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## **GRANDTOP INTERNATIONAL HOLDINGS LIMITED**

**泓鋒國際控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2309)**

### **OPEN OFFER OF 192,000,000 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE AND RESUMPTION OF TRADING**

**Financial adviser to Grandtop International Holdings Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

**Underwriter to the Open Offer**



**KINGSTON SECURITIES LIMITED**

#### **OPEN OFFER**

The Company proposes to raise approximately HK\$38.4 million, before expenses, by issuing 192,000,000 Offer Shares at a price of HK\$0.20 per Offer Share by way of Open Offer, on the basis of one Offer Share for every two Shares held on the Record Date and payable in full on acceptance.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:00 p.m. on Friday, 11 May 2007 and the Shareholders are not Excluded Shareholders. The register of members of the Company will be closed from Monday, 14 May 2007 to Wednesday, 16 May 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a fully underwritten basis, all the Offer Shares not being taken up (excluding the Offer Shares undertaken to be taken up by Premier Rise pursuant to the Irrevocable Undertaking).

The estimated net proceeds from the Open Offer will be approximately HK\$37.0 million (net of expenses of approximately HK\$1.8 million). The Board intends to apply the net proceeds for future investments, to expand the Company's business and as general working capital before any suitable investment opportunities are identified and invested accordingly. The allocation of the net proceeds has not yet been determined. As at the date of this announcement, no such investment has been identified by the Group.

## **Warning of the risk of dealing in the Shares**

**Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 10 May 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Thursday, 7 June 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## **GENERAL**

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders on or before Friday, 18 May 2007.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 12 April 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 24 April 2007.

## **OPEN OFFER**

### **Issue statistics**

|                                                                        |   |                                                                                                                                                                                                                    |
|------------------------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basis of the Open Offer                                                | : | One Offer Share for every two existing Shares held on the Record Date                                                                                                                                              |
| Subscription Price                                                     | : | HK\$0.20 per Offer Share                                                                                                                                                                                           |
| Number of Shares<br>in issue as at the date of<br>this announcement    | : | 384,000,000 Shares                                                                                                                                                                                                 |
| Number of Offer Shares                                                 | : | 192,000,000 Offer Shares                                                                                                                                                                                           |
| Number of Offer Shares<br>undertaken to be taken<br>up by Premier Rise | : | Pursuant to the Irrevocable Undertaking, Premier Rise has irrevocably undertaken to subscribe for 38,325,000 Offer Shares, being the full assured entitlements to it or its nominee(s) pursuant to the Open Offer. |

Number of Offer Shares underwritten by the Underwriter : Pursuant to the Underwriting Agreement, the Underwriter have conditionally agreed to underwrite in aggregate of 153,675,000 Offer Shares (excluding the Offer Shares undertaken to be taken up by Premier Rise pursuant to the Irrevocable Undertaking) on a fully underwritten basis.

Number of Shares in issue upon completion of the Open Offer : 576,000,000 Shares

The Offer Shares to be allotted and issued pursuant to the terms of the Open Offer represent 50% of the entire issued share capital of the Company as at the date of this announcement and approximately 33.33% of the entire issued share capital of the Company as enlarged by the issue of the Offer Shares.

As at the date of this announcement, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares and, save for the Offer Shares, has no intention to issue any new Share or any of the above securities before the Latest Time for Acceptance.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not being Excluded Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:00 p.m. on Friday, 11 May 2007. The address of the Registrar is:

Tengis Limited  
26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange and the Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. In the view that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development and thereby entitling to subscribe for his/her/its respective Offer Shares without discrimination at the same price at a discount to the Share price as at the Last Trading Date in proportion to his/her/its existing shareholding of the Company, the Directors are of the opinion that the Company will not attempt to serve additional effort and extra administration work to consider the allocation basis to accommodate any Offer Shares not validly applied for by the Shareholders in the event that the Open Offer is under-subscribed.

### **Rights of the Excluded Shareholders**

If, at the close of business on the Record Date, a Shareholder's registered address and correspondence address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the

Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders.

Having reviewed the register of members of the Company, there are two Overseas Shareholders with addresses in the PRC and the British Virgin Islands as at the date of this announcement. The Board has made enquiry with its legal advisers regarding the feasibility of extending the Open Offer to them, and based on which and taking into account the costs and benefits, the Board has determined that it is inexpedient for the Open Offer to be offered to the Overseas Shareholder in the PRC. Accordingly, the Overseas Shareholder with address in the PRC will become an Excluded Shareholder and the Open Offer will not be extended to him/her/it.

