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KANTONE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1059

(the "Company")

ANNOUNCEMENT PUBLIC FLOAT

The public float of the shares and warrants of the Company has been reduced to below 25%. The Company and its directors will take steps to increase the public float as required by the Listing Rules.

Shareholders and warrant holders and potential investors are advised to exercise caution when dealing in shares and warrants of the Company.

The Company noted yesterday that the public float of its shares has been reduced to below 25% since early September, 2007 after various subsidiaries of Shanghai Industrial Investment (Holdings) Company Limited (the "Investor Group") have gradually acquired over 10% of its issued share capital. The public float of its warrants is also below 25%. As at the date of this announcement the public float of the shares of the Company is approximately 21.55% and the shareholdings of the substantial shareholders of the Company are as follows:

Name	No. of shares	Approximate percentage of issued share capital
Champion Technology Holdings Limited	1,698,510,169	50.60%
Lawnside International Limited	456,290,629	13.59%
The Investor Group	478,560,000	<u>14.26%</u>
		<u>78.45%</u>

The above substantial shareholders hold similar proportions of warrants of the Company. Save as aforesaid, no other connected person owns any securities in the Company which are not taken as in public hands.

The delay in reporting the insufficient public float was caused by an inadvertent oversight. The Company and its directors are exploring various means to increase the public float as required by the Listing Rules, including issue of new securities or placing of existing securities by the substantial shareholder(s) to independent third parties.

Further announcement will be made as and when appropriate.

Shareholders and warrant holders and potential investors are advised to exercise caution when dealing in shares and warrants of the Company.

By Order of the Board
Jennifer Cheung Mei Ha
Company Secretary

Hong Kong, 28 March 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, Prof Ye Pei Da, Mr Frank Bleackley, Prof Julia Tsuei Jo and Ms Miranda Ho Mo Han.