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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)

(Stock Code: 8175)

DELAY IN DESPATCH OF CIRCULAR
AND
DELAY IN ENTERING INTO THE FORMAL AGREEMENT

As additional time is required to prepare the financial information of the Target Group, the Company expects that the despatch of the Circular will be delayed from 5 March 2007 to on or before 31 March 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 31 March 2007.

As additional time is required for the negotiations between the parties in respect of the detailed terms to be contained in the Formal Agreement, it is expected that the Formal Agreement will be entered into between the Vendor and the Purchaser on or before 30 March 2007. Further announcement(s) in respect of the Formal Agreement will be made as and when appropriate.

Reference is made to the announcement (the "**Announcement**") of the Company dated 9 February 2007 in relation to the major transaction involving the acquisition of the entire equity interests in Silky Sky. Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Announcement.

Pursuant to Rule 19.38 of the GEM Listing Rules, the Company is required to despatch the circular (the "**Circular**") containing, among other things, details of the Proposed Acquisition and a notice of EGM to the Shareholders within 21 days after the publication of the Announcement, which shall be on or before 5 March 2007. As additional time is required to prepare the financial information of the Target Group, the Company expects that the despatch of the Circular will be delayed from 5 March 2007 to on or before 31 March 2007.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 19.38 of the GEM Listing Rules such that the despatch of the Circular is to be postponed to on or before 31 March 2007.

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By order of the Board
KANHAN TECHNOLOGIES GROUP LIMITED
Ma She Shing, Albert
Chairman

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Hong Kong, 2 March 2007

As at the date of this announcement, the executive Directors are Mr. Mo Wai Ming, Lawrence and Mr. Ma She Shing, Albert. The independent non-executive Directors are Mr. Hsu Shiu Foo, William, Mr. Lee Kun Hung and Mr. Kwok Chi Sun, Vincent.

This announcement, 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 Group. 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 remain on GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

*   *For identification purpose only*