

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Grandtop International Holdings Limited, you should at once hand this circular to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF 2006 ANNUAL GENERAL MEETING**

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A letter from the board of directors of the Company is set out on page 2 to 9 of this circular (the “Circular”). A notice convening the annual general meeting (the “2006 Annual General Meeting”) of the Company to be held at 3rd Floor, Lily Room, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on 29 September 2006 at 10:30 a.m. is set out on pages 14 to 18 of this Circular. Whether or not you are able to attend the 2006 Annual General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s brand share registrar in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the 2006 Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2006 Annual General Meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the 2006 annual general meeting of the Company to be held at 3rd Floor, Lily Room, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on 29 September 2006 at 10:30 a.m. notice of which is set out on pages 14 to 18;
“Board”/“Directors”	the directors of the Company;
“Company”	Grandtop International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	1 August 2006, being the latest practicable date prior to the printing of this circular for inclusion of certain information herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong);
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company;
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange;
“Shareholder(s)”	holder(s) of the Shares(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.



**GRANDTOP INTERNATIONAL HOLDINGS LIMITED**

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*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

*Registered Office*

Century yard, Cricket Square,

Hutchins Drive,

P.O. Box 2681 GT,

George Town, Grand Cayman,

British West Indies

*Principal place of business  
in Hong Kong*

No. 1, 1st Floor, Pei Ho Building,

115-117 Fuk Wa Street,

Sham Shui Po, Kowloon,

Hong Kong

3 August 2006

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF 2006 ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The Company's existing general mandates to issue shares and to repurchase shares were approved by the Company's shareholders at the annual general meeting on 29 September 2006. Unless otherwise renewed, the existing general mandates to issue shares and to repurchase shares will lapse at the conclusion of the 2006 Annual General Meeting.

\* For identification purpose only

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## LETTER FROM THE BOARD

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In order to ensure flexibility when it is desirable to allot additional shares or to repurchase shares, the Directors will seek the approval of shareholders to grant new general mandates to issue shares and to repurchase shares at the 2006 Annual General Meeting.

The purpose of this circular is to, inter alia, provide you with information on information on i) the proposed renewal of the general mandates to issue shares and to repurchase shares; ii) the director to be re-elected at the 2006 Annual General Meeting and iii) notice of 2006 Annual General Meeting, for consideration on the related resolutions to be put forward at the 2006 Annual General Meeting.

### **2. GENERAL MANDATE TO ISSUE SHARE (THE “ISSUE MANDATE”)**

Two ordinary resolutions, as set out in the notice of the 2006 Annual General Meeting, will be proposed for the following purpose:–

Ordinary resolution no. 4 – to grant to the Directors a general mandate to issue new shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and

Ordinary resolution no. 6 – to increase the aggregate nominal amount of share capital of the Company which the Directors may issue under the general mandate if given in the Ordinary Resolution no. 4 by the aggregate nominal amount of share capital of the Company repurchased under the general mandate if given in the ordinary resolution no. 5.

The Company had in issue an aggregate of 320,000,000 shares of HK\$0.01 each as at the latest practicable date. Subject to the passing of the aforesaid ordinary resolution no. 4 and in accordance with the terms therein, the Company would be allowed to issue additional shares up to the aggregate nominal amount of a maximum of 64,000,000 shares on the basis that no further shares will be issued or repurchased prior to the 2006 Annual General Meeting.

### **3. GENERAL MANDATE TO REPURCHASE SHARES (THE “REPURCHASE MANDATE”)**

The ordinary resolution no. 5 as set out in the notice of the 2006 Annual General Meeting, will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase the Company’s fully paid up shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

In accordance with the Listing Rules, the appendix to this Circular serves as the explanatory statement, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolutions for granting of the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### 4. ACTION TO BE TAKEN

The notice convening the 2006 Annual General Meeting to be held at 3rd Floor, Lily Room, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on 29 September 2006 at 10:30 a.m. is set out on page 14 to 18 in the Circular.