The Company will send the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholder(s).

### **Closure of register of members**

The register of members of the Company will be closed from Monday, 14 May 2007 to Wednesday, 16 May 2007, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

### **Subscription Price**

The Subscription Price for the Offer Shares is HK\$0.20 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 28.57% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 30.31% to the average closing prices of HK\$0.287 per Share for the last five consecutive trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 30.56% to the average closing prices of HK\$0.288 per Share for the last ten consecutive trading days up to and including the Last Trading Date; and
- (iv) a discount of approximately 20.95% to the theoretical ex-entitlement price of approximately HK\$0.253 per Share based on the closing price of HK\$0.28 as quoted on the Stock Exchange on the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter after having taken into account, among other things, (i) the recent price performance of the Shares and (ii) the potential investment opportunity to the Shareholders. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Offer Shares**

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

## **Fractions of Offer Shares**

The Company will not allot fractions of the Offer Shares. Any fractional entitlement to the Offer Shares will be aggregated and sold in the open market (if a premium, net of expenses, can be obtained) and the proceeds will be retained for the Company's own benefits.

## **Certificates of the Offer Shares**

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Tuesday, 12 June 2007 to those entitled thereto by ordinary post at their own risk.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong.

## **Irrevocable Undertaking**

Premier Rise, which is wholly owned by Mr. Hui Ho Luek, a substantial Shareholder, is interested in 76,650,000 Shares as at the date of this announcement, representing approximately 19.96% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Premier Rise has irrevocably undertaken to subscribe for 38,325,000 Offer Shares, being the full assured entitlements to it or its nominee(s) pursuant to the Open Offer.

## **UNDERWRITING ARRANGEMENTS**

### **Underwriting Agreement**

Date : 23 April 2007

Underwriter : Kingston Securities

Number of Offer Shares : Pursuant to the Underwriting Agreement, the Underwriter has conditionally underwritten agreed to underwrite in aggregate of 153,675,000 Offer Shares on a fully underwritten basis

Commission : 2% of the aggregate Subscription Price in respect of the number of Offer Shares agreed to be underwritten by the Underwriter

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite all the Offer Shares not being taken up (excluding the Offer Shares undertaken to be taken up by Premier Rise pursuant to the Irrevocable Undertaking). Accordingly, the Open Offer is fully underwritten. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Kingston Securities and its respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The 2% commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter based on normal commercial terms and with reference to the market rates.

## **Termination of the Underwriting Agreement**

**If, prior to the Latest Time for Termination:**

- (1) in the reasonable opinion of Kingston Securities, the success of the Open Offer would be materially and adversely affected by:**
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of Kingston Securities materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of Kingston Securities materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of Kingston Securities is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of Kingston Securities will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or**
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than seven consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,**

**Kingston Securities shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.**

**Kingston Securities shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:**

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or**
- (2) any Specified Event comes to knowledge of the Underwriter,**



then and, in such case, Kingston Securities may, by notice in writing given to the Company prior to the Latest time for Termination, rescinds the Underwriting Agreement and thereupon the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party in respect of any matter or thing arising out of and in connection with the Underwriting Agreement (save for any antecedent breaches thereof) and the Open Offer shall not proceed.

### **Conditions of the Open Offer**

The Open Offer is conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and Companies Ordinance not later than the despatch of the Prospectus;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the date of the Prospectus; and
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares.

In the event of the said conditions not being fulfilled before the Latest Time for Termination or the respective dates aforesaid (or such other time or date as the Company and Kingston Securities may agree), the Underwriting Agreement shall terminate and all obligations and liabilities of the parties thereunder shall forthwith cease and determine and no party shall have any claim against the others (save for any antecedent breaches thereof).

### **WARNING OF THE RISK OF DEALING IN THE SHARES**

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” in the section headed “Underwriting Arrangements” above). Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 10 May 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be on Thursday, 7 June 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following illustrates the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Open Offer:

