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OFFER ANNOUNCEMENT

Right Field Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)

**Voluntary Conditional Cash Offer by
Yu Ming Investment Management Limited on behalf of
Right Field Holdings Limited to acquire all the shares in the
issued share capital of GP NanoTechnology Group Limited**

Financial Adviser to Right Field Holdings Limited



Yu Ming Investment Management Limited

The Offer

On 19th August, 2003 Yu Ming informed the GP Board of its intention to make a voluntary conditional cash offer on behalf of the Offeror, to acquire all the Shares in the issued share capital of the Company at the Offer Price of HK\$0.01 per Share.

The Offer Price

The Offer Price represents (i) a discount of approximately 72.22 per cent. to the closing price of HK\$0.036 per Share on 6th August, 2003, being the last trading day in respect of the Shares prior to the day the GP Board was informed of the intended Offer; and (ii) a discount of approximately 75.31 per cent. to the average closing price of HK\$0.0405 per Share for the period of 10 trading days ended 6th August, 2003.

Offer for Options

The Offeror will offer in the Offer document to acquire all outstanding rights to subscribe for Shares as at the date of the Offer, if any, at a price of HK\$0.001 per right that entitles its holder to subscribe for one Share, on the condition that the Offer becomes unconditional. Based on the information as disclosed in the latest published financial report of the Company, there were no outstanding rights to subscribe for Shares as at 30th June, 2003.

Condition of the Offer

The Offer will be subject to and conditional upon the Offeror having received acceptances in respect of Shares which, together with Shares held or acquired or agreed to be acquired before or during the Offer, will result in the Offeror and persons acting in concert with it holding more than 50 per cent. of the voting rights of the Company.

General

As at the date of this announcement, the Offeror and/or parties acting in concert with it have no interest or options in or rights to acquire any Shares and it has not dealt in any Shares within the six months prior to 19th August, 2003, the date on which the Offer was first communicated to the GP Board. The Offeror is independent from, not connected with and not acting in concert with any of the substantial shareholders, chief executive or directors of the Company and any of its subsidiaries or their respective associates.

The Offeror is required to despatch an Offer document setting out the terms and other details of the Offer, together with acceptance and transfer forms, within 21 days from the date of this announcement.

INTRODUCTION

Yu Ming, on behalf of the Offeror, informed the GP Board on 19th August, 2003 of its intention to make the Offer, to acquire all the Shares of HK\$0.10 each in the issued share capital of the Company at the Offer Price of HK\$0.01 per Share.

THE OFFER

The Offer will be made in compliance with the Code and on the following basis:

For each Share HK\$0.01 in cash

The Offeror will undertake in the Offer document to acquire all outstanding rights to subscribe for Shares at a price of HK\$0.001 per right that entitles its holder to subscribe for one Share, on the condition that the Offer becomes unconditional. Based on the information disclosed in the latest published financial report, which contains the latest published unaudited financial statements of the Company as at 30th June, 2003, there were no outstanding rights to subscribe for Shares as at 30th June, 2003.

The Offer Price

The Offer Price of HK\$0.01 per Share represents (i) a discount of approximately 72.22 per cent. to the closing price of HK\$0.036 per Share on 6th August, 2003, being the last trading day prior to the day the GP Board was informed of the intended Offer; and (ii) a discount of approximately 75.31 per cent. to the average closing price of HK\$0.0405 per Share for the period of 10 trading days ended 6th August, 2003. The Offer Price also represents a discount of approximately 91.27 per cent. to the unaudited consolidated net asset value per Share of approximately HK\$0.1146 as at 30th June, 2003, or 95.80 per cent. to the audited consolidated net asset value per Share of approximately HK\$0.2379 as at 31st December, 2002, the date of the latest published audited financial statements of the Company. The Offer Price was arrived at after taking into account the financial conditions of the Company.

Condition of the Offer

The Offer will be subject to and conditional upon the Offeror having received acceptances in respect of Shares which, together with Shares held or acquired or agreed to be acquired by it and persons acting in concert with it before or during the Offer, will result in the Offeror and persons acting in concert with it holding more than 50 per cent. of the voting rights of the Company.

The Offeror and its Interest in the Shares

The Offeror is a private company incorporated in British Virgin Islands with limited liability. It is wholly owned by Mr. Xiang Xin. The Offeror has carried on no activities prior to making of the Offer and will not carry on any business other than the making of the Offer and holding of its interest in the Shares tendered under the Offer, on and subject to the terms of the Offer.

Mr. Xiang Xin is an executive director of Sino Technology Investments Company Limited, an investment company listed on the Stock Exchange under Chapter 21 of the Listing Rules. Mr. Xiang has served in several big corporations in China and is experienced in technology project management, corporate restructuring and corporate strategy.

As at the date of this announcement, the Offeror and/or parties acting in concert with it has no interest or options in or rights to acquire any Shares, and has not dealt in any Shares within the six months prior to 19th August, 2003, the date on which the Offer was first communicated to the GP Board. The Offeror is also independent from, not connected with and not acting in concert with any of the substantial shareholders, chief executive or directors of the Company and any of its subsidiaries or their respective associates.