A form of proxy for the 2006 Annual General Meeting is also enclosed in the Circular. If you do not intend to attend the 2006 Annual General Meeting, you are requested to complete the form of proxy and return the same to the Company's branch share registrar in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the 2006 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the 2006 Annual General Meeting or any adjournment thereof if you so wish.

### 5. PROCEDURES FOR DEMANDING A POLL

For your further information as required by the Listing Rules, set forth below are the procedures for demanding a poll at general meeting of the Company. Pursuant to Article no. 66 of the Company's Articles of Association, every resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demand:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll which is duly demanded shall be then held in such manner prescribed by the Articles of Association of the Company.

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## LETTER FROM THE BOARD

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### 6. INFORMATION OF DIRECTOR TO BE RE-ELECTED AT THE 2006 ANNUAL GENERAL MEETING

For your further information, we set out below the relevant details of the retiring director proposed to be re-elected at the 2006 Annual General Meeting:–

- (i) **Ms. Bessie Siu, (“Ms. Siu”)**, aged 30, she was appointed as an executive director on 25 April 2006. Ms. Siu has several years of experience in marketing management, general administration works and trading business. Ms. Siu holds a bachelor degree in Science, Master of Marketing Management and Master of Business Administration. Ms. Siu did not hold any directorship in other listed public companies in the past three years other than the directorship in the Company.

Ms. Siu is mainly responsible for the marketing and administration works of trading business of the Company and its subsidiaries.

Ms. Siu is the niece of Mrs. Tsai Lai Wa, Jenny, an executive director of the Company. Except as aforesaid, Ms. Siu does not have other relationships with any directors, senior management or other substantial shareholder of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Ms. Bessie Siu does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Siu does not have any service contract with the Company. Ms. Siu’s remuneration as executive director is to be approved by the board of directors based on her mutual agreement with the Company with reference to the pertaining industry practice and market situation. For the year ended 31 March 2006, Ms. Siu has not received any director’s fee.

Apart from the above, based on the confirmation received from Ms. Siu and so far as the Company is aware of, there is no information necessary to be disclosed and no other matters that need to be brought to the attention of the shareholders of the Company pursuant to rule 13.51 (2)(h) – (w) of the Listing Rules.

- (ii) **Mr. Lee Yiu Tung (“Mr. Lee”)**, aged 43, was appointed as an executive director of the Company on 13 June 2006. He is a registered architect in Hong Kong with extensive working experiences related to the PRC property development, project management and development consultant services. Mr. Lee is a member of Royal Institute of British Architects and Hong Kong Institute of Architects. Mr. Lee holds a Bachelor of Arts in Architectural Studies with Honors, a Bachelor of Architecture and a Master of Science degree in Real Estate all from the University of Hong Kong. Mr. Lee also holds a qualification of Real Estate Planner recognised by the Ministry of Labor and Social Security, PRC.

In the past three years, Mr. Lee has not held any positions with the Company or other members of the Company and did not hold any directorship in any other listed public companies. As at the Latest Practicable Date, Mr. Lee does not have any interest in shares of the Company within the meaning of Part XV of the SFO.

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## LETTER FROM THE BOARD

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Mr. Lee is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being an executive director, Mr. Lee does not hold any position in other members of the Company.

Mr. Lee 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. For the year ended 31 March 2006, Mr. Lee has not received any director's fee, discretionary bonuses or any other forms of emolument.

Apart from the above, based on the confirmation received from Mr. Lee and so far as the Company is aware of, there is no information necessary to be disclosed and no other matters that need to be brought to the attention of the shareholders of the Company pursuant to rule 13.51 (2)(h) – (w) of the Listing Rules.

