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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2007

The board of Directors ("the Board") of Grandtop International Holdings Limited ("the Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2007, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2007

	Note	2007 HK$'000	2006 HK$'000
Turnover	3	**42,813**	48,428
Cost of sales		**(36,597)**	(38,892)
Gross profit		**6,216**	9,536
Other revenue	3	**3,683**	431
Selling expenses		**(1,924)**	(2,911)
Administrative expenses		**(16,745)**	(19,413)
Impairment of goodwill		**—**	(5,524)
Impairment loss on trade receivables		**(583)**	(4,685)
Impairment loss on prepayments, deposits and other receivables		**—**	(4,745)
Impairment loss on available-for-sale financial assets		**(1,320)**	(33,245)
Loss from operations		**(10,673)**	(60,556)
Finance costs		**(48)**	(149)
(Loss)/gain on disposal of subsidiaries		**(329)**	1,098
Loss before taxation		**(11,050)**	(59,607)
Taxation	4	**—**	(20,003)
Loss for the year		**(11,050)**	(79,610)
Attributable to:			
Equity holders of the Company		**(11,050)**	(79,610)
Dividends	5	**—**	—
Loss per share for loss attributable to the equity holders of the Company during the year			
Basic	8	**HK$0.034**	HK$0.249
Diluted		**N/A**	N/A

* *For identification purpose only*

CONSOLIDATED BALANCE SHEET

At 31 March 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		**4,594**	12,103
Leasehold land		**720**	5,757
Available-for-sale financial assets		**—**	2,695
		5,314	20,555
Current assets			
Inventories		**3,656**	8,951
Trade receivables	*6*	**5,613**	5,392
Prepayment, deposit and other receivables		**1,835**	4,038
Cash and cash equivalents		**6,757**	2,488
		17,861	20,869
Total assets		**23,175**	41,424
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**3,840**	3,200
Reserves		**(3,895)**	51
		(55)	3,251
Non-current liabilities			
Interest-bearing bank borrowings, secured		**—**	5,689
Deferred tax liabilities		**167**	167
		167	5,856
Current liabilities			
Interest-bearing bank borrowings, secured		**—**	261
Trade and other payables	*7*	**3,066**	3,345
Amount due to a director		**—**	8,261
Tax payables		**19,997**	20,450
		23,063	32,317
Total liabilities		**23,230**	38,173
Total equity and liabilities		**23,175**	41,424
Net current liabilities		**(5,202)**	(11,448)
Total assets less current liabilities		**112**	9,107
Net (liabilities)/assets		**(55)**	3,251

NOTES TO THE FINANCIAL STATEMENTS

31 March 2007

1. Basis of Preparation

These consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value. The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The preparation of financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

For the year ended 31 March 2007, the Group incurred a net loss of HK$11,050,000 (2006: HK$79,610,000) and as of that date, the Group's current liabilities exceed its current assets by approximately HK$5,202,000 (2006: HK$11,448,000). Notwithstanding the adverse financial position of the Group as at 31 March 2007, the directors have prepared these financial statements on a going concern basis after considering the following future liquidity of the Group:

(i) On 23 April 2007, the Company entered into an underwriting agreement to raise approximately HK$38.4 million, before expenses, by issuing 192,000,000 offer shares at a price of HK$0.20 per offer share by way of open offer, on the basis of one offer share for every two shares held. The open offer had been completed on 7 June 2007;

(ii) On 20 June 2007, the Company entered into a placing agreement to raise approximately HK$65.7 million, before expenses, by issuing 115,200,000 placing shares at a price of HK$0.57 each and completed on 11 July 2007; and

(iii) On 13 July 2007, the Company entered into the placing agreement with the placing agent pursuant to which the Company appointed the placing agent as sole and exclusive placing agent to procure not fewer than six placees to subscribe for up to 138,240,000 warrants, on a fully underwritten basis, at the issue price of HK$0.10 per warrant. The net proceeds of approximately HK$13.2 million has been raised by the issuance of warrants.

2. Application of New and Revised Hong Kong Financial Reporting Standards

In current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS"), amendments of Hong Kong Accounting Standards ("HKASs") and interpretations ("INT") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective either for accounting periods beginning on or after 1 December 2005 or 1 January 2006 or 1 March 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting period have been prepared and presented. Accordingly, no prior period adjustment has been required.

