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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)*

**BUSINESS UPDATES**

**Summary**

This announcement is made to update certain information contained in the Company's announcement dated 29 October 2003 in relation to a formal demand for the Loan in the sum of HK\$4 million obtained from a finance company.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made to update certain information contained in the Company's announcement dated 29 October 2003 (the "**Announcement**"), in particular in relation to a loan (the "**Loan**") for the sum of HK\$4 million obtained from a finance company for a term of 3 months repayable on 1 December 2003.

As disclosed in the Company's announcement dated 29 October 2003, the Company had received a formal letter of demand issued by the finance company (the "**Creditor**") demanding repayment of the Loan by 5:00pm on today. Today, the Company had received a letter from Right Field Holdings Limited ("**Right Field**"), being the offeror of the unsolicited voluntary conditional cash offer as disclosed in the Company's announcement dated 20 August 2003, in expressing its keen interest to refinance the Loan on the same terms offered by the Creditor.

The Company is considering the refinance offer of Right Field and is seeking further details from Right Field in relation to the specific manner by which it is prepared to refinance the Loan. Meanwhile, the Company is still negotiating with the Creditor to extend the tenor of the Loan on a defer payment scheme as well as exploring other alternatives of meeting the demand of the Creditor including the possibility of converting the Loan into equity of the Company. As at 5:00pm, the Company has not met the demand of the Creditor and no agreement has yet been

reached with the Creditor.

The Directors confirm that there is no other material information to be brought to the attention of the shareholders. Further announcement will be made to update the progress on the negotiation of the extension of the Loan.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board

**Fung Chiu**

*Chairman*

Hong Kong, 30 October 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.*

*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 at [www.gpnano.com](http://www.gpnano.com).*

*\* For identification purpose only*