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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)**

### **RULE 13.09 ANNOUNCEMENT PROPOSED ISSUE OF CONVERTIBLE NOTES AND RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that the Company and Pacific Capital are in the course of negotiation regarding the proposed issue of the Convertible Notes in an aggregate principal amount of up to HK\$200,000,000.00 by the Company to Pacific Capital.

The Board wishes to emphasize that no formal agreement in relation to the proposed issue of the Convertible Notes has been entered into as at the date of this announcement. Accordingly, the proposed issue of the Convertible Notes may or may not proceed. Shareholders and investors are advised to exercise extreme caution when dealing in the securities of the Company.

The proposed issue of the Convertible Notes may or may not constitute a notifiable transaction under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such possible notifiable transaction.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on Friday, 1 February 2008 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in its Shares with effect from 9:30 a.m. on Tuesday, 5 February 2008.

#### **BACKGROUND**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company and Pacific Capital are in the course of negotiation regarding the proposed issue of the Convertible Notes by the Company to Pacific Capital. No formal agreement in relation to the proposed issue of the Convertible Notes has been entered into as at the date of this announcement.

\* *For identification purpose only*

## **PARTIES TO THE CONVERTIBLE NOTES**

- (1) Pacific Capital as subscriber
- (2) The Company as issuer

## **PRINCIPAL TERMS OF THE CONVERTIBLE NOTES**

The terms of the Convertible Notes have been and will be negotiated on arm's length basis. The principal terms that may be agreed by the Parties are summarised as follows:

### **The Convertible Notes**

Being 0% equity linked structured convertible notes due 2011

### **Principal Amount**

The aggregate amount of the Convertible Notes to be issued will be up to HK\$200,000,000.00, settled in HK dollars.

### **Issue**

The Convertible Notes will be issued in 20 tranches at HK\$10,000,000.00 per tranche by way of private placement without issuance of offering circular or information memorandum by the Company.

### **Maturity Date**

36 months from the date of issue of the first tranche of the Convertible Notes.

### **Conversion Terms**

Pacific Capital may convert the Convertible Notes into Conversion Shares at the Conversion Price which may comprise a floating and a fixed price to be selected by Pacific Capital. The mechanism for determining the Conversion Price and other terms of conversion are in the course of negotiation.

### **Conditions Precedent**

The proposed issue of the Convertible Notes shall be subject to the approval by the shareholders of the Company in general meeting and the approval of listing of the Conversion Shares by the Stock Exchange.

## **INFORMATION ON PACIFIC CAPITAL**

Pacific Capital is an investment fund company principally engaged in investing in listed and unlisted investments.

## **BENEFITS OF THE PROPOSED ISSUE OF CONVERTIBLE NOTES**

The Company is an investment holding company. The Group is mainly engaged in apparel sourcing, apparel trading and sales support services. The Directors believe that the proceeds from the proposed issue of the Convertible Notes will provide additional financing for future investments, expansion of the Group's business and as general working capital of the Group.

## **GENERAL**

The Board wishes to emphasize that no formal agreement in relation to the proposed issue of the Convertible Notes has been entered into and further negotiation is on-going as at the date of this announcement. Accordingly, the proposed issue of the Convertible Notes may or may not proceed. Shareholders and investors are advised to exercise extreme caution when dealing in the securities of the Company.

The proposed issue of the Convertible Notes may or may not constitute a notifiable transaction under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such possible notifiable transaction.

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 2:30 p.m. on Friday, 1 February 2008 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in its Shares with effect from 9:30 a.m. on Tuesday, 5 February 2008.

## **DEFINITIONS**

“Board”	the board of Directors of the Company
“Company”	GRANDTOP INTERNATIONAL HOLDINGS LIMITED (Stock code: 2309), a company incorporated in Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Convertible Notes”	0% equity linked structured convertible notes due 2011 proposed to be issued by the Company to Pacific Capital
“Conversion Price”	price per Share at which the Convertible Notes can be converted into the Conversion Shares
“Conversion Shares”	Shares to be issued on conversion of the Convertible Notes
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “HK dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Company and Pacific Capital
“Pacific Capital”	Pacific Capital Investment Management Limited, a company incorporated in the United Kingdom
“Shares”	shares of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By the Order of the Board

**Hui Ho Luek, Vico**

*Executive Director and Chief Executive Officer*

Hong Kong, 4 February 2008

*As at the date of this announcement, the Board comprises executive directors, namely Mr. Yeung Ka Sing, Carson, Mr. Hui Ho Luek, Vico, Mr. Steven McManaman, Mr. Fan Zhi Yi, Mr. Lee Yiu Tung, Mr. Ip Wing Lun, Ms. Wong Po Ling, Pauline and Ms. Siu Bessie and non-executive directors, namely Mr. Christian Lali Karembou and Mr. Chan Wai Keung and independent non-executive directors, namely Mr. Chang Kin Man, Mr. Zhou Han Ping, Mr. Yip Man Ki and Mr. Yau Yan Ming, Raymond.*