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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)

DISCLOSEABLE TRANSACTION REGARDING ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board announces that on 4 December 2009, the Company entered into the Cooperation Agreement with the JV Partner in relation to the establishment of Birmingham China. Birmingham China will be owned as to 80% by the Company and as to 20% by the JV Partner and will be principally engaged in advertising, marketing and sponsorship businesses in the PRC. Following its establishment, Birmingham China will become a non-wholly owned subsidiary of the Company.

The initial registered capital of Birmingham China shall be US\$1 million (equivalent to approximately HK\$7,800,000). Under the Cooperation Agreement, the Company and the JV Partner shall contribute in aggregate RMB50,000,000 (equivalent to approximately HK\$56,818,182) and RMB12,500,000 (equivalent to approximately HK\$14,204,545) respectively by way of loan to Birmingham China, within 3 years from the date of issue of the business licence of Birmingham China.

As the applicable percentage ratios for the commitment of fund in entering into of the Cooperation Agreement and the establishment of Birmingham China exceed 5% but are less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

THE COOPERATION AGREEMENT

Date

4 December 2009

Parties involved

1. The Company
2. Beijing Armstrong International Corporate Identity Corporation Company Limited (北京始創國際企劃有限責任公司), an Independent Third Party

* *For identification purpose only*

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the JV Partner and its ultimate beneficial owner(s) is an Independent Third Party.

Business scope

Birmingham China will be principally engaged in advertising, marketing and sponsorship businesses in the PRC. The JV Partner shall be mainly responsible for providing advertising, marketing and public relation services to Birmingham China for the purposes of promoting and marketing Birmingham City Football Club in the PRC. Under the Cooperation Agreement, the Company and the JV Partner have agreed to donate part of the revenue from Birmingham China to Birmingham Charity Fund and the amount of which shall be agreed between the Company and the JV Partner.

Registered capital and capital contribution

The initial registered capital of Birmingham China shall be US\$1 million (equivalent to approximately HK\$7,800,000). Under the Cooperation Agreement, Birmingham China will be owned as to 80% by the Company and as to 20% by the JV Partner. The Company and the JV Partner shall contribute in aggregate RMB50,000,000 (equivalent to approximately HK\$56,818,182) and RMB12,500,000 (equivalent to approximately HK\$14,204,545) respectively as shareholders' loan to Birmingham China, within 3 years from the date of issue of the business licence of Birmingham China.

Following its establishment, Birmingham China will become a non-wholly owned subsidiary of the Company and its accounts will be consolidated into the financial statements of the Group.

The Group intends to finance its contribution to the registered capital of Birmingham China from its internal resources.

Apart from the contributions to the registered capital and shareholders loan set out above, there are no further capital commitments that are required to be contributed by the Company and the JV Partner as at the date of this announcement. If there are any further capital commitments to be put up by the Company to Birmingham China, a further announcement will be made as and when appropriate to comply with the requirements under the Listing Rules.

INFORMATION ON THE GROUP AND THE JV PARTNER

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in apparel sourcing, apparel trading and sales support services and the activity of a Premier League football club.

Beijing Armstrong International Corporate Identity Corporation Company Limited (北京始創國際企劃有限責任公司) (“AICI”) is a company incorporated in the PRC with limited liability. AICI was the winner of 2008 Olympic Emblem Design Competition and was awarded 18 Outstanding Management and Marketing Case in the PRC (The 6th China Flower Expo). Its clients include notable enterprises in the PRC, such as China Foundation for Disabled Persons, PetroChina, China Life Insurance and ICBC.

Mr. Zhang Wu, the chairman of the board of AICI, graduated from the Academic of Arts and Design of Tsinghua University. He is an executive member of China Advertising Association and Council of Beijing Advertising Association. He has also received many accolades, including “China Top 10 Planning Experts” and “1994-2004 China Top 10 Most Influential Planning Experts”.

REASONS FOR THE ESTABLISHMENT OF THE JV COMPANY

The Group’s business involves the operation of a Premier League football club and its market position in promotion of the football industry in the PRC. As the business revenue includes advertisement and sponsorship revenue, the establishment of Birmingham China is a crucial strategy of the Company in developing its advertisement and sponsorship business. Setting up Birmingham China will be beneficial to the Group in increasing its sponsorship revenue as AICI possesses an extensive client network.

The Cooperation Agreement is a legally-binding agreement entered into by the Company. The Directors are of the view that the entering into of the Cooperation Agreement and the establishment of Birmingham China are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

GENERAL

As the applicable percentage ratios for the commitment of funds in entering into of the Cooperation Agreement and the establishment of Birmingham China exceed 5% but are less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

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

“Birmingham China” Birmingham (China) Company Limited 伯明翰 (中國) 有限責任公司, a joint venture company established by the Company and the JV Partner in the PRC pursuant to the Cooperation Agreement

“Board” the board of Directors

“Company”	Grandtop International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 4 December 2009 and entered into between the Company and the JV Partner in relation to the establishment of Birmingham China
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third parties independent of the Company and the connected persons of the Company and is not a connected person of the Company
“JV Partner”	Beijing Armstrong International Corporate Identity Corporation Company Limited (北京始創國際企劃有限責任公司), a limited liability company incorporated in the PRC and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Grandtop International Holdings Limited
Hui Ho Luek, Vico
Executive Director and Chief Executive Officer

Hong Kong, 4 December, 2009

As at the date of this announcement, the executive Directors are Mr. Yeung Ka Sing, Carson, Mr. Hui Ho Luek, Vico, Mr. Steven McManaman, Mr. Lee Yiu Tung, Mr. Ip Wing Lun and Ms. Wong Po Ling, Pauline, the non-executive Directors are Mr. Christian Lali Karembeu and Mr. Chan Wai Keung and the independent non-executive Directors are Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond and Mr. Zhou Han Ping.

The exchange rate used in this announcement is HK\$1=RMB0.88