

## FORM 8K

---

1-Aug-2007

### GUANGZHOU GLOBAL TELECOM RAISES \$3mm in PIPE FINANCING

#### Item 1.01. Entry into a Material Definitive Agreement.

On July 31, 2007, Guangzhou Global Telecom, Inc., a Florida corporation, (the "Company"), entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with the following three investors: Enable Growth Partners LP, Pierce Diversified Strategy Master Fund LLC, and Enable Opportunity Partners LP (collectively, the "Investors"). The aggregate purchase price was \$3,000,000, and the investment was as follows:

\* Common Stock Purchase Warrants (the "Warrants") to purchase 2,090,592 shares of the Company's common stock at a price of \$1.12 per share, subject to adjustment, exercisable for a period of five years. The Warrants may also be exercised on a "cashless" basis if at any time after one year from the closing of the Purchase Agreement, there is no effective registration statement, or no current prospectus available for, the resale of the shares underlying the Warrants (the "Warrant Shares")

\* Senior Secured Convertible Debentures (the "Debentures") for up to \$3,428,571, with an annual interest rate of 8%. The Debentures will be convertible at the option of the holder at any time into shares of common stock, at an initial conversion price equal to \$.82.

The First Closing shall be for up to, in the aggregate, \$2,285,714 Principal Amount of Debentures (or an aggregate purchase price of \$2,000,000) and shall occur on, or as soon as reasonably practicable following, the date hereof upon receipt of all the closing documents by the Investors' legal counsel. The Second Closing shall be for up to, in the aggregate, \$1,142,857 Principal Amount of Debentures (or an aggregate of \$1,000,000) and shall occur on, or as soon as reasonably practicable following the effectiveness of the Registration Statement filed by the Company for this transaction..

Other than their relationship as a result of the subscription agreement executed by the Investors for their investment referred to hereinabove, there is no material relationship between the Company and any of the Investors.

Also on July 31, 2007, the Company executed a Registration Rights Agreement, which requires the Company to file a Registration Statement registering:

- \* all of the shares of Company common stock issuable upon conversion in full of the Debentures;
- \* the Common Stock issuable upon exercise of the Warrants;
- \* the Common Stock issued to the Investors in payment of interest within 30 calendar days after the closing date.

---

The Registration Statement must be filed not later than 30 days after the date of the Registration Rights Agreement and be declared effective not later than 90 days after the date thereof (or 120 days in the event of a "full review" by the Securities and Exchange Commission). In the event that either of these deadlines has not been met, the Company is to pay to each of the Investors liquidated damages equal to two percent of the purchase price paid by such Investor on each monthly anniversary for the first six months, decreasing to one percent on each monthly anniversary thereafter until such event is cured.

The Company intends to comply fully with its registration obligations under the Registration Rights Agreement. The Company believes that it will be able to meet the deadlines with respect to the filing date and the effective date, but it can not provide any assurance in this regard. If the Company were to default on any of its registration obligations, the proceeds available to it under the Securities Purchase Agreement could be substantially reduced.

The description of the terms of this transaction and the documents referenced hereinabove are qualified by the terms of the actual documents which are contained in the exhibits filed hereto.

### **Item 3.02. Unregistered Sales of Equity Securities**

**See Item 1.01 of this Current Report.**

Upon closing of the above-referenced transactions, we believe that the offer and sale of these securities will be exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Sections 4(2) and 4(6) thereof, and Rule 506 of Regulation D of the Securities and Exchange Commission and from various similar state exemptions. In connection with the sale of these securities, the Company relied on each of the Investors' written representations that it was either an "accredited investor" as defined in Rule 501(a) of the Securities and Exchange Commission or a "qualified institutional buyer" as

defined in Rule 144A(a). In addition, neither the Company nor anyone acting on its behalf offered or sold these securities by any form of general solicitation or general advertising.

**Item 9.01. Financial Statements, Pro Forma Financial Information and Exhibits.**

(a) Financial Statements of Businesses Acquired.

None; not applicable.

(b) Pro Forma Financial Information.

None; not applicable.

(c) Exhibits.

Exhibit

Number Description

10.1 Securities Purchase Agreement

10.2 Registration Rights Agreement

10.3 Subsidiary Guarantee

10.4 Security Agreement

10.5 Senior Secured Convertible Debenture

10.6 Common Stock Purchase Warrant