

GUANGZHOU GLOBAL TELECOM RAISES \$1mm in SECOND ROUND PIPE FINANCING

On July 31, 2007 (the "Issuance Date"), we entered into a Securities Purchase Agreement with Enable Growth Partners LP, Pierce Diversified Strategy Master Fund LLC, and Enable Opportunity Partners LP (individually, the "Investor" and collectively, the "Investors"), whereby the Investors committed to purchase (i) \$3,000,000 in Callable Secured Convertible Notes (the "Notes") with a principal amount aggregating \$3,428,571 based on an original issue discount of 12.5% and (ii) warrants to purchase 2,090,582 shares of our common stock (the "Warrants").

In conjunction with the Securities Purchase Agreement entered into with the Investors, on February 21, 2008, we entered into an Amendment Agreement (the "Amendment Agreement") with the Investors whereby we amended the conversion price of the Notes to \$0.28 and the exercise price of the Warrants to \$0.28. Secondly, pursuant to the terms of the Amendment Agreement, each Investor, severally and not jointly with the other Investor, waived the condition to the Second Closing as defined within the Securities Purchase Agreement that the Registration Statement be declared effective by February 1, 2008, provided that a Registration Statement registering 130% of the Registrable Securities (as defined in the Registration Rights Agreement) has been declared effective prior to the date hereof and shall have thereafter remained effective through and including the date of the Second Closing, as defined within the Securities Purchase Agreement.

Additionally, in conjunction with Amendment Agreement and the effectiveness of our Registration Statement on Form SB-2 on February 4, 2008, the Investors funded the Second Closing, as defined within the Securities Purchase Agreement with a purchase of \$1,000,000, which principally aggregates to the amount of \$1,142,857 based on an original issue discount of 12.5%.

Midtown Partners & Co. LLC acted as the placement agent for this financing. They will receive 11% of the aggregate purchase price and 10% of the warrants issued to the Investors, or 836,236 warrants.

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.

