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GRANDTOP INTERNATIONAL HOLDINGS LIMITED

泓鋒國際控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 2309)

PLACING OF NEW SHARES PURSUANT TO GENERAL MANDATE AND RESUMPTION OF TRADING

The Company had on 20th June, 2007 entered into the Placing Agreement, pursuant to which the Company conditionally agreed to issue an aggregate of 115,200,000 Placing Shares at a price of HK\$0.57 each. Net proceeds of the Placing are estimated to be approximately HK\$65,414,000 and will be used for future investments, expansions of the Group's business and as general working capital of the Group.

The Placing is conditional on the approval of the listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange.

The Placing Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the share capital as enlarged by the issue of the Placing Shares. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Board at the extraordinary general meeting of the Company held on 18th June, 2007.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended as from 2:30 p.m. on 18th June, 2007 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 21st June, 2007.

THE PLACING AGREEMENT

Date: 20th June, 2007

Issuer: Grandtop International Holdings Limited

Placee: Great Luck Management Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Yeung Ka Sing, Carson, an Independent Third Party.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placee, and its ultimate beneficial owner, Mr. Yeung Ka Sing, Carson and his associates are Independent Third Parties.

Number of new Shares to be placed:

A total of 115,200,000 new Shares, representing approximately 20% of the Company's issued share capital as at the date of this announcement and approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be allotted and issued under the general mandate granted to the Board at the extraordinary general meeting of the Company held on 18th June, 2007. The aforesaid general mandate entitles the Company to allot and issue Shares with nominal amount of not more than 20% of the aggregate nominal amount of the share capital of the Company in issue as at 18th June, 2007, which amounts 115,200,000 new Shares. As at the date of this announcement, no Shares had been issued pursuant to the aforesaid general mandate.

Placing Price:

HK\$0.57 per Placing Share, which represents:

- (i) A discount of approximately 19.72% to the closing price per Share of HK\$0.71 as quoted on the Stock Exchange on 18th June, 2007, being the closing price of the Shares prior to the suspension of the trading in the Shares;
- (ii) A discount of approximately 18.57% to the average of the closing prices per Share of approximately HK\$0.70 for the last 5 trading days up to and including 18th June, 2007; and
- (iii) A discount of approximately 9.52% to the average of the closing prices per Share of approximately HK\$0.63 for the last 10 trading days up to and including 18th June, 2007.

Based on the estimated expenses of approximately HK\$250,000 relating to the Placing, the net Placing price of the Placing Shares is approximately HK\$0.568 per Placing Share. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placee and with reference to the prevailing market price of the Shares. The Board considers that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares:

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the existing issued Shares, including the right to receive all dividends, bonuses or distributions declared or proposed to be declared or paid by the Company as from the date of such allotment and issue of the Placing Shares.

Condition of the Placing Agreement:

Completion of the Placing Agreement is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

If the condition referred to above is not fulfilled by 19th July, 2007 (or such other time and date as may be agreed by the Company and the Placee), all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Placing Agreement.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Completion:

Completion will take place on the third business day after satisfaction of the condition set out above.

REASONS FOR THE PLACING

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.

Based on an estimated expenses of approximately HK\$250,000 for the Placing, the net proceeds of the Placing will be approximately HK\$65,414,000 and are intended to be used for future investments, expansions of the Group's business and as the general working capital of the Group. In order to enable the Group to be more flexible in making investment decisions in the future, the Directors believe that it will be desirable and justifiable for the Company to raise fund through the Placing which will strengthen the financial position of the Group and enable the Group to be in a better position to participate in premium investment opportunities readily. As at the date of this announcement, the Company has not yet determined the allocation of the net proceeds of the Placing and has not identified any investment target. The Directors are of the view that the Placing will at the same time broaden the shareholder base and capital base of the Company. In addition, the financial position of the Group will be strengthened by the Placing. Based on the above, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summaries the fund raising activities of the Group during the last 12 months before the date of this announcement.

Date of Announcements	Event	Net Proceeds	Intended use of Proceeds	Actual use of Proceed as at the date of this Announcement
6th February, 2007	Issue of 64,000,000 Shares	approximately HK\$7,744,000	For general working capital of the Group	HK\$4,087,340 has been used for general working capital of the Group the and remaining balance has not yet been utilized
23rd April, 2007	Open offer of 192,000,000 Shares	approximately HK\$37,000,000	For future investments, expansion of the Group's business and as general working capital of the Group	The amount of HK\$37,000,000 has not yet been utilized

Save for the above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

SHAREHOLDING STRUCTURE

The table below sets out the Company's shareholding structure immediately before and after Completion (assuming no change in the shareholding structure since then):

Shareholders	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Huge Gain Development Limited ("Huge Gain") (Note 1)	96,000,000	16.67%	96,000,000	13.89%
Premier Rise Investments Limited ("Premier Rise") (Note 2)	96,000,000	16.67%	96,000,000	13.89%
Ms. Leung Choi Fan (Note 3)	18,975,000	3.29%	18,975,000	2.74%
The Placee*	—	—	115,200,000	16.67%
Other public shareholders	365,025,000	63.37%	365,025,000	52.81%
Total:	<u>576,000,000</u>	<u>100.00%</u>	<u>691,200,000</u>	<u>100.00%</u>

Note:

- (1) The entire issued share capital of Huge Gain 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, Jeny 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) Ms. Leung, spouse of Mr. Hui Ho Luek who wholly and beneficially owns Premier Rise.

SUSPENSION AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange was suspended as from 2:30 p.m. on 18th June, 2007 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 21st June, 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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.
“Completion”	completion of the Placing in accordance with the terms of the Placing Agreement
“connected persons”	have the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties who are not connected persons of the company and are independent of the Company and its subsidiaries, their directors, chief executives and substantial shareholders or their respective associates (as that term is defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	Great Luck Management Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Yeung Ka Sing, Carson
“Placing”	the Placing of the Placing Shares by the Placee pursuant to the Placing Agreement
“Placing Agreement”	the conditional Placing agreement dated 20th June, 2007 entered into between the Company and the Placee in relation to the Placing
“Placing Price”	HK\$0.57 per Placing Share
“Placing Shares”	an aggregate of 115,200,000 new Shares to be issued pursuant to the Placing Agreement
“PRC”	People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By Order of The Board
Lee Yiu Tung
Executive Director

Hong Kong, 20th June, 2007

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Hui Ho Luek, Vico, Mr. Lee Yiu Tung, Ms. Bessie Siu and Ms. Wong Po Ling, Pauline; two non-executive Directors, namely Mr. Fu Wing Kwok, Ewing and Mr. Ip Wing Lun; and three independent non-executive Directors, namely Mr Chang Kin Man, Mr. Zhou Han Ping and Mr. Yip Man Ki.

* *For identification purpose only*

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