Neither the Offeror nor any person acting in concert with it has any irrevocable commitment from any Shareholder to accept the Offer.

Total Consideration

According to public information, as at the date of this announcement the total number of Shares is approximately 500 million. In the event that all the Shareholders accept the Offer, the total consideration of the Offer will be approximately HK\$5 million based on the Offer Price of HK\$0.01 per Share. Yu Ming has been engaged by the Offeror as its financial adviser in respect of the Offer and to make the Offer on behalf of the Offeror. Yu Ming confirms that it is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptance of the Offer.

Terms of the Offer

The Shares will be acquired free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights of any nature and together with all rights attaching to them, including the right to received in full all dividends and other distributions, if any, declared, made or paid on or after the date of this announcement.

Payment

Payment in cash in respect of acceptances of the Offer will be made by the Offeror to the Accepting Shareholders as soon as possible but in any event within ten days of the later of the date on which the Offer becomes or is declared unconditional and the date of receipt of a duly completed acceptance.

Stamp Duty

Sellers' ad valorem stamp duty for the Shares registered on the Hong Kong branch register arising in connection with acceptances of the Offer will be payable by each Shareholder at the rate of HK\$1 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such Shareholder's Shares and will be deducted from the cash amount due to such Shareholder under the Offer.

OFFEROR'S INTENTION IN RELATION TO THE COMPANY

Directors and Management

Subject to the provision of the Code, the Offeror will request the GP Board to appoint, once the Offer becomes unconditional, such persons as may be nominated by the Offeror to become Directors, and will request all incumbent Directors of the Company to resign immediately thereafter.

Save for the proposed changes to the GP Board, the Offeror has no concrete plans for any substantial change to the existing management and staff structure of the Company.

Business of the Group

According to the listing prospectus of the Company dated 9th July, 2001, *the Group "is principally engaged in the manufacture and sale of nanomaterials for use as fillers in different industrial applications such as the manufacturing of plastics and rubber products. PCC (Precipitated Calcium Carbonate) nanomaterials manufactured by the Group are processed from limestone which are widely found in many parts of the world and consist of particles in the near-atom size range. The core technology employed by the Group in the manufacture of PCC nanomaterials is to reduce the size of the particles of the raw materials to the size of nanoscale.... The Group also commenced its production of ceramic fine powder in February 2000 and subsequently launched it in the PRC market in March 2000."*

The Offeror has no intention to change the business of the Group.

Future Investments

The Offeror has no intention to inject any assets into the Company. In the event that the Offeror is to cause the Company to acquire or dispose of any material assets, the acquisitions or disposals will be made by the Company in full compliance with the GEM Listing Rules.

REASONS OF THE OFFER

The profitability of the Group has been deteriorating rapidly since listing in 2001. The Group reported a net profit of HK\$11.25 million for financial year 2001, prior to the listing of the Group. Nevertheless, the Group has run up HK\$54.5 million of losses for the 18 months ended 30th June 2003.

The cash position of the Group also deteriorated. At the financial year end of 2001, the Group had consolidated cash balance of HK\$15.2 million, which decreased to HK\$1.998 million at the financial year end of 2002, and further fell to HK\$0.943 million as at 30th June, 2003.

The Offeror hopes to take over the Company and change its management. The Offeror will investigate the reason for the deterioration and make an attempt to recuperate its profitability and liquidity.

GENERAL

Pursuant to the Code, the Company is required to (i) form an independent board committee to consider the Offer and report to the Shareholders on the Offer; and (ii) appoint an independent financial adviser to advise the independent board committee regarding the Offer.

The Offeror will use all reasonable endeavours to cause the Offer document containing, inter alia, the terms of the Offer to be despatched to Shareholders within 21 days from the date of this announcement. Pursuant to the Code, the Company is required to despatch the offeree document containing, inter alia, the advice from the independent board committee and the independent financial adviser to Shareholders within 14 days after the posting of the Offer document.

DEFINITIONS

In this announcement the terms set out below are used with the meanings set opposite them.

“Accepting Shareholders”	Shareholders who accept the Offer
“Code”	the Code on Takeovers and Mergers
“Company”	GP NanoTechnology Group Limited, a company incorporated in Bermuda and listed on the GEM of the Stock Exchange
“Directors”	the directors of the Company
“GP Board”	the board of Directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the voluntary conditional cash offer to acquire all the Shares in the entire issued share capital of the Company at the Offer Price of which the Offeror informed the GP Board on 19th August, 2003
“Offeror”	Right Field Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Xiang Xin
“Offer Price”	HK\$0.01 per Share
“Share(s)”	share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of the Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Yu Ming” Yu Ming Investment Management Limited

By Order of the Board
RIGHT FIELD HOLDINGS LIMITED

Xiang Xin

Director

Hong Kong, 20 August, 2003

The sole director, Mr. Xiang Xin of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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.