The HKICPA has issued the following new standard, amendment and interpretations ("INT") that are not yet effective for the year ended 31 March 2007 and which have not been adopted in these consolidated financial statements. The Group has considered the following new standard, amendment and interpretations but does not expect they will have a material effect on the results of operations and financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) — INT 8	Scope of HKFRS 2[3]
HK(IFRIC) — INT 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) — INT 10	Interim Financial Reporting and Impairment[5]
HK(IFRIC) — INT 11	HKFRS 2 — Group and Treasury Share Transactions[6]
HK (IFRIC) — INT 12	Service Concession Arrangement[7]

1. Effective for annual periods beginning on or after 1 January 2007.
2. Effective for annual periods beginning on or after 1 January 2009.
3. Effective for annual periods beginning on or after 1 May 2006.
4. Effective for annual periods beginning on or after 1 June 2006.
5. Effective for annual periods beginning on or after 1 November 2006.
6. Effective for annual periods beginning on or after 1 March 2007.
7. Effective for annual periods beginning on or after 1 January 2008.

3. Turnover and Segment Information

Turnover

The Group's turnover comprised of the followings:

	The Group	
	2007	2006
	HK\$'000	*HK\$'000*
Apparel sourcing services	**982**	4,524
Apparel trading	**41,831**	43,904
	42,813	48,428

Other Revenue

	The Group	
	2007	2006
	HK\$'000	*HK\$'000*
Bank interest income	**24**	240
Dividend income received from available-for-sales financial assets	**—**	191
Reversal of provision for impairment loss on trade receivables	**3,659**	—
	3,683	431

Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has determined that business segments as the primary reporting because this is more relevant to the Group in making operating and financial decisions.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of customers, and assets are attributed to the segments based on the location of the assets.

Business Segments

The following table provides an analysis of the Group's revenues, results and certain assets, liabilities and expenditure information by business nature:

	Apparel Sourcing Services		Apparel Trading Services		Sales Support Services		Consolidated Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue								
Sales to external customer	**982**	4,524	**41,831**	43,904	**—**	—	**42,813**	48,428
Segment results	**(2,773)**	(3,252)	**(3,457)**	(14,236)	**—**	—	**(6,230)**	(17,488)
Other revenue							**24**	431
Unallocated expenses							**(4,467)**	(43,499)
Loss from operation							**(10,673)**	(60,556)
(Loss)/Gain on disposal of subsidiary							**(329)**	1,098
Finance costs							**(48)**	(149)
Loss before taxation							**(11,050)**	(59,607)
Taxation							**—**	(20,003)
Loss for the year							**(11,050)**	(79,610)
Loss from ordinary activities attributable to the equity holder of the Company							**(11,050)**	(79,610)

	Apparel Sourcing Services		Apparel Trading Services		Sales Support Services		Consolidated Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets								
Segment assets	**5,525**	3,654	**13,656**	25,524	**—**	52	**19,181**	29,230
Unallocated assets							**3,994**	12,194
Total assets							**23,175**	41,424
Liabilities								
Segment liabilities	**269**	2,821	**894**	9,317	**19,918**	—	**21,081**	12,138
Unallocated liabilities							**2,149**	26,035
Total liabilities							**23,230**	38,173
Other segment information:								
Capital expenditure	**—**	—	**260**	439	**—**	—	**260**	439
Unallocated capital expenditures							**26**	284
							286	723
Depreciation and amortisation	**365**	722	**676**	1,824	**—**	426	**1,041**	2,972
Unallocated depreciation and amortisation							**635**	659
							1,676	3,631
Impairment loss on property, plant and equipment	**909**	—	**—**	—	**—**	169	**909**	169
Other non-cash expenses	**583**	3,595	**—**	11,241	**—**	169	**583**	15,005
Unallocated other non-cash expenses							**1,320**	43,514
							1,903	58,519

