% of the Placing Shares have been allotted to the top 25 placees and the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution when dealing with the Shares.

OVER-ALLOTMENT OPTION

The Company has granted the Over-allotment Option to South China Securities, for and on behalf of the Underwriters, exercisable by South China Securities at any time within 30 days from the date of the Prospectus, to require the Company to allot and issue at the Issue Price up to an aggregate of 12,000,000 additional Shares, representing 10% of the number of the Placing Shares initially available under the Placing. As at the date of this announcement, there is no over-allocation in the Placing and the Over-allotment Option will therefore not be exercised by South China Securities.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all times immediately after the listing of the Shares on GEM. Immediately following the Placing, the Company will have a public float of around 29.49% (including certain pre-IPO Shareholders classified as public shareholders) of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO THE CENTRAL CLEARING AND SETTLEMENT SYSTEM (“CCASS”)

The share certificates for the Placing Shares will be deposited into CCASS on Friday, 21 February 2003 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents, as the case may be, before dealings in the Shares on GEM are to commence. No temporary documents of title will be issued.

3% Note

Pursuant to the 3% Note, the interest accrued of HK\$83,885 thereon shall be converted into Shares in the manner as described in the Propectus. However, it is agreed that such interest will be settled in cash by the Company and thus it will not be converted by Timeless Strategy into shares.

This announcement has been made today rather than on 24 February 2003, as announced on the GEM website on 20 February 2003, to enable settlement of the Shares today.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 25 February 2003.

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

Hong Kong, 21 February 2003

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 appear on the GEM website at www.hkgem.com.