
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in KanHan Technologies Group Limited (the “**Company**”), you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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KANHAN TECHNOLOGIES GROUP LIMITED
看漢科技集團有限公司

(Proposed to be renamed as Shen Nong China (Group) Limited 神農中國(集團)有限公司)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8175)

- (1) REFRESHMENT OF GENERAL MANDATES;**
(2) REFRESHMENT OF THE SCHEME MANDATE LIMIT;
AND
(3) PROPOSED CHANGE OF COMPANY NAME

Financial adviser to the Company



INCUB CORPORATE FINANCE LIMITED

**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**

Nuada Limited
Corporate Finance Advisory

A notice convening an extraordinary general meeting (the “**EGM**”) of the Company to be held on Wednesday, 16 January 2008 at 11:00 a.m. at 15th Floor, Sun House, 181 Des Voeux Road Central, Hong Kong is set out on pages 23 to 26 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

24 December 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Change of Company Name”	the proposed change of the name of the Company from “KANHAN TECHNOLOGIES GROUP LIMITED 看漢科技集團有限公司” to “Shen Nong China (Group) Limited 神農中國(集團)有限公司”
“Company”	KanHan Technologies Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve refreshment of General Mandates, refreshment of the Scheme Mandate Limit and the Change of Company Name
“Extension Mandate”	the proposed extension of the Issue Mandate to be sought at the EGM to authorise the Directors to issue further Shares equal to the Shares repurchased under the Repurchase Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the Issue Mandate, the Repurchase Mandate and the Extension Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising Mr. Kwok Chi Sun, Vincent, Mr. Hsu William Shiu Foo and Mr. Lee Kun Hung, all being independent non-executive Directors, established to advise the Independent Shareholders in respect of the proposed grant of the Issue Mandate and the Extension Mandate

DEFINITIONS

“Independent Financial Adviser” or “Nuada”	Nuada Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Issue Mandate and the Extension Mandate
“Independent Shareholder(s)”	Shareholder(s) other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Issue Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM and to add to the Issue Mandate the Shares repurchased under the Repurchase Mandate
“Latest Practicable Date”	21 December 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Manciple”	Manciple Enterprises Ltd., a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Lau
“Mr. Lau”	Mr. Lau Kim Hung Jack
“Mr. Ma”	Mr. Ma She Shing Albert, a non-executive Director
“Mr. Mo”	Mr. Mo Wai Ming Lawrence, an executive Director
“Mr. Pang”	Mr. Pang Hong Tao, an executive Director and chairman of the Company
“Mr. Yang”	Mr. Yang Pei Gen, an executive Director and chief executive officer of the Company
“Ms. Au”	Ms. Au Shui Ming Anna, an executive Director
“Offer Share(s)”	443,458,360 new Shares, to be offered to the qualifying Shareholders for subscription, the details of which are set out in the announcement and the prospectus of the Company dated 2 November 2007 and 26 November 2007 respectively

DEFINITIONS

“Open Offer”	the offer for subscription by the qualifying Shareholders for the Offer Shares, the details of which set out in the announcement and the prospectus of the Company dated 2 November 2007 and 26 November 2007 respectively
“Option(s)”	option(s) granted or to be granted under the Share Option Scheme
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital of Proud Dragon Limited and the subscription of new shares of Proud Dragon Limited pursuant to the conditional agreement dated 29 October 2007 and entered into among Mr. Yip Yuk Tong, Rise Assets Limited, a wholly-owned subsidiary of the Company and Proud Dragon Limited, details of which are disclosed in the announcement of the Company dated 2 November 2007
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the EGM
“Repurchase Mandate”	the mandate proposed to be sought at the EGM to authorise the Directors to exercise powers of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued share capital of the Company as at the date of the EGM
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the Shares in issue as at the date on which dealings in the Shares first commence on the Stock Exchange which may be refreshed pursuant to the rules of the Share Option Scheme. If the Scheme Mandate Limit is refreshed, the total number of Shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant ordinary resolutions
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.05 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted pursuant to the ordinary resolution passed by the Shareholders on 24 January 2003
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



KANHAN TECHNOLOGIES GROUP LIMITED

看漢科技集團有限公司

(Proposed to be renamed as Shen Nong China (Group) Limited 神農中國(集團)有限公司)
(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8175)

Executive Directors:

