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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 30 October 2003 in relation to a formal demand for the Loan in the sum of HK\$4 million obtained from a finance company.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 August 2003. Trading of shares remain suspended. An announcement with further details will be made.

This announcement is made to update certain information contained in the Company's announcement dated 30 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 30 October 2003. Meanwhile, the Company is still negotiating with the Creditor to extend the tenor of the Loan (which is not guaranteed by any shareholder) on a defer payment scheme. On 31 October 2003, 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 following terms:

Description	Terms
Loan Amount:	HK\$4,000,000
Interest Rate:	10% per annum payable monthly in arrears
Purpose:	To repay the loan due to the finance company
Repayment:	6 months from the date of drawdown

Event of Default:	Default to pay interests or principal of this loan when due, or other obligations of the Company when due
Director Nomination:	Such number of directors representing a majority of the board of the Company to be appointed immediately after the offer becomes unconditional or lapses
Availability:	Subject to contract before 10 th November, 2003

Meanwhile, the Company is considering the refinance offer of Right Field as well as exploring other alternatives of meeting the demand of the Creditor including the possibility of converting the Loan of the Creditor into equity of the Company. As at the time of this announcement, 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.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 August 2003. Trading of shares remain suspended. An announcement with further details will be made.

By Order of the Board
Fung Chiu
Chairman

Hong Kong, 5 November 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.

** For identification purpose only*