|                                                 | As at the date of<br>this announcement |                | Immediately after<br>completion of the Open<br>Offer (assuming no<br>Shareholders take up<br>their respective<br>entitlements<br>except for Premier<br>Rise's Irrevocable<br>Undertaking) |                | Immediately after<br>completion of the Open<br>Offer (assuming all<br>Shareholders take up<br>their respective<br>entitlements) |                |
|-------------------------------------------------|----------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------|----------------|
|                                                 | Shares                                 | %              | Shares                                                                                                                                                                                    | %              | Shares                                                                                                                          | %              |
| Huge Gain Development Limited ( <i>Note 1</i> ) | 96,000,000                             | 25%            | 96,000,000                                                                                                                                                                                | 16.67%         | 144,000,000                                                                                                                     | 25.00%         |
| Premier Rise ( <i>Note 2</i> )                  | 76,650,000                             | 19.96%         | 114,975,000                                                                                                                                                                               | 19.96%         | 114,975,000                                                                                                                     | 19.96%         |
| Kingston Securities ( <i>Note 3</i> )           | —                                      | —              | 153,675,000                                                                                                                                                                               | 26.68%         | —                                                                                                                               | —              |
| Other public Shareholders                       | 211,350,000                            | 55.04%         | 211,350,000                                                                                                                                                                               | 36.69%         | 317,025,000                                                                                                                     | 55.04%         |
| Total                                           | <u>384,000,000</u>                     | <u>100.00%</u> | <u>576,000,000</u>                                                                                                                                                                        | <u>100.00%</u> | <u>576,000,000</u>                                                                                                              | <u>100.00%</u> |

*Note:*

- (1) The entire issued share capital of Huge Gain Development Limited is owned by Nerine Trust Company Limited (“Nerine Trust”) which is the trustee of SB Unit Trust and holds properties for the benefit of holders of units issued by SB Unit Trust. All the units issued by SB Unit Trust were held by the family members of Mr. Siu Ban, co-founder of the Company and its subsidiaries and the discretionary objects. Ms. Bessie Siu and Ms. Tsai Lai Wa, Jenny have indirect interest in Nerine Trust.
- (2) Premier Rise, a company incorporated in the British Virgin Islands and wholly owned by Mr. Hui Ho Luek, a substantial Shareholder.
- (3) To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Kingston Securities and its respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

## REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in the business of (i) apparel sourcing, (ii) apparel trading, and (iii) sale support services. The Group has no turnover derived from apparel sourcing services but is keen to establish its own apparel sourcing business if the opportunity exists.

The estimated net proceeds from the Open Offer will be approximately HK\$37.0 million (net of expenses of approximately HK\$1.8 million). The Board intends to apply the net proceeds for future investments, to expand the Company’s business and as general working capital before any suitable investment opportunities are identified and invested accordingly. The allocation of the net proceeds has not yet been determined. As at the date of this announcement, no such investment has been identified by the Group.

The estimated expense in relation to the Open Offer of approximately HK\$1.8 million will be borne by the Company. The Board has considered various fund raising methods apart from the Open Offer, including banking finance and issue of convertible securities, and concludes that the Open Offer is in the best interests of the Company and its Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company



and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

## FUND RAISING ACTIVITIES IN THE LAST TWELVE MONTHS

The following table summaries the fund raising activities of the Company in the last 12 months immediately before the date of this announcement:

| Date of announcement | Event                                                            | Net proceeds (approximately) | Intended use of proceeds                 | Actual use of proceeds as at the date of this announcement                                                          |
|----------------------|------------------------------------------------------------------|------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 6 February 2007      | Issue of 64,000,000 new Shares at a price of HK\$0.121 per Share | HK\$7,744,000                | For general working capital of the Group | HK\$2,488,000 has been used for general working capital of the Group and the remaining balance has not yet utilized |

## EXPECTED TIMETABLE

|                                                                                         | 2007                                                       |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------|
| Last day of dealings in Shares on a cum-entitlement basis                               | Wednesday, 9 May                                           |
| First day of dealings in Shares on an ex-entitlement basis                              | Thursday, 10 May                                           |
| Latest time for lodging transfers of Shares in order to be qualified for the Open Offer | 4:00 p.m. on Friday, 11 May                                |
| Register of member of the Company closes                                                | Monday, 14 May to Wednesday, 16 May (both dates inclusive) |
| Record Date                                                                             | Wednesday, 16 May                                          |
| Register of members of the Company reopens                                              | Thursday, 17 May                                           |
| Despatch of the Prospectus Documents                                                    | on or before Friday, 18 May                                |
| Latest time for acceptance of and payment for Offer Shares                              | 4:00 p.m. on Monday, 4 June                                |
| Latest time for the Open Offer to become unconditional                                  | 4:00 p.m. on Thursday, 7 June                              |
| Announcement of the results of the Open Offer                                           | Monday, 11 June                                            |
| Despatch of share certificates for Offer Shares                                         | Tuesday, 12 June                                           |
| Dealings in full-paid Offer Shares commence                                             | Thursday, 14 June                                          |

Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

Shareholders should note that completion of the Underwriting Agreement is conditional and may or may not proceed. Shareholders and potential investors of the Company should exercise extreme caution when dealing in the Shares.