Mr. Pang Hong Tao, Peter
Mr. Yang Pei Gen
Mr. Mo Wai Ming, Lawrence
Ms. Au Shui Ming, Anna

Non-executive Director:

Mr. Ma She Shing, Albert

Independent non-executive Directors:

Mr. Hsu William Shiu Foo
Mr. Lee Kun Hung
Mr. Kwok Chi Sun, Vincent

Registered office:

Caledonian Bank & Trust Limited
Caledonian House
P.O. Box 1043
George Town
Grand Cayman
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

15th Floor, Sun House
181 Des Voeux Road Central
Hong Kong

24 December 2007

To the Shareholders

Dear Sir or Madam,

**(1) REFRESHMENT OF GENERAL MANDATES;
(2) REFRESHMENT OF THE SCHEME MANDATE LIMIT;
AND
(3) PROPOSED CHANGE OF COMPANY NAME**

REFRESHMENT OF THE GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 30 May 2007, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the general mandates to allot up to 145,143,344 Shares (the “Current Issue Mandate”) and to repurchase up to 72,571,672 Shares (the “Current Repurchase Mandate”) on the Stock Exchange.

LETTER FROM THE BOARD

As set out in the announcement and the prospectus of the Company dated 2 November 2007 and 26 November 2007 respectively, the Company proposed to offer 443,458,360 Offer Shares, As stated in the announcement of the Company dated 17 December 2007, the Open Offer has become unconditional on 14 December 2007, the issued share capital of the Company has increased to 1,330,375,080 Shares.

As at the Latest Practicable Date, there are no Shares issued and repurchased under the Current Issue Mandate and the Current Repurchase Mandate respectively.

In order to provide a flexible means for the Company to raise further funds for investment or working capital and/or to procure potential acquisition opportunities through the issue of new Shares for its future business development, the Directors are also seeking the passing of ordinary resolutions at the EGM to refresh the General Mandates:

- (1) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the EGM; and
- (2) to repurchase new Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the EGM.

The Directors will also propose a separate ordinary resolution at the EGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such additional amount shall not exceed 10% of the aggregate nominal amount of issued share capital of the Company as at the date of passing of the resolution.

As at the Latest Practicable Date, the Company has 1,330,375,080 Shares currently in issue. The maximum number of Shares that can be issued or repurchased under the Issue Mandate and the Repurchase Mandate are 266,075,016 Shares and 133,037,508 Shares respectively.

Each of the general mandates would continue in force until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held; or
- (c) the date on which any such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

LETTER FROM THE BOARD

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the Issue Mandate and the Extension Mandate require the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, accordingly, Mr. Yang, Mr. Mo, Mr. Pang, Mr. Ma and Ms. Au will abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate and the Extension Mandate. Further, pursuant to Rule 17.47(4)(b) of the GEM Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll and an announcement will be made after the EGM on the results of the EGM.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Company adopted a Share Option Scheme pursuant to the ordinary resolution passed by the Shareholders on 24 January 2003. Under the Share Option Scheme, the original number of Shares which may be issued upon the exercise of all Options was 48,643,200 Shares, representing 10% of the issued share capital as at the date of adoption of the Share Option Scheme and the maximum number of Shares that might be issued upon the exercise of all Options under the Share Option Scheme or other schemes. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to grant Options over Shares as shall represent 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

Pursuant to the ordinary resolution passed by the Shareholders on 11 May 2006, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon exercise of all Options to be granted under the Share Option Scheme or other schemes shall not exceed 48,643,200 Shares, being 10% of the issued share capital of the Company as at 11 May 2006.

Pursuant to the ordinary resolution passed by the Shareholders on 30 May 2007, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon exercise of all Options to be granted under the Share Option Scheme or other schemes shall not exceed 72,571,672 Shares, being 10% of the issued share capital of the Company as at 30 May 2007.

As at the Latest Practicable Date, the Company has a total of 1,330,375,080 Shares in issue and the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 133,037,508 Shares (assuming no further issue or purchase of Shares prior to the EGM), representing 10% of the issued share capital of the Company as at the date of approval of the proposed Refreshment by the Shareholders at the EGM.

As at the Latest Practicable Date, an aggregate of 20,000,000 Options have been granted under the current scheme mandate limit, all of which have been exercised and there is no Option outstanding.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of further Options so as to provide incentives to, and recognise the contributions of, the eligible participants. The Board therefore decided to seek the approval of the Shareholders at the EGM to refresh the Scheme Mandate Limit.

