



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)

CLARIFICATION ANNOUNCEMENT OF APPOINTMENT OF EXECUTIVE DIRECTORS,

INDEPENDENT NON-EXECUTIVE DIRECTOR, ALTERNATE DIRECTOR AND NON-EXECUTIVE DIRECTOR

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CLARIFICATION ANNOUNCEMENT OF RESULT ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2006

1. Clarification announcement of appointment of Executive Directors Ms. Siu Bessie dated on 27 April 2006, Mr. Lee Yiu Tung dated on 13 June 2006, Independent Non-Executive Director Mr. Chang Kin Man on 13 June 2006, Alternate Director Mr. Peter Christopher Tashjian dated on 12 July 2006, and Non-Executive Director Mr. Fu Wing Kwok, Ewing dated on 12 July 2006.
2. Clarification announcement of result announcement dated on 27 July 2006 in respect of **“the effect on reserve following the adoption of HKFRS 3, HKAS 36 and 38 in the consolidated balance sheet as at 31 March 2006 of HK\$5,524,000, should be read as (HK\$5,524,000).”**

The board of directors (the “Board”) of Grandtop International Holdings Limited (“the Company”) refers to the announcement dated 27 April 2006, 13 June 2006 and 12 July 2006 regarding, amongst other things, the appointment of Ms. Bessie Siu (“Ms. Siu”) and Mr. Lee Yiu Tung (“Mr. Lee”) as Executive director, Mr. Chang Kin Man (“Mr. Chang”) as Independent Non-Executive Director, Mr. Peter Christopher Tashjian (“Mr. Tashjian”) as an Alternative Director to Mrs. Tsai Lai Wa, Jenny and Mr. Fu Wing Kwok, Ewing as Non-Executive Director (“Mr. Fu”). The Board further announces the followings:

- Ms. Siu Bessie is appointed as Executive Director of the Company with effect from 25 April 2006.

Save as disclosed in the announcement dated 27 April 2006 regarding the appointment of Ms Siu, there is no information to be disclosed pursuant to any of the requirements of the provisions under rules 13.51(2)(h) to 13.51(2)(v) of Rules Governing the Listing of Securities on the Stock Exchange.

- Mr. Lee Yiu Tung is appointed as Executive Director of the Company with effect date 13 June 2006.

Mr. Lee Yiu Tung has not entered into any service contract with the Company and there is no fixed term of service. Mr. Lee will be subject to retirement by rotation, and eligible for re-election at the annual general meeting of the Company pursuant to the articles of association of the Company. He will not receive any director’s fee per annum.

- Mr. Chang Kin Man is appointed as Independent Non-executive Director of the Company with effect from 13 June 2006.

Save as the winding-up petition described below there are no company has been dissolved or put into liquidation (otherwise than by a members' voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver trustee or similar officer appointed over it during the time that Mr. Chang was one of its director or within 12 months after his ceasing to act as one of its directors.

A winding-up petition date 11 May 2001 was filed against CIL, a company incorporated in Bermuda, by Sin Hua Bank Limited (the successor of which is the Bank of China (Hong Kong) Limited). Pursuant to an order granted by the Hong Kong Court on 27 August 2001, Sin Hua Bank Limited was substituted by Power Forward Finance Limited as the petitioner. Subsequently, Power Forward Finance Limited presented an amended winding-up petition against CIL to the Hong Kong Court on 29 August 2001. Pursuant to an order issued by the Hong Kong Court on 8 October 2001, Power Forward Finance Limited was substituted by Star Dragon Securities Limited as the petitioner and the hearing was adjourned to 12 November 2001. Based on the information published by CIL, the amount due from CIL to Star Dragon Securities Limited was approximately HK\$5.2 million. By several court orders for adjournment allowing time for CIL to prepare a scheme of arrangement provided for by section 99 of the Companies Act and section 166 of the Companies Ordinance between a company and its creditors. Subsequently, this winding-up petition was ordered to dismiss on 14 April 2003.

Mr. Chang represented to the Company that despite of the above incident, he has fulfilled the requirements in accordance with Rule 3.08 of the Listing rule to act as a director of the Company. In addition, Mr. Chang also represented to the Company that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of a listed company.

