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 RESULTS FOR THE YEAR ENDED 31 MARCH 2009

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 2009, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Turnover	4	**10,660**	20,595
Cost of sales		**(6,513)**	(17,574)
Gross profit		**4,147**	3,021
Other revenue and net gains	5	**986**	404
Impairment loss on property, plant and equipment		—	(1,919)
Impairment loss on available-for-sale financial assets	11	**(73,945)**	(110,923)
Impairment loss on trade receivables		**(1,333)**	(1,745)
Selling expenses		**(2,000)**	(790)
Administrative expenses		**(19,072)**	(29,563)
Share-based payments		—	(10,200)
Finance costs	6	**(538)**	—
Loss before taxation	7	**(91,755)**	(151,715)
Income tax	8	**78**	(418)
Loss for the year attributable to equity holders of the Company		**(91,677)**	(152,133)
Dividend	9	—	—
Loss per share	10		
— Basic and diluted (HK cents)		**(10.96)**	(22.47)

* *for identification purpose only*

CONSOLIDATED BALANCE SHEET
At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,992**	2,780
Investment property		**1,060**	1,250
Available-for-sale financial assets	*11*	**60,419**	134,364
		64,471	138,394
Current assets			
Prepaid land lease expenses		**—**	289
Trade receivables	*12*	**—**	1,099
Deposits, prepayments and other receivables	*12*	**1,190**	544
Cash and cash equivalents		**2,968**	7,055
		4,158	8,987
Current liabilities			
Accruals and other payables		**5,880**	5,588
Taxation payable		**20,337**	20,415
Amounts due to directors		**5,378**	10,583
		31,595	36,586
Net current liabilities		**(27,437)**	(27,599)
Total assets less current liabilities		**37,034**	110,795
Non-current liabilities			
Amounts due to directors		**97,982**	97,982
Deferred tax liabilities		**167**	167
Convertible notes		**4,108**	—
		102,257	98,149
NET (LIABILITIES)/ASSETS		**(65,223)**	12,646
CAPITAL AND RESERVES			
Share capital		**9,852**	7,603
Reserves		**(75,075)**	5,043
TOTAL EQUITY		**(65,223)**	12,646

Notes:

1. **Statement of compliance and basis of preparation**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, available-for-sale financial assets and derivative component of convertible notes which are carried at fair value.

The financial statements have been prepared on a going concern basis notwithstanding the fact that the Group reported consolidated net current liabilities of HK$27,437,000 (2008: net current liabilities of HK$27,599,000) and consolidated net liabilities of HK$65,223,000 (2008: net assets of HK$12,646,000) as at 31 March 2009 and loss for the year then ended of HK$91,677,000 (2008: loss of HK$152,133,000). This condition may indicate the existence of material uncertainty which may cast significant doubts on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above, the directors of the Company have considered the following situations and are satisfied that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis:

(i) The Company raised working capital with net proceeds of HK$58,000,000 in aggregate by way of placing of its new shares of the Company after the balance sheet date; and

(ii) Included in the non-current liabilities of the Group as at 31 March 2009 is an amount due to a director who is also an ultimate shareholder of the Company with aggregrate carrying amount of HK$95,068,000, which is unsecured, interest free and has no fixed repayment term. The Director and ultimate shareholder of the Company undertakes not to demand for the Group to repay this amount due until the Company and the Group are financially capable to do so. This interest free advance is not repayable within twelve months from the balance sheet date and is considered in substance as a quasi-equity loan to finance the Group's long term investments.

2. Adoption of new and revised Standards

In the current year, the Group has adopted all of the new and revised HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

The adoption of HK(IFRIC) — Int 12 "Service concession arrangements", HK(IFRIC) — Int 14 "HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments "Reclassification of financial assets" has no impact on the financial statements.

