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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 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 as soon as possible.

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

The Company received on 7 July 2008 a notice from Shanghai Industrial Investment (Holdings) Company Limited (the "Investor Group") sent by post under the Securities and Futures Ordinance informing the Company that as at 30 June 2008, it had interest in a total of 521,910,000 issued shares of the Company. As at the date of this announcement the public float of the shares of the Company is 24.909% and the shareholdings of the substantial shareholders of the Company are as follows:

<b>Name</b>	<b>No. of shares</b>	<b>Percentage of issued share capital</b>
Champion Technology Holdings Limited	1,740,200,873	51.0164%
Lawnside International Limited	299,290,629	8.7741%
The Investor Group	521,910,000	<u>15.3005%</u>
		<u>75.0910%</u>

The Company and its directors will take steps to increase the public float as required by the Listing Rules as soon as possible.

Further announcement will be made as and when appropriate.

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

By Order of the Board  
**Jennifer Cheung Mei Ha**  
Company Secretary

Hong Kong, 8 July 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.*