Taking into account the above incident, the Board still satisfy his abilities as an independent non-executive director of the Company based on his character and experience as an independent non-executive of other listed company and demonstrated a standard of competence commensurate with his position as a non-executive director of a listed company and his fulfillment of the disclosure under rule 13.51 (2)(h)-(w) of the Listing Rules.

- Mr. Peter Christopher Tashjian is appointed as Alternate Director to Mrs. Tsai Lai Wa, Jenny, an Executive Director of the Company with effect from 11 July 2006.

Save as disclosed in the announcement dated on 12 July 2006 regarding the appointment of Mr. Tashjian, there is no information to be disclosed pursuant to any of the requirements of the provisions under rules 13.51(2)(h) to 13.51(2)(v) of Rules Governing the Listing of Securities on the Stock Exchange.

Mr. Peter Christopher Tashjian has not entered into any service contract with the Company and there is no fixed term of service. Mr. Tashjian will be subject to retirement by rotation, and eligible for re-election at the annual general meeting of the Company pursuant to the articles of association of the Company. He will not receive any director's fee per annum.

- Mr. Fu Wing Kwok, Ewing is re-designated from an Independent Non-Executive Director to a Non-Executive Director with effect from 12 July 2006.

Save as disclosed in the announcement dated on 12 July 2006 regarding the appointment of Mr. Fu, there is no information to be disclosed pursuant to any of the requirements of the provisions under rules 13.51(2)(h) to 13.51(2)(v) of Rules Governing the Listing of Securities on the Stock Exchange.

Mr. Fu Wing Kwok, Ewing has not entered into any service contract with the Company and there is no fixed term of service. Mr. Fu will be subject to retirement by rotation, and eligible for re-election at the annual general meeting of the Company pursuant to the articles of association of the Company. The director's fee for Mr. Fu is HK\$100,000 per annum.

The Board announces a clarification announcement of the result announcement dated on 27 July 2006 of “the effect on reserve following the adoption of HKFRS 3, HKAS 36 and 38 in the consolidated balance sheet as at 31 March 2006 of HK\$5,524,00, it should be read as (HK\$5,524,000) due to a typing error, under the section of “Basis of preparation – The adoption of new/revised Hong Kong Financial Reporting Standards (“HKFRS”)”, the effect on reserve following the adoption of HKFRS 3, HKAS 36 and 38 in the consolidated balance sheet as at 31 March 2006 of HK\$5,524,000 as stated in the press announcement on 27 July 2006 should be read as (HK\$5,524,000). The effect in the consolidated balance sheet following the adoption of the new/revised HKFRS as at 31 March 2006 should be read as follow:

Consolidated balance sheet

As at 31 March 2006

| | HKAS 17 <i>HK\$'000</i> | HKFRS 3, HKAS 36 & 38 <i>HK\$'000</i> | HKAS 39 <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|-----------------------------------|---|-----------------------------------|---------------------------------|
| Decrease in property, plant and equipment | (5,757) | – | – | (5,757) |
| Increase in leasehold lands | 5,757 | – | – | 5,757 |
| Decrease in investment in securities | – | – | (35,940) | (35,940) |
| Increase in available-for-sales financial assets | – | – | 2,695 | 2,695 |
| Decrease in trade receivables | – | – | (4,685) | (4,685) |
| Decrease in goodwill | – | (5,524) | – | (5,524) |
| Decrease in prepayments, deposits and other receivables | – | – | (4,745) | (4,745) |
| | <u>–</u> | <u>(5,524)</u> | <u>(42,675)</u> | <u>(48,199)</u> |
| Decrease in reserve | <u>–</u> | <u>(5,524)</u> | <u>(42,675)</u> | <u>(48,199)</u> |

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

Hong Kong, 2 August 2006

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors:

Mrs. Tsai Lai Wa, Jenny; Ms. Mao Yue; Ms. Bessie Siu; Mr. Lee Yiu Tung

Alternate Director:

Mr. Peter Christopher Tashjian (Alternate to Mrs. Tsai Lai Wa, Jenny)

Non-Executive Director:

Mr. Fu Wing Kwok, Ewing

Independent Non-Executive Directors:

Ms. Lo Wing Yan, Emmy; Mr. Liang Kwong Lim; Mr. Chang Kin Man

* *for identification purposes only*