

Each of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“Hongkong Clearing”) takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in GP NanoTechnology Group Limited.



GP NanoTechnology Group Limited

廣平納米科技集團有限公司*

(incorporated in Bermuda with limited liability)

**LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

**Number of Placing Shares : 100,000,000 Shares, comprising
68,000,000 New Shares,
and 32,000,000 Sale Shares
(subject to Over-allotment Option)**

Placing Price : HK\$0.80 per Placing Share

Nominal Value : HK\$0.10 each

Stock Code : 8152

Sponsor and Lead Manager



Shenyin Wanguo Capital (H.K.) Limited

Underwriters

**Shenyin Wanguo Capital (H.K.) Limited
First Shanghai Capital Limited**

**Guotai Junan Securities (Hong Kong) Limited
Phoenix Capital Securities Limited**

SUMMARY

- The 100,000,000 Placing Shares initially available under the Placing were approximately 7.06 times subscribed and have been conditionally allocated to 333 placees.
- The Company will have a public float of approximately 20% of its issued share capital following the completion of the Placing, the Capitalisation Issue and the issue of Conversion Shares (before the exercise of the Over-allotment Option).
- The Company has granted to Shenyin Wanguo (on behalf of the Underwriters) the Over-allotment Option to require the Company to issue and allot at the Placing Price up to an aggregate of 15,000,000 additional Shares, representing 15% of the Shares initially available under the Placing. Up to the date of this announcement, the Over-allotment Option has not been exercised. If the Over-allotment Option is exercised, an announcement will be made on the GEM website.
- Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Tuesday, 17th July, 2001

This announcement is further to the formal notice of the Company dated 9th July, 2001. Unless otherwise defined herein, the terms used in this announcement have the same meanings as in the prospectus of GP NanoTechnology Group Limited (“the Company”) dated 9th July, 2001 (the “Prospectus”).

LEVEL OF INTEREST

The 100,000,000 Placing Shares were approximately 7.06 times subscribed and have been conditionally allocated to 333 professional, institutional and other investors.

100,000,000 Shares have been conditionally allocated to a total of 333 placees as follows:

Number of Shares	Number of Placees
5,000 to 20,000	129
20,001 to 50,000	100
50,001 to 100,000	45
100,001 to 200,000	16
200,001 to 500,000	10
500,001 to 1,000,000	15
1,000,001 to 2,000,000	5
2,000,001 to 5,000,000	10
5,000,001 to 10,000,000	3
Total	<u>333</u>

All placees are independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates, save for (i) a total of 1,500,000 Placing Shares, representing 1.5% of the 100,000,000 Placing Shares and 0.3% of the issued share capital of the Company after the listing of the Company on GEM (before the exercise of the Over-allotment Option), have been placed to Shenyin Wanguo Strategic (H.K.) Limited, a fellow subsidiary of the Sponsor; and (ii) a total of 40,000 Placing Shares, representing 0.04% of the 100,000,000 Placing Shares and 0.008% of the issued share capital of the Company after the listing of the Company on GEM (before the exercise of the Over-allotment Option), have been placed to Pacific Phoenix Investment Management Limited, an indirect fellow subsidiary of Phoenix Capital Securities Limited, one of the underwriters of the Placing. Save as mentioned above, none of the Placing Shares have been placed to any party or group of persons as specified under Rule 10.12(4) of the GEM Listing Rules.

Of the total of 100,000,000 Shares, a total of 10,000,000 and 55,500,000 Placing Shares have been conditionally allocated to the largest and the ten largest placees respectively, representing approximately 10% and approximately 55.5% of the total number of Shares initially available under the Placing respectively, or approximately 2% and approximately 11.1% of the enlarged issued share capital of the Company immediately after completion of the Placing, the Capitalisation Issue and the issue of the Conversion Shares (before the exercise of the Over-allotment Option).

The investors should be aware that the concentration of shareholders may affect the liquidity of the Shares. The shareholders and potential investors are advised to exercise extreme caution in dealing with the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

According to the GEM Listing Rules, the Company is required to maintain a public float of not less than 20% of its issued share capital from time to time after the listing of the Company on GEM. Immediately following the completion of Placing, the Capitalisation Issue and the issue of the Conversion Shares (before the exercise of the Over-allotment Option), the Company will have a public float of 20% of its issued share capital. If the Over-allotment Option is exercised in full, the total Placing Shares issued will represent approximately 22.3% of the enlarged issued share capital of the Company immediately after completion of the Placing, the Capitalisation Issue, the issue of the Conversion Shares and full exercise of the Over-allotment Option.

DEPOSIT OF SHARE CERTIFICATE INTO CCASS

The share certificates in respect of the Placing Shares are expected to be deposited into CCASS for credit to the respective CCASS participants' stock accounts of the relevant Underwriters and/or placing agents, the CCASS investor participants' stock accounts or the designated CCASS participants' stock accounts of the placees on 16th July, 2001.

OVER-ALLOTMENT OPTION

The Company has granted to Shenyin Wanguo (on behalf of the Underwriters) the Over-allotment Option, exercisable at any time and from time to time within 30 days from 9th July, 2001, to require the Company to issue and allot at the Placing Price up to an aggregate

of 15,000,000 additional Shares, representing 15% of the Placing Shares initially available under the Placing, to cover over-allocations in the Placing, if any. Up to the date of this announcement, the Over-allotment Option has not been exercised. Should the Over-allotment Option be exercised, an announcement will be made.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 10:00 a.m. on Tuesday, 17th July, 2001.

By order of the Board
GP NanoTechnology Group Limited
Ong Hong Hoon
Chief Executive

Hong Kong, 12th July, 2001

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 and a copy of the Prospectus will remain on the GEM website at www.hkgem.com from the date of posting.

** For the purpose of identification only*

** For identification purposes only*