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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)

(Stock Code: 8175)

LAPSE OF THE MEMORANDUM OF UNDERSTANDING REGARDING THE PROPOSED ACQUISITION

LAPSE OF THE PROPOSED ACQUISITION

Reference is made to the announcements of the Company dated 15 May 2006, 18 August 2006 and 1 December 2006 in relation to the entering into of the non-legally binding MOU and the subsequent extension of the long-stop date of the MOU regarding the proposed acquisition of the whole or part of equity interests held by the Vendor in Excel State, which holds 51% indirect interest in Shantou Jinshui Technology, by the Company. As no legally binding formal agreement has been entered into between the parties and the MOU has not been further extended by mutual agreement of the parties, the MOU had lapsed on 31 March 2007.

This announcement is made in accordance with Rule 17.10 of the GEM Listing Rules.

Reference is made to the announcements of the Company dated 15 May 2006, 18 August 2006 and 1 December 2006 (the “Announcements”) in relation to the entering into of the non-legally binding MOU and the subsequent extension of the long-stop date of the MOU regarding the proposed acquisition of the whole or part of equity interests held by the Vendor in Excel State, which holds 51% indirect interest in Shantou Jinshui Technology, by the Company. Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

As no legally binding formal agreement has been entered into between the parties and the MOU has not been further extended by mutual agreement of the parties, the MOU had lapsed on 31 March 2007. The earnest money of HK\$2,500,000 paid by the Company to the Vendor will be refunded to the Company in full (without interest) within three Business Days thereof.

This announcement is made in accordance with Rule 17.10 of the GEM Listing Rules.

By order of the Board
KanHan Technologies Group Limited
Ma She Shing Albert
Chairman

Hong Kong, 2 April 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 the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at www.kanhan.com.

* *for identification purpose only*