

**GP NANOTECHNOLOGY GROUP LTD:  
THIS IS A COMPANY, PRIME FOR THE SCRAP HEAP**

Another company, listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, appears to be a candidate, ready for the scrap heap.

The GEM company is [GP NanoTechnology Group Ltd](#) (Code: 8152).

It must be true that, when a publicly listed company cannot even pay its Annual Listing Fee to the exchange on which its shares are quoted, then, it is fair to state that that publicly listed company is in dire financial straits.

According to The Stock Exchange of Hongkong Ltd, it is owed \$HK150,000 by GP NanoTechnology in respect of the Annual Listing Fee for the 2004-Year.

According to The Stock Exchange of Hongkong Ltd, a debit note was allegedly sent to GP NanoTechnology on December 23, 2003, but, to date, no money has been forthcoming from the publicly listed company.

On October 27, 2004, GP NanoTechnology announced the resignation of its joint auditors, Messrs Deloitte Touche Tohmatsu and KLL Associate CPA Ltd, an event, which had occurred more than one month prior, on or about September 14, 2004.

It, still, has not appointed a replacement auditor.

The reason, given by Management of GP NanoTechnology for the resignation of the joint auditors was *'due to the fact that the Company could not reach an agreement with Deloitte and KLL on the audit fees for FY (Financial Year) 2003. The Company has accepted the resignation of the Deloitte and KLL for audit fee competitiveness reason, which is in line with the Company's policy to control and reduce operation costs ...'*.

Either by accident or design, the resignation of the joint auditors gave Management of GP NanoTechnology more time to consider what to release in respect of the results of the company for Financial Year, ended December 31, 2003, and the 2 quarterly reports for the periods, ended March 31, 2004, and June 30, 2004.

The last time that the company informed shareholders as to its financial situation was on March 11, 2004, when Management produced its results for the 9 months, ended September 30, 2003.

In that report, Management stated that, on a Turnover of about \$HK30.49 million, the Net Loss Attributable to Shareholders was about \$HK48.93 million.

That result compared poorly with the like period in 2002 when the Bottom Line came in at about \$HK7.86 million on a Turnover of about \$HK58.25 million.

For the quarter, ended September 30, 2003, only, the Turnover was about \$HK10.92 million, a drop of about 35 percent, Year-on-Year, with the Net Loss Attributable to Shareholders, being about \$HK1.91 million.

That compared with a Net Profit Attributable to Shareholders of about \$HK705,000 for the like period in 2002.

Following on from this report, on May 13, 2004, the company put out an announcement, stating that Mr Stephen Chiang Chi Kin, an Executive Director, had tendered his resignation with effect from May 12, 2004 – one day earlier.

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