Conditions of the Proposed Refreshment

The proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the proposed Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “KANHAN TECHNOLOGIES GROUP LIMITED 看漢科技集團有限公司” to “Shen Nong China (Group) Limited 神農中國(集團)有限公司”.

Since May 2007, the Company has commenced the business of the development, production and distribution of organic fertilizer in the PRC with a vision to actively participate in the agricultural industry in the PRC in the long run.

In view of the above and the Proposed Acquisition, the Board considers that the proposed new name will better reflect the long term business development of the Group in the agricultural industry in the PRC, as well as refresh its corporate identity and image. The Board is therefore of the view that the proposed Change of Company Name is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The proposed Change of Company Name will be subject to the following:

1. the passing of a special resolution by the Shareholders at the EGM to approve the Change of Company Name; and
2. the Registrar of Companies in the Cayman Islands approving the Change of Company Name.

Subject to the approval of the Registrar of Companies in the Cayman Islands, the Change of Company Name will take effect upon the passing of the special resolution of the Shareholders at the EGM approving the Change of Company Name, or at such effective date as specified in the special resolution. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

The Change of Company Name will not affect any rights of the holders of securities of the Company. The existing certificates of securities in issue bearing the present name of the Company shall, after the proposed Change of the Company Name becoming effective, continue to be evidence of title to such securities and the existing share certificates will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing certificates of securities.

Once the Change of Company Name becomes effective, new share certificates will be issued only in the new name of the Company. The Company will make further announcements as and when appropriate on the results of the EGM, the arrangement relating to the Change of Company Name, the trading and dealings in the securities of the Company on the GEM of the Stock Exchange under the new name of the Company and as to when the new name of the Company will become effective.

EGM

A notice convening the EGM to be held at 15th Floor, Sun House, 181 Des Voeux Road Central, Hong Kong on Wednesday, 16 January 2008 at 11:00 a.m. is set out on pages 23 to 26 of this circular. Ordinary resolutions will be proposed at the EGM to approve the refreshment of the General Mandates and the refreshment of the Scheme Mandate Limit. Special Resolution will be proposed at the EGM to approve the proposed Change of Company Name. As at the Latest Practicable Date, no Shareholder is required to abstain from voting under the GEM Listing Rules in relation to the proposed Change of Company Name, the refreshment of Scheme Mandate Limit and the refreshment of Repurchase Mandate at the EGM.

For the refreshment of the Issue Mandate and the Extension Mandate, pursuant to the GEM Listing Rules, any controlling shareholders and their associates, or where there are no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive and their respective associates shall abstain from voting in favour. Since the Company has no controlling Shareholders, accordingly, Mr. Yang, Mr. Mo, Mr. Pang and Ms. Au, being the executive Directors and Mr. Ma, being the non-executive Director will abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate and the Extension Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Yang, Mr. Mo, Mr. Pang, Mr. Ma and Ms. Au are interested in 214,125,000 Shares, 30,085,920 Shares, 10,500,000 Shares, 8,700,000 Shares and 22,500,000 Shares respectively. The Board was advised by Mr. Yang, Mr. Mo, Mr. Pang, Mr. Ma and Ms. Au that they have no intention to vote against the relevant resolutions. Further, pursuant to the GEM Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll for resolutions in relation to the granting of the Issue Mandate and the Extension Mandate.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the branch share registrar of the Company in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Hsu William Shiu Foo, Mr. Lee Kun Hung and Mr. Kwok Chi Sun, Vincent, all being the independent non-executive Directors, has been established to advise the Independent Shareholders on the granting of the Issue Mandate and the Extension Mandate.

Nuada has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the granting of the Issue Mandate and the Extension Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of Nuada, consider that the granting of the Issue Mandate and the Extension Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the EGM for approving the granting of the Issue Mandate and the Extension Mandate.

The text of the letter from the Independent Board Committee is set out on page 12 of this circular and the text of the letter from Nuada containing its advice is set out on pages 13 to 19 of this circular.