Geographical Segments

	Segment Revenue		Segment Results	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**3,291**	13,202	**(2,574)**	(4,653)
Russia	**—**	1,052	**—**	(253)
South Korea	**—**	1,545	**—**	(1,541)
Panama	**—**	1,006	**—**	(562)
USA	**—**	1,421	**—**	(1,428)
PRC	**19,290**	8,954	**(937)**	(1,062)
Macau	**20,232**	21,248	**(2,719)**	(7,989)
	42,813	48,428	**(6,230)**	(17,488)

	Segment Assets		Segment Liabilities	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**16,272**	31,692	**21,316**	29,995
Macau	**6,903**	9,732	**1,914**	8,178
	23,175	41,424	**23,230**	38,173

4. Taxation

Hong Kong profits tax has been not provided at the rate of 17.5% (2006: 17.5%) as the Group had no any assessable profits in Hong Kong during the year (2006: HK$20 million).

The amount of taxation charged in the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current - Hong Kong		
Charge for the year	**—**	85
Provision for estimated assessments of tax liabilities	**—**	19,918
Current - Elsewhere		
Charge for the year	**—**	—
Over provision in prior year	**—**	—
Total tax charge for the year	**—**	20,003

For the year ended 31 March 2006, the Hong Kong Inland Revenue Department ("IRD") issued certain estimated assessments for tax liabilities of aggregate approximately HK$19,918,000 to a subsidiary on the non-taxable claim of non-Hong Kong sourced income for the years of assessment of 1998/1999, 1999/2000, 2000/2001, 2001/2002, 2002/2003 and 2003/2004 ("Estimated Assessments"). The concerned subsidiary has formally filed objections to the IRD against the Estimated Assessments and the concerned subsidiary is still in the process of answering queries from the IRD. The directors of the Company considered that full provision on the tax liabilities of the Estimated Assessments was required as the result of the objections regarding the Estimated Assessments is uncertain. For the year ended 31 March 2007, no further estimated assessment has been issued by the IRD against the subsidiary of the Company.

5. Dividends

The directors do not recommend the payment of any dividend in respect for the year ended 31 March 2007 (2006: Nil).

6. Trade Receivables

The Group

The Group's general credit terms granted to its customers ranged form 0-60 days (2006: 0-60 days). The following is an aged analysis of the trade receivables at the balance sheet date.

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**4,291**	3,586
Between 31 to 60 days	**1,636**	1,806
Between 61 to 1 year	**1,295**	4,685
	7,222	10,077
Less: Provision for impairment loss on trade receivables	**(1,609)**	(4,685)
	5,613	5,392

Note: The carrying amount of trade receivables approximately to their fair value.

7. Trade and Other Payables

	The Group	
	2007	2006
	HK$'000	*HK$'000*
Trade payables		
Within 90 days	**727**	1,628
Within 91 days to 180 days	**190**	727
	917	2,355
Accrued expenses due within 30 days or on demand	**2,149**	990
	3,066	3,345

Note: The carrying amount of trade and other payables approximately to their fair value.

8. Loss Per Share

The calculation of the basic loss per share is based on the loss attributable to the Company's equity holders of approximately HK$11,050,000 (2006: HK$79,610,000) and on weighted average number of shares of approximately 329,468,493 (2006: 320,000,000) shares in issue during the year.

There were no potential shares in existence for the year ended 31 March 2007 and 2006, and, accordingly, no diluted loss per share has been presented.

9. Subsequent Events

(i) On 23 April 2007, the Company entered into an underwriting agreement to raise approximately HK$38.4 million, before expenses, by issuing 192,000,000 offer shares at a price of HK$0.20 per offer share by way of open offer, on the basis of one offer share for every two shares held. The open offer had been completed on 7 June 2007;

(ii) On 20 June 2007, the Company entered into a placing agreement to raise approximately HK$65.6 million, before expenses, by issuing 115,200,000 placing shares at a price of HK$0.57 each and completed on 11 July 2007;

(iii) On 27 June 2007, the Company entered into the binding Memorandum of Understanding with Mr. David Sullivan, Mr. David Gold, Mr. Ralph Gold, Ms. Karren Brady and Mr. Roger Bannister (collectively the "Vendor") whereby the Vendors have granted the Company the right to purchase an aggregate 29.90% of the issued capital of Birmingham City Plc. from them or their nominees for an aggregate price of approximately HK$233,220,000. On 16 July 2007, the transaction on the acquisition of 29.90% issued capital of Birmingham City Plc. has been completed; and

(iv) On 13 July 2007, the Company entered into the placing agreement with the placing agent pursuant to which the Company appointed the placing agent as sole and exclusive placing agent to procure not fewer than six placees to subscribe for up to 138,240,000 warrants, on a fully underwritten basis, at the issue price of HK$0.10 per warrant. The net proceeds of approximately HK$13.2 million has been raised by the issuance of warrants.

