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KANHANA TECHNOLOGIES GROUP LIMITED

看漢科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

**Deferral of dispatch of Circular in relation to a major transaction
involving the provision of an Equity Line of Credit to the Company
by GEM Global Yield Fund**

Further to the announcement made by the Company on 12th December, 2003 regarding a major transaction, the dispatch of Circular to the shareholders of the Company will be deferred, due to the additional time required by the Company to prepare the Circular. It is currently expected that the Circular will be dispatched to the shareholders of the Company on or before 16th January, 2004.

Reference is made to the announcement of the Company on 12th December, 2003 (the "Announcement") in respect of the provision of an Equity Line of Credit to the Company by GEM Global Yield Fund. Unless otherwise defined herein, terms used herein shall have the same meaning as defined in the Announcement.

DEFERRAL OF DISPATCH OF THE CIRCULAR

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to, among other things, send a circular ("Circular") to the shareholders of the Company ("Shareholders") and the Stock Exchange within 21 days of publication of the Announcement, being on or before 2nd January, 2004 in respect of the provision of an equity line of credit to the Company by the GEM Global Yield Fund ("Global"). For the reasons given below, the Company will not now dispatch the Circular by 2nd January, 2004.

Additional time is required by the Company and Global to agree and approve the detailed arrangement by which shares will be issued to Global. Therefore the Company has applied for a waiver from strict compliance with the requirements under Rule 19.38 of the GEM Listing Rules. It is currently expected that the Circular will be dispatched to Shareholders on or before 16th January, 2004.

By order of the Board
Ng Tim Tak
Company Secretary

Hong Kong, 31st December, 2003

This announcement, for which the directors (the “Directors”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.