PROCEDURE FOR DEMANDING A POLL AT GENERAL MEETING

In accordance with the Articles of Association of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least 2 Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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 enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this circular 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 circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RECOMMENDATION

The Board considers that the terms of the refreshment of Scheme Mandate Limit, refreshment of the Repurchase Mandate and the proposed Change of Company Name are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Board also considers that the terms of the refreshment of Issue Mandate and the Extension Mandate are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions in relation to the refreshment of Scheme Mandate Limited, refreshment of the Repurchase Mandate and the proposed Change of Company Name as set out in the notice of the EGM. The Board also recommends the Independent Shareholders to vote in favour of the resolutions in relation to the refreshment of Issue Mandate and the Extension Mandate as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
KANHAN TECHNOLOGIES GROUP LIMITED
Pang Hong Tao
Chairman



KANHAN TECHNOLOGIES GROUP LIMITED

看漢科技集團有限公司

*(Proposed to be renamed as Shen Nong China (Group) Limited 神農中國(集團)有限公司)
(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8175)

24 December 2007

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We refer to the circular of the Company dated 24 December 2007 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed grant of the Issue Mandate and the Extension Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Nuada has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, Nuada as set out in its letter of advice to us on pages 13 to 19 of the Circular, we are of the opinion that the granting of the Issue Mandate and the Extension Mandate are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the granting of the Issue Mandate and the Extension Mandate.

Yours faithfully

For and on behalf of the Independent Board Committee

Mr. Hsu William Shiu Foo Mr. Lee Kun Hung Mr. Kwok Chi Sun, Vincent
Independent non-executive Director

LETTER FROM NUADA

The following is the text of a letter of advice from Nuada in connection with the refreshment of the General Mandates which has been prepared for inclusion in this circular.

Nuada Limited

Corporate Finance Advisory

7th Floor, New York House
60 Connaught Road Central
Hong Kong

24 December 2007

*To the Independent Board Committee and
the Independent Shareholders of
KanHan Technologies Group Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the proposed grant of the Issue Mandate and the Extension Mandate are fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of the grant of the Issue Mandate and the Extension Mandate are set out in the letter from the board (the "Letter") in the circular to the Shareholders dated 24 December 2007 (the "Circular"), of which this letter forms part. Unless otherwise stated, terms used in this letter have the same meanings as those defined in the Circular.

Pursuant to Rules 17.42(A) of the GEM Listing Rules, the grant of the Issue Mandate and the Extension Mandate are subject to the approval of the Independent Shareholders by way of poll at the EGM with the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive and their respective associates abstain from voting in favour. As at the Latest Practicable Date, there is no controlling Shareholder. Accordingly, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. As at the Latest Practicable Date, the executive Directors, namely Mr. Yang, Mr. Pang, Mr. Mo and Ms. Au, and the non-executive Director, namely Mr. Ma, together are interested in approximately 21.49% of the existing issued share capital of the Company. As such, Mr. Yang, Mr. Pang, Mr. Mo, Ms. Au and Mr. Ma and their respective associates shall abstain from voting in favour of the relevant resolutions at the EGM. Save as disclosed, to the best of the Directors' knowledge, information and belief and having made all reasonable inquiry, no other Directors beneficially hold any Shares as at the Latest Practicable Date.

LETTER FROM NUADA

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the grant of the Issue Mandate and the Extension Mandate are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information, statements, opinions and representations supplied to us by the Company and the Directors and we have assumed that all such information, statements, opinions and representations contained or referred to in the Circular were true, accurate and complete at the time they were made and continue to be true at the date of the Circular, and we have relied on the same. We have also assumed that all statements of belief, opinion and intention of the Directors as set out in the Letter were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have been provided sufficient information to enable us to reach an informed view regarding the proposed grant of the Issue Mandate and the Extension Mandate, and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinions, and that we have performed all steps as required under Rule 17.92 of the GEM Listing Rules including notes thereon. We have no reason to suspect that any material facts or information (which is known to the Company) have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, carried out any independent verification on the information provided to us by the Directors, nor have we conducted an independent in-depth investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the proposed grant of the Issue Mandate and the Extension Mandate, we have taken the following principal factors and reasons into consideration:

Background

At the annual general meeting of the Company dated 30 May 2007, the Directors were granted the general mandate (the “Current General Mandate”) to allot and issue up to 145,143,344 Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company then in issue. Upon completion of the Open Offer, the Current General Mandate represents 10.91% of the issued share capital of the Company as at the Latest Practicable Date.