FINANCIAL REVIEW

For the year ended 31 March 2007, the Group recorded a consolidated turnover of approximately HK$42.8 million, which represented an approximately 12% decrease as compared to the previous of approximately HK$48.4 million. Such decrease was mainly due to a change in the Group's focus from apparel sourcing to apparel trading business during the year. In current year, apparel sourcing business accounted for approximately 2.3% to the Group's total turnover while it was approximately 9.3% in previous year. Such change was to mininise further loss attributable to the apparel sourcing business.

During the year under review, the gross profit margin of the Group was approximately 14.5% while it was approximately 19.7% in previous year. The decrease in the gross profit margin was mainly due to increase in cost of sales in the Group's apparel trading business which faced a fierce competition in price and increase in demand of quality in both Hong Kong and Macau market during the year.

In view of the increase in cost of sales from the Group's apparel trading business, the Group had implemented several remedial measures to better control in its operating costs. In particular, the Group had formulated a credit and inventories control team to closely monitor outstanding debts and inventories level. As a result, the impairment loss on trade receivables and provision of obsolete inventories were significantly reduced during the year under review.

By implementing those remedial measures, both operating and administrative expenses had been successfully controlled and improved during the year and the Group's net loss in current year had been narrowed from approximately HK$79.6 million in previous year to approximately HK$11.1 million in current year. Consequently, the loss per share attributable to the shareholders of the Company had been improved from HK$0.249 in previous year to HK$0.034 for the current year.

During the year under review, most of the Group's revenue was mainly derived from the PRC, Hong Kong, and Macau market and accounted for approximately 45%, 7.7% and 47.3% to the Group's total turnover.

REVIEW OF OPERATIONS

Divisional Operating Performance

The Group's principal activities are engaged in (i) apparel sourcing, (ii) apparel trading and (iii) provision of sales support services. Turnover derived from these three operations are accounted for approximately 2.3%, 97.7% and 0% of the Group's total turnover respectively (2006: 9.3%, 90.3% and 0%). During the year under review, the Group had minimised the apparel sourcing and sales support businesses and more focused on apparel trading business. The details on the review of each business operation are discussed below:

Apparel Sourcing

During the year under review, turnover derived from the Group's apparel sourcing business was approximately HK$1.0 million, represented a decrease of approximately 78% as compared to the previous year of approximately HK$4.5 million. The Group also recorded a loss of approximately HK$2.8 million from the apparel sourcing business in the current year.

Following on booming economic condition in both Hong Kong and Macau, the purchasing power from customers in both Hong Kong and Macau market increased significantly during the year under review. Such booming market condition attracts local competitors entering into the apparel sourcing market and lead to the increase in completion in terms of price and quality of the apparel products, consequently, the profit margin of the Group's apparel sourcing business was adversely affected.

In view of low profit margin and significant resources were required to operate the apparel scouring business such as sales team and other operating costs, the Group's decided to mininise the apparel sourcing business in order to avoid further losses. As a result, turnover derived from the Group's apparel sourcing business was significantly decreased as compared to previous year. The Group will closely monitor the market situation in both Hong Kong and Macau and will reallocated more resources in the apparel sourcing business in the future when the adverse effect from the increase in competition has diminished.

Sales Support Services

During the year under review, the sales support services business remained inactive during the year and therefore no turnover derived from the provision of sales support services. Following from the cessation of the quota system for textile products export to the United States, there was a lack of demand from customers for the Group's sales support services. The Group is currently in the process to consider the restructuring of the sales support services business by providing other additional value added services for customers to export their products to the United States and other countries.