- (iii) **Mr. Fu Wing Kwok, Ewing (“Mr. Fu”)**, aged 35, was appointed as independent non-executive director of the Company on 28 September 2004 and re-designated from an independent non-executive director to non-executive director on 12 July 2006. Mr. Fu holds a bachelor degree in Science major in accounting from Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 10 years of experience in auditing and accounting field.

Mr. Fu is the Financial Controller and the Company Secretary of Sino Union Petroleum & Chemical International Limited, which is listed on the Main Board of the Stock Exchange. Apart from aforesaid, Mr. Fu did not hold any directorship in other listed public company in the last three years.

As at the Latest Practicable Date, Mr. Fu does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Fu is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being a non-executive director, Mr. Fu does not hold any position in other members of the Company.

Mr. Fu 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. For the year ended 31 March 2006, Mr. Fu received remuneration of approximately HK\$100,000 as an independent non-executive director of the Company.

Apart from the above, based on confirmation received from Mr. Fu and so far as the Company is aware of, there is no information necessary to be disclosed and no other matters that need to be brought to the attention of the shareholders of the Company pursuant to rule 13.51 (2)(h) – (w) of the Listing Rules.

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## LETTER FROM THE BOARD

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- (iv) **Mr. Chang Kin Man** (“**Mr. Chang**”), aged 42, has been appointed as an independent non-executive director of the Company on 13 June 2006. He is a certified public accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Chartered Certified Accountants. Mr. Chang holds a Bachelor of Science Degree in Economics and a Master’s degree in Applied Finance.

Mr. Chang has extensive experience in corporate finance and in accounting field. He worked for an international accounting firm and a member of public listed companies for more than 15 years. Mr. Chang acted as an independent non-executive director of Haywood Investments Limited (Stock code 905), a company listed on the Main Board of the Stock Exchange and resigned on 24 May 2005. He is currently an independent non-executive director of Sunlink International Holdings Limited (Stock code 2336), Ho Po Group (Lobster King) Limited (Stock code 228) and Sky Hawk Computer Group Holdings Limited (Stock code 1129), all are listed company on the Main Board of the Stock Exchange. Apart from aforesaid, Mr. Chang did not hold any directorship in other listed public company in the last three years.

As at the Latest Practicable Date, Mr. Chang does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Chang is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being an independent executive director, Mr. Chang does not hold any position in other members of the Company. Mr. Chang has confirmed his independence pursuant to Rule 3.13 of the Listing Rules.

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.



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## LETTER FROM THE BOARD

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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 companies 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. Chang has not entered into any service contract with the Company and there is no fixed term of service. Mr. Chang 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. For the year ended 31 March 2006, Mr. Chang has not received any director's fee, discretionary bonuses or any other forms of emolument.

Apart from the above, based on confirmation received from Mr. Chang and so far as the Company is aware of, there is no information necessary to be disclosed and no other matters that need to be brought to the attention of the shareholders of the Company pursuant to rule 13.51 (2)(h) – (w) of the Listing Rules.

Save as disclosed above, the Company is not aware of other matters that need to be brought to the attention of holders of shares of the Company in relation to the re-election of directors.

- (v) **Mr. Peter Christopher Tashjian (“ Mr. Tashjian”)**, aged 50, was appointed as an alternative director to Mrs. Tsai Lai Wa, being an executive director of the Company on 11 July 2006. Mr. Tashjian is an Operator of Monash University Master of Business Law, Director of Institute of Professional Development, Director of Results Management Limited (Hong Kong) and Director of Institute of Compliance Officers.

Mr. Tashjian holds a Bachelor of Science in Business in USA, Juris Doctorate in Law in New England School of Law in USA and Master of International Management in American Graduate School of International Management in USA.

Mr. Tashjian did not hold any directorship in other listed public company in the last three years. As at the Latest Practicable Date, Mr. Tashjian does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Tashjian is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being a non-executive director, Mr. Tashjian does not hold any position in other members of the Company.