Notwithstanding that the Current General Mandate had not been utilized as at the Latest Practicable Date, the Directors propose to seek the approval of the Independent Shareholders at the EGM for the grant of the Issue Mandate and the Extension Mandate in order to maintain the financial flexibility necessary for the Group’s future business development.

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As at the Latest Practicable Date, the Company had an aggregate of 1,330,375,080 Shares in issue. Subject to the passing of the ordinary resolution(s) for the approval of the General Mandate and assuming that no other Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the General Mandate to allot and issue up to 266,075,016 Shares.

The Open Offer was become unconditional on Friday, 14 December 2007. Certificates for the Offer Shares has been despatched to the qualifying Shareholders and dealing of such Offer Shares has been commenced as at the Latest Practicable Date.

Reasons for the grant of the Issue Mandate and the Extension Mandate

As advised by the Company, the Directors consider that equity financing to be an important avenue of resources to the Group and the grant of the Issue Mandate and the Extension Mandate would provide financial flexibility necessary for Group's future business development and to strengthen the capital base of the Company. While the Board considers that there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares, the Board proposes to seek approval of the Independent Shareholders at the EGM for the grant of the Issue Mandate and the Extension Mandate such that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly.

Business development of the Group and flexibility in financing alternatives

The Group is engaged in the development and marketing of patented server based technology and the provision of software related services. The Group is also engaged in the development, production and distribution of organic fertilizer in the PRC with a vision to actively participate in the agricultural market in the PRC in the long run.

The Group has engaged in the business of production and distribution of organic fertilizer through the acquisition of the equity interest in Silky Sky Investments Limited and its subsidiaries (the "Silky Sky Group") since May 2007. Through the acquisition of Silky Sky, the business of the Company has diversified into agricultural industry in the PRC. Reference is made to the Company announcement dated 9 February 2007 and the circular of the Company dated 20 April 2007 in relation to the acquisition of Silky Sky Group by the Company. In order for the Group to strengthen the business development in the existing agricultural industry in the PRC and to enhance the customer base of the newly acquired organic fertilizer business, the Directors has decided to acquire the provision of water supply business in the rural area in the PRC synergize with the Group's organic fertilizer business in the PRC by way of the proposed acquisition of the entire issued share capital of Proud Dragon Limited and its subsidiaries (the "Proposed Acquisition"). The Directors consider that the acquisition of organic fertilizer business and the Proposed Acquisition will position the Group to become a market leader in the agricultural industry in the PRC and generate profitability to the Group in the long run. Shareholders are recommended to refer to the Company announcement dated 4 October 2007, 2 November 2007 and 23 November 2007 for details of the Proposed Acquisition.

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To facilitate the Proposed Acquisition, the Group had conducted the fund raising activity by way of the Open Offer. The summary of the Open Offer is set out under the “EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS” in this letter.

As advised by the Company, the Directors consider that it would be prudent for the Group to have sufficient working capital for its newly acquired business. Furthermore, the Directors have always been proactive in seeking opportunities for diversifying the scope of business of the Group and therefore may require funding when such opportunities arise. Nevertheless, save for the Proposed Acquisition, the Board has not identified any other specific investment opportunities as at the Latest Practicable Date.

The Current General Mandate of 145,143,344 Shares represents approximately 10.91% of the issued share capital of the Company as at the Latest Practicable Date. The grant of the Issue Mandate and the Extension Mandate are considered to be necessary to finance any business expansion and development plans or any investment opportunities arise that would require the issuance of new Shares and a specific mandate has to be sought, the Directors are uncertain as to whether the requisite approval from Shareholders or Independent Shareholders, as the case may be, could be obtained in a timely manner. In addition, the Issue Mandate and the Extension Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares.

Notwithstanding the Current General Mandate has not been utilized as at the Latest Practicable Date and the Group had no immediate funding need for its current operations and there is currently no concrete proposal presented by potential investors for investment in Shares, the Directors believe that the Issue Mandate and the Extension Mandate would offer the Group higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. The Directors also consider that the Issue Mandate and the Extension Mandate would provide the Company with the maximum flexibility to raise additional capital for any future investment or as working capital of the Group.

In light of the above, we are of the opinion that the Issue Mandate and the Extension Mandate would provide the Company with the necessary flexibility essential for fulfilling any possible funding needs for future business development and/or investment decisions in a timely manner. As such, we are of the view that the grant of the Issue Mandate and the Extension Mandate will be in the interest of the Company and the Shareholders as a whole.