Apparel Trading

Apparel trading business was the core business of the Group which comprised of wholesales and retails of apparel products in the PRC, Hong Kong and Macau. For the year ended 31 March 2007, turnover derived from the apparel trading business was approximately HK$41.8 million, represents a decrease of approximately 5% as compared to previous year. Such decrease was mainly due to closure of retail outlet in Hong Kong during the year under review. The main reason was due to the expiry of the rental lease and a significant increase in rental anticipated for renewing the lease. After considering the cost budget of the retail section in Hong Kong, the Group decided to close down the retails outlet in Hong Kong. The Group will closely monitor the market condition in Hong Kong and will look for other suitable place to resume the retail section in Hong Kong.

During the year under review, the Group's apparel trading business recorded a loss of approximately HK$3.5 million which was mainly due to the increase in the cost of apparel products and significant increase in salaries and allowances. Nevertheless, the loss of approximately HK$3.5 million has been improved from approximately HK$14.2 million in previous year. The reason for such improvement was mainly due to significantly decrease in the impairment of trade receivable and provision of obsolete inventories which was as a result of better control of the inventories level and recovery of the outstanding debts.

FUTURE BUSINESS PROSPECTS AND PLANS

In view of both Hong Kong and Macau are experiencing an impressive economic growth, the purchasing power from customers is anticipated to increase in coming years. Although the Group's apparel sourcing and apparel trading business faced a comprehensive challenge from local competitors, the Group will take every step to overcome the challenge by restructuring the cost structure as well as formulating new business plans to expand revenue by entering into trading of high margin apparel products in the future.

In addition to focusing on the Group's apparel trading business, the Group will implement new business strategy to expand the Group's business model in the future. In July 2007, the Group has completed the acquisition of 29.9% equity interests in Birmingham City Plc. which operates a well established football club and play in the top division — Premier League in England. Following on the acquisition, the Group will be benefited from supply and source apparel, accessories and related products for Birmingham Football Club in the future. Moreover, the Company has appointed a former England international football player - Steven McManaman to be an executive director of the Company. Mr. McManaman played in a career spanning two of European Football's biggest club football sides in Liverpool F.C. and Real Madrid F.C. and accumulated substantial experience in the management of football club and its continuing development. Together with his indepth knowledge in football industry, the Group is confident that the newly acquired associate — Birmingham City Plc. will bring position return to the Group and its shareholders in the future.

Furthermore, apart from the acquisition of 29.9% equity interests in Birmingham City Plc., the Group will continue to explore and identify investment opportunities to add to the Group's investment portfolio so as to enhance shareholders' value by organic growth.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: Nil).

CONTINGENT LIABILITIES

A writ has been filed against the Company in respect of a claim for reimbursement of expenses paid on behalf of the Company and its subsidiary amounting to approximately HK$3 million on 26 July 2006. The Company is not aware of such alleged payments and has instructed lawyers to deal with the matter. The Board of directors is in the opinion the claim is not justifiable and without merit.

Save as disclosed above, the Group does not have any material contingent liabilities as at 31 March 2007 and 2006.

CAPITAL STRUCTURE

It is the intention of the Group to maintain a strong and stable financial position to ensure an efficient capital structure over time. As at 31 March 2007, the Group had total assets of approximately HK$23.2 million (2006: HK$41.4million), comprising non-current assets of approximately HK$5.3 million (2006: HK$20.6 million) and current assets of approximately HK$17.9 million (2006: HK$20.9 million).

As at 31 March 2007, total debts of the Group amounted to approximately HK$23.0 million, representing a decrease of 36.5% as compared to previous year of approximately HK$38.2 million. Such decrease was mainly due to release of mortgage loan upon disposal of certain subsidiaries during the year. Apart from this, there was no significant change in the Group's debt structure and the current year's total debts remained fairly stable as compared to that of previous year. As at 31 March 2007, total debts of the Group mainly consisted of trade payables and other accruals of approximately HK$3.1 million and tax payable (including current and deferred taxation) of approximately HK$20.2 million.

The current ratio, representing current assets divided by current liabilities, has been improved from previous year of 0.65 to the current year of 0.78. The quick ratio also improved from last year of 0.37 to the current year of 0.62. The improvement in both current ratio and quick ratio was mainly as a result of increase in cash and bank balances and the reduction in current liabilities during the current year. The Group remained fairly low level of debts and the directors considered that the Group has sufficient cash flow to settle all the debts when they fall due.