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## LETTER FROM THE BOARD

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Mr. 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. For the year ended 31 March 2006, Mr. Tashjian has not received any director's fee, discretionary bonuses or any other forms of emolument.

Apart from the above, based on confirmation received from Mr. Tashjian and so far as the Company is aware of, there is no information necessary to be disclosed and no other matters that need to be brought to the attention of the shareholders of the Company pursuant to rule 13.51 (2)(h) – (w) of the Listing Rules.

### 7. RECOMMENDATION

As information required by the Listing Rules, the Company, to the extent it is aware having made all reasonable enquires, is not aware that any shareholder is required to abstain from voting in the proposals to be put forward at the 2006 Annual General Meeting.

The Directors believe that the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and its shareholders as a whole. Moreover, the necessary information for seeking shareholders' approval on the aforesaid matters are already set out herein for consideration. The Directors recommend that all shareholders should vote in favour of the related ordinary and special resolutions to be proposed at the 2006 Annual General Meeting.

Yours faithfully,  
By Order of the Board  
**Grandtop International Holdings Limited**  
**Bessie Siu**  
*Executive Director*

*This appendix serves an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders of the Company for their consideration as to whether to vote for or against the ordinary resolution to be proposed at the 2006 Annual General Meeting for granting the Repurchase Mandate.*

*This explanatory statement contains all the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:–*

**SHARE CAPITAL**

As at the Latest Practicable Date, the Company had in issue an aggregate of 320,000,000 shares of HK\$0.01 each which are fully paid.

Subject to the passing of the ordinary resolution no. 5 as set out in the notice of 2006 Annual General Meeting and in accordance with the terms therein, the Company would be allowed under the Repurchase Mandate to repurchase fully paid shares up to the aggregate nominal amount of a maximum of 32,000,000 shares on the basis that no further shares will be issued or repurchased prior to the 2006 Annual General Meeting.

**REASONS FOR SHARE REPURCHASE**

Although the Directors have no present intention of repurchasing any securities of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile. At any time in the future when securities trading at a discount to their underlying value, the ability of the Company to repurchase securities will be beneficial to those shareholders who retain their investment in the Company since their interests in the assets of the Company would increase in proportion to the number of securities repurchased by the Company and thereby resulting in an increase in net asset value and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that the repurchases will benefit the Company and its shareholders as a whole.

**FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands. Securities may only be repurchased out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of repurchase. The premium, if any, payable on repurchase must have been provided for out of the profits of the Company or out of the Company's share premium account before or at the time the securities are repurchased. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

**SHARE PRICES**

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest prices at which shares have been traded were as follows:—

	Price per share of the Company	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2005</b>		
August	0.210	0.189
September	0.245	0.210
October	0.240	0.220
November	0.225	0.220
December	0.220	0.160
<b>2006</b>		
January	0.160	0.148
February	0.148	0.137
March	0.140	0.130
April	0.128	0.110
May	0.120	0.050
June	0.123	0.065
July	0.113	0.080
August (up to the Latest Practicable Date)	0.108	0.108

**REPURCHASES MADE BY THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased any of the Company's shares during the six months immediately preceding the Latest Practicable Date.

**POSSIBLE MATERIAL ADVERSE IMPACT**

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 March 2006) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase under the Repurchase Mandate in accordance with the Listing Rules and laws of the Cayman Islands and in accordance with the regulations set out in the memorandum and articles of association of the Company.

**EFFECT OF HONG KONG CODES ON TAKEOVERS AND MERGERS**

If as a result of share repurchase by the Company, a substantial shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could, depending on the level of increase of the shareholding, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following persons were directly or indirectly interested in 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company:—

Name	Number of issued shares held	Approximate Percentage of Shareholding
Nerine Trust Company Limited (“Nerine Trust”)	90,000,000 <i>(Note)</i>	30%
Huge Gain Development Limited (“Huge Gain”)	90,000,000 <i>(Note)</i>	30%
Speeddragon Limited	50,000,000	15.63%
Star Victory Holdings Limited	24,000,000	7.5%

*Note:*

This shares are registered in the name of Huge Gain. The entire issued share capital of Huge Gain is owned by 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 of which include Mrs. Tsai Lai Wa, Jenny, being an executive director of the Company.

