

Quarterly Results announcement form

Name of listed company : GP NanoTechnology Group Limited

Stock code : 8152

Year end date : 31/12/2001

This result announcement form only contains extracted information from and should be read in conjunction with the detailed results announcement of the issuer, which can be viewed on the GEM website at <http://www.hkgem.com>

	(Unaudited)	(Unaudited)
	Current Period (dd/mm/yyyy)	Last Corresponding Period (dd/mm/yyyy)
	from 01/01/2001	from 01/01/2000
	to 30/09/2001	to 30/09/2000
	HK\$'000	HK\$'000
Turnover	58,214	54,811
Profit/(Loss) from Operations	14,260	15,285
Finance cost	-2,030	-2,105
Share of Profit/(Loss) of Associates	0	0
Share of Profit/(Loss) of Jointly Controlled Entities	0	0
Profit/(Loss) after Taxation & MI	10,162	11,383
% Change Over the Last Period	-10.73	%
EPS / (LPS) - Basic	2.03 cents	2.28 cents
- Diluted	N/A	N/A
Extraordinary (ETD) Gain/(Loss)	0	0
Profit (Loss) after ETD Items	10,162	11,383
3rd Quarter Dividend per Share (specify if with other options)	Nil N/A	Nil N/A
B/C Dates for 3rd Quarter Dividend Payable Date	N/A N/A	N/A N/A
B/C Dates for AGM/SGM	N/A	N/A
Other Distribution for Current Period	Nil	
B/C Dates for Other Distribution	N/A	N/A
		(bdi: both days inclusive)

Remarks :

For and on behalf of
GP NanoTechnology Group Limited

Signature :

Name :

Title :

Chow Chun Kwong

Executive Director

Responsibility statement

The directors of the Company (the "Directors") as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this results announcement form (the "Information") and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief the Information are accurate and complete in all material respects and not misleading and that there are no other matters the omission of which would make the Information herein inaccurate or misleading. The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

1. Basis of preparation

The Company was incorporated as a limited company in Bermuda under the Companies Act 1981 of Bermuda on 17 July 2000 with its shares listed on the Growth Enterprise Market of The Stock Exchange on 17 July 2001. Pursuant to a group reorganisation (the ''Reorganisation'') in preparation for the listing of the Company's shares on GEM, the Company became the ultimate holding company of the Group on 17 April 2001. Details of the Reorganisation are set out in the Prospectus of the Company dated 9 July 2001. The results of the Group comprise the results of all companies now comprising the Group using the merger basis of accounting as if the current group structure had been in existence since 1 January 2000, and where applicable, from their respective dates of incorporation or acquisition by the Group, whichever is later.

All significant intra-group transactions and balances have been eliminated on consolidation.

The principal accounting policies adopted in preparing the unaudited consolidated results conform with accounting principles generally accepted in Hong Kong.

2. Turnover

Turnover represents the net amounts received and receivable for goods sold, less returns and allowances by the Group to outside customers during the nine months ended 30 September 2001.

3. Taxation

Pursuant to the relevant laws and regulations in the People's Republic of China (the ''PRC''), the Company's subsidiary in PRC is entitled to exemption from PRC enterprise income tax for two years commencing from year ended 31 December 1998, followed by a 50% reduction for the next three years. The charge for the nine months ended 30 September 2001 and the nine months ended 30 September 2000 represents provision for PRC enterprise income tax at the reduced rate of 12% on the estimated assessable profit of the Company's subsidiary in PRC.

Companies in the Group are not subject to tax in other jurisdictions.

There was no significant unprovided deferred taxation during the nine months ended 30 September 2001.

4. Earnings per share

The calculation of the basic earnings per share for each of the three months ended 30 September 2001 and nine months ended 30 September 2001 is based on the respective unaudited consolidated profit attributable to shareholders of approximately HK\$3,075,000 and approximately HK\$10,162,000 (2000: approximately HK\$3,037,000 and approximately HK\$11,383,000) and a total of 500,000,000 shares issued on the establishment of the Company and on the Reorganisation of the Group is deemed to have been in issue since 1 January 2000. Diluted earnings per share is not presented because there was no dilutive potential ordinary shares in existence during the nine months ended 30 September 2001.

5. Movement in reserves

In July 2001, 68,000,000 shares of HK\$0.10 each were issued to the public at a premium of HK\$0.70 per share (the 'New Issue') and 45,000,000 shares of HK\$0.10 each were issued to a strategic investor at a premium of HK\$0.46 each. The excess of the issue price over the par value of the shares issued, net of share issuance expenditure, amounting to approximately HK\$54 million has been credited to the share premium account of the Company. Immediately after the New Issue, an amount of HK\$31,475,000 be capitalized and applied to pay up in full at par a total of 314,750,000 shares of HK\$0.10 each for allotment and issue to holders of the Company's shares whose names appear on the register of members of the Company as at the close of business on 29 June 2001 in proportion to their then existing shareholdings in the Company.

There was no movement in reserves for the nine months ended 30 September 2001.