Other financing alternative

As advised by the Company, the Board considers equity financing to be an important avenue of resources for the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While sufficient for its present requirements, there is no certainty that such cash resources will be adequate or other financing alternatives will be available for appropriate investment that may be identified by the Company in

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the future. In addition, debt financing may incur interest burden on the Group and it may subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position, capital structure and the financial market condition at that time, the Directors consider that equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund such investments and/or acquisitions and provide additional working capital for the future development and expansion of the Group.

We consider that the grant of the Issue Mandate and the Extension Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the grant of the Issue Mandate and the Extension Mandate will be in the interest of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 2 November 2007, the Company announced that it has proposed to raise not less than approximately HK\$31.56 million and not more than HK\$35.48 million by an Open Offer of not less than 394,558,360 Offer Shares and not more than 443,458,360 Offer Shares at a subscription price of HK\$0.08 per Offer Share, payable in full on application, on the basis of one Offer Share for every two Shares held on the record date. The Open Offer was completed as at the Latest Practicable Date. The net proceeds of the Open Offer (after deduction of commission and expenses) are approximately HK\$32.82 million, of which approximately HK\$22 million will be used to finance the Proposed Acquisition and the balance of approximately HK\$10.82 million will be applied for either the general working capital purpose of the Group or for the settlement of outstanding capital commitment in relation to the organic fertilizer business of the Group. In the event that the Proposed Acquisition could not proceed, the HK\$22 million will be retained by the Company for future potential investment in the agricultural sector in the PRC.

Save for the Open Offer, the Company has not conducted any equity fund raising activity in the past twelve months immediately preceding the Latest Practicable Date.

Given the Company has been proactive in seeking investment opportunities for enhancing the scope of business of the Group, we consider it is prudent and reasonable for the Group to maintain a strong capital base while additional funding may be needed for acquisition of potential business and/or investment opportunities as they may arise from time to time. We are of the view that the Issue Mandate and the Extension Mandate could provide the Company with flexible financing option to raise additional capital for any future investment or as working capital of the Group and therefore is fair and reasonable.

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POTENTIAL DILUTION TO SHAREHOLDINGS OF THE PUBLIC SHAREHOLDERS

Set out below is a table showing the shareholding structure of the Company as at the Latest Practicable Date, and, for illustrative purpose, the potential dilution effect upon full utilization of the General Mandates, assuming completion of the Acquisition and no other Shares are issued and/or repurchased by the Company.

Shareholders	As at the Latest Practicable Date		Upon full utilization of the General Mandates	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders				
Manciple (<i>Note 1</i>)	268,508,238	20.18	268,508,238	16.82
Directors (<i>Note 2</i>)				
Mr. Yang	214,125,000	16.10	214,125,000	13.41
Mr. Pang	10,500,000	0.79	10,500,000	0.66
Mr. Ma	8,700,000	0.65	8,700,000	0.54
Mr. Mo	30,085,920	2.26	30,085,920	1.88
Ms. Au	22,500,000	1.69	22,500,000	1.41
<i>Sub-total</i>	<u>285,910,920</u>	<u>21.49</u>	<u>285,910,920</u>	<u>17.90</u>
Public:				
Other Public Shareholders	<u>775,955,922</u>	<u>58.33</u>	<u>775,955,922</u>	<u>48.61</u>
Shares to be issue under the General Mandates	<u>–</u>	<u>–</u>	<u>266,075,016</u>	<u>16.67</u>
	<u><u>1,330,375,080</u></u>	<u><u>100.00</u></u>	<u><u>1,596,450,096</u></u>	<u><u>100.00</u></u>

Notes:

- Manciple, a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Lau.
- Mr. Yang, Mr. Pang, Mr. Mo and Ms. Au are executive Directors. Mr. Ma is a non-executive Director.

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As illustrated in the table above, the aggregate shareholding of the existing public Shareholders will decrease from approximately 58.33% as at the Latest Practicable Date and/or immediately after the allotment and issue of the Offer Shares to approximately 48.61% after the allotment and issue of the Offer Shares and upon full utilization of the General Mandates, assuming no other Shares are issued and/or repurchased by the Company prior to the EGM.

Taking into account the benefits of the General Mandates as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution of shareholding to be acceptable.