## **GENERAL**

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders on or before Friday, 18 May 2007.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 12 April 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 24 April 2007.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

|                           |                                                                                                                                                                                                                 |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “associates”              | has the meaning ascribed to it under the Listing Rules                                                                                                                                                          |
| “Board”                   | board of Directors                                                                                                                                                                                              |
| “business day”            | a day, other than Saturday, on which banks in Hong Kong are open for business                                                                                                                                   |
| “Company”                 | Grandtop International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange                     |
| “Companies Ordinance”     | Companies Ordinance (Chapter 32 of the Laws of Hong Kong)                                                                                                                                                       |
| “Director(s)”             | director(s) of the Company                                                                                                                                                                                      |
| “Excluded Shareholder(s)” | those Overseas Shareholders to whom the Board, after obtaining relevant advice, considers it necessary or expedient not to offer to them Offer Shares                                                           |
| “Group”                   | the Company and its subsidiaries                                                                                                                                                                                |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                          |
| “Irrevocable Undertaking” | the irrevocable undertaking given by Premier Rise, under which Premier Rise has irrevocably undertaken to subscribe for its full assured entitlements pursuant to the Open Offer                                |
| “Kingston Securities”     | Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

|                               |                                                                                                                                                                                                                                                  |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Last Trading Date”           | 11 April 2007, being the last trading date of the Shares prior to the release of this announcement                                                                                                                                               |
| “Latest Lodging Date”         | being 4:00 p.m. on Friday, 11 May 2007 as the latest time for lodging transfers of Shares in order to qualify for the Open Offer                                                                                                                 |
| “Latest Time for Acceptance”  | 4:00 p.m. on Monday, 4 June 2007 or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time for acceptance of and payment for the Offer Shares                                               |
| “Latest Time for Termination” | 4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and Kingston Securities, being the latest time to terminate the Underwriting Agreement                  |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                              |
| “Offer Share(s)”              | 192,000,000 new Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of one Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance pursuant to the Open Offer |
| “Open Offer”                  | the proposed issue of the Offer Shares by way of Open Offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein                                                                          |
| “Overseas Letter”             | a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer                                                                        |
| “Overseas Shareholders”       | the Shareholders with registered address and correspondence address on the register of members of the Company outside Hong Kong at the close of business on the Record Date                                                                      |
| “PRC”                         | the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)                                                                                                       |
| “Premier Rise”                | Premier Rise Investments Limited, a company incorporated in the British Virgin Islands and a substantial Shareholder as at the date of this announcement, and wholly owned by Mr. Hui Ho Luek, a substantial Shareholder                         |
| “Prospectus”                  | the prospectus in connection with the Open Offer to be despatched by the Company on or before Friday, 18 May 2007                                                                                                                                |
| “Prospectus Documents”        | the Prospectus and the application form in respect of the assured allotment of Offer Shares                                                                                                                                                      |
| “Qualifying Shareholders”     | the Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders                                                                              |
| “Record Date”                 | Wednesday, 16 May 2007, being the date by reference to which entitlements to the Open Offer will be determined                                                                                                                                   |

|                          |                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Registrar”              | Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong                                                                                                                                                                                                                                                              |
| “Share(s)”               | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company                                                                                                                                                                                                                                                                       |
| “Shareholder(s)”         | holder(s) of the Shares                                                                                                                                                                                                                                                                                                                             |
| “Specified Event”        | an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                             |
| “Subscription Price”     | the subscription price of HK\$0.20 per Offer Share                                                                                                                                                                                                                                                                                                  |
| “Underwriter”            | Kingston Securities                                                                                                                                                                                                                                                                                                                                 |
| “Underwriting Agreement” | the underwriting agreement dated 23 April 2007 entered into between the Company and Kingston Securities in relation to the Open Offer                                                                                                                                                                                                               |
| “HK\$”                   | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                 |
| “%”                      | per cent.                                                                                                                                                                                                                                                                                                                                           |

By order of the Board  
**Grandtop International Holdings Limited**  
**Bessie Siu**  
*Executive Director*

Hong Kong, 23 April 2007

*As at the date of this announcement, the Board comprises two executive Directors, namely, Ms. Siu Bessie and Mr. Lee Yiu Tung, one non-executive Director, Mr. Fu Wing Kwok, Ewing and three independent non-executive Directors, namely Mr. Chang Kin Man, Mr. Ip Wing Lun and Mr. Zhou Han Ping.*

*\* For identification purpose only*

Please also refer to the published version of this announcement in The Standard.