In the event that the Directors exercised in full the power to repurchase shares of the Company in accordance with the terms of the ordinary resolution no. 5 to be proposed at the 2006 Annual General Meeting, the aforesaid interests of Nerine Trust Company Limited, Huge Gain Development Limited, Speeddragon Limited and Star Victory Holdings Limited in the issued share capital of the Company as at the Latest Practicable Date would be proportionally increased to approximately 31.25%, 31.25%, 17.36% and 8.33% respectively. In this regard, as at the Latest Practicable Date, the Directors are not aware of the consequences of such increases or as a result of repurchases of shares that would result in any of the

aforesaid persons or any shareholder, or group of shareholders acting in concert, becoming obliged to make a mandatory offer under the Code. Mover, the Directors have no present intention to exercise the Repurchase Mandate to such extent as would give rise to an obligation to make a mandatory offer under the Code or if the repurchase would result in less than 25% of the issued share capital of the Company being held in public hands.

### **DIRECTORS' DETAILS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associates presently intends to sell shares to the Company under the Repurchase Mandate in the event that such mandate as proposed in the ordinary resolution no. 5 is approved by the shareholders of the Company.

### **CONNECTED PERSONS**

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any shares to the Company, or that they have undertaken not to sell any shares held by them to the Company in the event that such mandate as proposed in the ordinary resolution no. 5 is approved by the shareholders of the Company.



**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)**

**NOTICE IS HEREBY GIVEN** that the 2006 Annual General Meeting of members of Grandtop International Holdings Limited (the “Company”) will be held at 3rd Floor, Lily Room, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on 29 September 2006 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2006;
2. To re-elect the following director and to authorise the board of directors to fix directors’ remuneration of the Directors;
  - 2.1 Ms. Bessie Siu
  - 2.2 Mr. Lee Yiu Tung
  - 2.3 Mr. Fu Wing Kwok, Ewing
  - 2.4 Mr. Chang Kin Man
  - 2.5 Mr. Peter Christopher Tashjian
3. To appoint auditors and to authorise the board of directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares (“Shares”) in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and it is hereby generally and unconditionally approved;

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in this resolution, otherwise than pursuant to:
- (i) a rights issue (as defined below); or
  - (ii) the exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or
  - (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company; or
  - (iv) scrip dividends or under similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; and
  - (v) a specific authority granted by the shareholders of the Company,

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and



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## NOTICE OF ANNUAL GENERAL MEETING

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“rights issue” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the Directors to the holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraphs (b) and (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (“Shares”) in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with the applicable laws of the Cayman Islands and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other Recognised Stock Exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the approval pursuant to paragraph (a) of this resolution be limited accordingly;
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the resolutions numbered 4 and 5 as set out in the notice (the “Notice”) convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares (“Shares”) in the capital of the Company pursuant to the resolution numbered 4 as set out in the Notice be and the same is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 5 as set out in the Notice provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

Yours faithfully,  
By Order of the Board  
**Grandtop International Holdings Limited**  
**Bessie Siu**  
*Executive Director*

Hong Kong, 3 August 2006

As at the date of this Circular, the board of directors comprise of the following:

*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

*Head office and principal place of business in Hong Kong:*

No. 1, 1st Floor, Pei Ho Building,  
115-117 Fuk Wa Street,  
Sham Shui Po,  
Kowloon,  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) A member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or (if holding two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrars of the Company, Tengis at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting at the aforesaid meeting.
- (4) The Chinese translation of this notice (including the contents of the proposed resolutions set out therein) is for reference only. In case of inconsistency, the English version shall prevail.