TERMS OF THE GENERAL MANDATES

Shareholders should note that in view of the provisions and requirements under Rule 17.42 of the GEM Listing Rules, the Current General Mandates will be revoked upon approval at the EGM of the General Mandates which will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and (iii) the revocation or variation of the authority given under the relevant resolution to be proposed at the EGM by ordinary resolution of the Shareholders in general meeting. We are of the view that the terms of the General Mandates are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that the grant of the Issue Mandate and the Extension Mandate are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders and advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the General Mandates is utilized.

Yours faithfully,
For and on behalf of
Nuada Limited
Po Chan
Executive Director

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of securities from connected parties

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,330,375,080 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the EGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 133,037,508 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2006, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
December	0.113	0.107
2007		
January	0.143	0.105
February	0.193	0.130
March	0.260	0.127
April	0.220	0.193
May	0.213	0.181
June	0.220	0.180
July	0.210	0.170
August	0.200	0.127
September	0.180	0.147
October	0.197	0.140
November	0.203	0.168
December (up to the Latest Practicable Date)	0.183	0.140

6. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the EGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Mr. Lau (<i>Note 1</i>)	268,728,238	20.20%
Ms. Chan Yiu Kan Katie (<i>Note 1</i>)	268,728,238	20.20%
Manciple (<i>Note 1</i>)	268,728,238	20.20%
Mr. Yang (<i>Note 2</i>)	214,125,000	16.10%

Notes:

1. Manciple is wholly and beneficially owned by Mr. Lau. Manciple beneficially owns 268,728,238 Shares. Under the SFO, Mr. Lau is deemed to be interested in 268,728,238 Shares. Ms. Chan Yiu Kan Katie, the wife of Mr. Lau, is also deemed to be interested in 268,728,238 Shares.
2. Mr. Yang beneficially owns 214,125,000 Shares.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name	Percentage holding
Mr. Lau	21.79%
Ms. Chan Yiu Kan Katie	21.79%
Manciple	21.79%
Mr. Yang	17.36%

The Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

As at the Latest Practicable Date, no connected person (within the meaning ascribed to it in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares nor has such connected person undertaken not to sell any of the securities held by him to the Company in the event that the Repurchase Mandate is granted.

7. Shares repurchase made by the Company

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.



KANHAN TECHNOLOGIES GROUP LIMITED
看漢科技集團有限公司

(Proposed to be renamed as Shen Nong China (Group) Limited 神農中國(集團)有限公司)
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8175)

Notice is hereby given that an extraordinary general meeting (the “**Meeting**”) of KanHan Technologies Group Limited (the “**Company**”) will be held at 15th Floor, Sun House, 181 Des Voeux Road Central, Hong Kong on Wednesday, 16 January 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands being obtained, the name of the Company be and is hereby changed from “KANHAN TECHNOLOGIES GROUP LIMITED 看漢科技集團有限公司” to “Shen Nong China (Group) Limited 神農中國(集團)有限公司” with effect upon the date of the passing of this special resolution, and **THAT** the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things and execute all such documents as they consider necessary or expedient to give effect to the aforesaid change of name of the Company.”

ORDINARY RESOLUTIONS

2. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting (the “**AGM**”) of the Company held on 30 May 2007 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph 2(c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares (the “**Shares**”) of HK\$0.05 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph 2(a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph 2(a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph 2(a) shall be limited accordingly; and

(d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or

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having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

3. “**THAT**, to the extent not already exercised, the mandate granted to the Directors to exercise all the powers of the Company at the AGM be and is hereby revoked and replaced by the mandate **THAT**:
- (a) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph 3(a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph 3(a) shall be limited accordingly; and
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
4. “**THAT** conditional upon the passing of resolutions no. 2 and 3 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph 2(a) above in respect of the share capital of the Company referred to in sub-paragraph 2(c)(bb) above.”

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5. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of, the listing of and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted by written resolution of the Company on 24 January 2003 in the manner as set out in paragraph 5(a) below,
- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
 - (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the Board
KanHan Technologies Group Limited
Pang Hong Tao
Chairman

Hong Kong, 24 December 2007

Registered office:
Caledonian Bank & Trust Limited
Caledonian House
P.O. Box 1043
George Town
Grand Cayman
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
15/F., Sun House
181 Des Voeux Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the Company’s Hong Kong share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.