As at 31 March 2007, the shareholders have deficit of HK$55,000 while it was approximately of HK$3.3 million in the previous year, representing a decrease of 101.7%.

LIQUIDITY AND FINANCIAL RESOURCES

It is the intention to manage its cash and bank balances and maintains a high level of liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business. Cash and bank balances of the Group as at 31 March 2007 were approximately HK$6.8 million, represented an increase of 1.7 times as compared to the previous year of approximately HK$2.5 million. After considering the strong cash position as at 31 March 2007 and various fund raising exercises such as open offer and cash placement subsequent to the balance sheet date, the directors considered that the Group maintained a healthy liquidity position and able settle all the debts when they fall due.

The Group generally financed its operations and serviced its debts primarily through internally generated cash flows from its operations. As at 31 March 2007, the Group does not have any outstanding bank borrowing (2006: HK$5.9 million represents a mortgage loan for the purpose of facilitating a leasehold land and building).

The Group had contingent liabilities of approximately HK$3 million as at balance sheet date which alleged claim for reimbursement of expenses paid by its former senior management on behalf of the Company and its subsidiary.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

As at 31 March 2007, substantially all of the monetary assets of the Group were comprised of cash and bank balance and trade receivables, which denominated in Hong Kong dollars and Renminbi. As the exchange rates of Hong Kong dollars against Renminbi were considered relatively stable during the year, the Group's exposure to fluctuations in exchange rates was minimal. In addition, the Group did not have any foreign currency investment which has been hedged by currency borrowings and other hedging instruments. The Group will closely monitor the foreign currency exposure and to arrange for hedging facilities when necessary.

PLEDGE AND CHARGE OF GROUP ASSETS

As at 31 March 2007, the Group did not have assets pledged to secure any outstanding borrowing (2006: approximately HK$9.2 million of leasehold land and building were pledged to secure a mortgage loan).

HUMAN RESOURCES

As at 31 March 2007, the Group employed 32 employees. The remuneration policy and package of the Group's employees are periodically reviewed and approved by the executive directors and the Group's remuneration committee. Apart from the provident fund scheme, medical insurance scheme, discretionary bonuses and share options may also be awarded to employees according to the assessment of individual performances. During the year under review, the Group has not encountered any problem with the recruitment of its employees. None of the companies in the Group has experienced any labour disputes during the year and the directors of the Company consider that the Group has maintained an excellent employment relationship.

CORPORATE GOVERNANCE

The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders. Throughout the year ended 31 March 2007, the Company has applied the principles of the Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rule") and complied with all the applicable code provisions of the Code, except the following:

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 March 2007, the Company did not have any chief executive officer. The executive directors collectively oversaw the strategic development of the Group, monitored and controlled the financial performance and day-to-day operations of the Group.

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all of the independent non-executive directors and non-executive directors have not been appointed for a specific term and they are subject to retirement by rotation and re-election at the annual general meeting to the Company in accordance with the Articles.

MODEL CODE FOR SECURITIES

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issue as set out in Appendix 10 of the Listing Rules ("Model Code"). Having made specific enquiry to all the directors of the Company, all the directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors and employees adopted by the Company.

AUDIT COMMITTEE

The Company has an Audit Committee which was established on 22 October 2002 in accordance with the requirements of the Code of Best Practices set out in Appendix 14 to the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors of the Company.

The Audit Committee of the Company had reviewed and commented on the Company's annual results for the year ended 31 March 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its shares during the year. Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

PUBLICATION OF FURTHER INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report will be dispatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at http://www.irasia.com/listco/hk/grandtop/index.htm under "Financial Results Publication" in due course.

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

Hong Kong, 26 July 2007

As at the date of this announcement, the Board comprises of executive directors, Mr. Yeung Ka Sing, Carson, Mr. Hui Ho Luek, Vico, Mr. Steven McManaman, Mr. Lee Yiu Tung, Mr. Ip Wing Lun, Ms. Wong Po Ling, Pauline and Ms. Siu Bessie; non-executive director, Mr. Fu Wing Kwok, Ewing and independent non-executive directors, namely Mr. Chang Kin Man, Mr. Zhou Han Ping and Mr. Yip Man Ki.