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GP NanoTechnology Group Limited

廣平納米科技集團有限公司*

(Incorporated in Bermuda with limited liability)

UNSOLICITED VOLUNTARY CONDITONAL CASH OFFER

BY

YU MING INVESTMENT MANAGEMENT LIMITED

ON BEHALF OF

RIGHT FIELD HOLDINGS LIMITED

**TO ACQUIRE ALL THE SHARES IN THE ISSUED SHARE CAPTIAL OF
GP NANOTECHNOLOGY GROUP LIMITED**

Failure in despatch of offeree board circular on time

Reference is made to the announcements of the Company of 20th August, 2003 and 22nd September, 2003 and the Offer Document issued by the Offeror on 10th September, 2003.

Pursuant to Rule 8.4 of the Takeover Code, the Company is required to despatch to its Shareholders an Offeree Circular within 14 days after the Offeror has issued the Offer Document. In other words, the Offeree Circular is required to be released on or before the Despatch Deadline of 24th September, 2003.

Despite the best efforts of the Board, the Company is unable to release the Offeree Circular on or before the Despatch Deadline.

As the failure to despatch the Offeree Circular by the Despatch Deadline constitutes a breach of the Takeover Code, the Executive reserves the right to take appropriate disciplinary measures against the Company in this regard.

The Board is using its best efforts to despatch the Offeree Circular as soon as possible with an aim to allow the Shareholders sufficient time to make an informed decision regarding the Offer.

Reference is made to the announcements of the Company dated 20th August, 2003 and 22nd September, 2003 and the document issued by the Offeror on 10th September, 2003 regarding, among other things, the details of the Offer (the "**Offer Document**") and terms herein shall have the same meanings as ascribed to them in the said announcements and Offer Document, unless the context otherwise requires.

Pursuant to Rule 8.4 of the Takeover Code, the Company is required to despatch to its Shareholders, within 14 days after the Offeror has issued the Offer Document, a circular setting out, among other things, the views and recommendations of the Board and the advice of the independent financial adviser to the Company in respect of the Offer (the "**Offeree Circular**").

Given the Offer Document was dispatched on 10th September, 2003, the Offeree Circular is required to be issued on or before 24th September, 2003 (the "**Despatch Deadline**").

As the independent valuation report and supporting legal opinion on the properties of the Group and the letter of recommendation from the independent financial adviser require more time to prepare and all of which are required for the purposes of preparing the Offeree Circular, such materials cannot be obtained within the Despatch Deadline to be reflected or incorporated in the Offeree Circular.

The Company has applied to the Executive for his consent to extend the Despatch Deadline. According to the Offer Document, the first closing date of the Offer is set to be 8th October, 2003. In accordance with Rule 8.4 of the Takeover Code, consent of the Executive in granting an extension of the Despatch Deadline is contingent upon, among other things, the Offeror agreeing to defer the first closing date of the Offer by the number of business days taken by the extension.

On 23rd September, 2003, the Board was informed by Yu Ming Investment Management Limited, the financial adviser to the Offeror, that the Offeror has decided not to accept the Board's request for a 14 days extension of the Despatch Deadline. In furtherance to the above, the Board was informed by the Executive that its request for extension has been declined as there was no explicit agreement from the Offeror to extend the first closing date of the Offer.

Notwithstanding such development, the Board has redoubled its efforts in dispatching the Offeree Circular as soon as possible with an aim to enable the Shareholders sufficient time to make an informed decision regarding the Offer, taking into consideration the recommendation of the Board and advice of the independent financial adviser in respect thereof as will be set out in the Offeree Circular to be despatched at the earliest possible date.

As the failure to despatch the Offeree Circular by the Despatch Deadline constitutes a breach of the Takeover Code, the Executive reserves the right to take appropriate disciplinary measures against the Company in this regard.

By Order of the Board

Fung Chiu

Chairman

Hong Kong, 24th September, 2003

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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.

The information relating to the Offer and the Offeror has been extracted from or based on the Offer Document. The only responsibility accepted jointly and severally by the Directors in respect of the information relating to the Offer and the Offeror is for the correctness and fairness of its reproduction from the Offer Document.

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 and on the website of the Company.

** For identification purpose only.*