At the date of authorisation of the financial statements, the following HKFRSs were in issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(i)
HKAS 23 (Revised)	Borrowing costs	(i)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(i)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	(i)
HKFRS 8	Operating segments	(i)
HK(IFRIC) — Int 15	Agreements for the construction of real estates	(i)
HKFRS 2 (Amendments)	Vesting conditions and cancellations	(i)
HKFRS 7 (Amendments)	Improving disclosures about financial instruments	(i)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKAS 39 (Amendments)	Eligible hedged items	(ii)
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HK(IFRIC) — Int 17	Distributions of non-cash assets to owners	(ii)
HK(IFRIC) — Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) — Int 16	Hedges of a net investment in a foreign operation	(iv)

		Effective date
HK (IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(v)
HK(IFRIC) — Int 18	Transfers of assets from customers	(vi)
2008 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	— HKAS 1, HKAS 16, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 36, HKAS 38, HKAS 39, HKAS 40 & HKAS 41	(i)
	— HKFRS 5	(ii)
2009 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	— HKAS 39 (80)	(i)
	— HKAS 38, HKFRS 2, HK(IFRIC) — Int 9, HK(IFRIC) – Int 16	(ii)
	— HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 & HKFRS 8	(vii)

Effective date:

(i) Annual periods beginning on or after 1 January 2009
(ii) Annual periods beginning on or after 1 July 2009
(iii) Annual periods beginning on or after 1 July 2008
(iv) Annual periods beginning on or after 1 October 2008
(v) Annual periods ending on or after 30 June 2009
(vi) Transfers of assets from customers received on or after 1 July 2009
(vii) Annual periods beginning on or after 1 January 2010

The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of initial application.

3. Segment Information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The business segments of the Group are businesses of apparel sourcing, apparel trading, entertainment and investment holding.

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) ***Business segments***

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

	Apparel sourcing		Apparel trading		Entertainment		Investment holding		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue										
Sales to external customers	**1,113**	809	**1,225**	19,786	**8,322**	—	**—**	—	**10,660**	20,595
Segment results	**1,113**	809	**(309)**	2,212	**3,343**	—	**—**	—	**4,147**	3,021
Other revenue and net gains	**—**	—	**—**	—	**47**	—	**936**	236	**983**	236
Unallocated other revenue and net gains									**3**	168
									986	404
Unallocated expenses									**(22,405)**	(44,217)
Impairment loss on available-for-sale financial asset							**(73,945)**	(110,923)	**(73,945)**	(110,923)
Finance costs									**(538)**	—
									(74,483)	(110,923)
Loss before taxation									**(91,755)**	(151,715)
Income tax	**—**	—	**—**	(418)	**—**	—	**78**	—	**78**	(418)
Loss for the year attributable to equity holders of the Company									**(91,677)**	(152,133)

	Apparel trading		Entertainment		Investment holding		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets								
Segment assets	—	1,099	—	—	**66,049**	144,220	**66,049**	145,319
Unallocated assets							**2,580**	2,062
Total assets							**68,629**	147,381
Liabilities								
Segment liabilities	—	—	**1,420**	—	**111,695**	114,215	**113,115**	114,215
Unallocated liabilities							**20,737**	20,520
Total liabilities							**133,852**	134,735
Capital expenditure	—	16	—	—	**648**	1,258	**648**	1,274
Depreciation and amortisation	—	688	—	—	**615**	740	**615**	1,428
Unallocated depreciation and amortisation							**110**	57
							725	1,485
Impairment loss of property, plant and equipment	—	1,813	—	—	—	106	—	1,919
Other non-cash expenses	**1,333**	1,745	—	—	**73,263**	110,710	**74,596**	112,455
Unallocated other non-cash expenses							—	10,200
							74,596	122,655

(b) Geographical segments

	Segment revenue		Segment capital expenditure	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**8,322**	—	**648**	1,274
Macau	—	15,103	—	—
United Kingdom ("U.K.")	**2,338**	5,492	—	—
	10,660	20,595	**648**	1,274

	Segment assets	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong	**7,135**	10,555
Macau	**1,076**	1,363
U.K.	**60,418**	135,463
	68,629	147,381

4. Turnover

Turnover, which is also revenue, represents the sales value of goods supplied and services provided to customers and is analysed as follows:

	2009	2008
	HK$'000	*HK$'000*
Service income from entertainment business	**8,322**	—
Apparel sourcing	**1,113**	809
Apparel trading	**1,225**	19,786
	10,660	20,595

5. Other revenue and net gains

	2009	2008
	HK$'000	*HK$'000*
Rental income	**64**	23
Sundry income	**237**	75
Bank interest income	**3**	93
Fair value gain on convertible notes	**872**	—
Fair value (loss)/gain on investment property	**(190)**	213
	986	404

6. Finance costs

	2009	2008
	HK$'000	*HK$'000*
Imputed interest expense on convertible notes	**538**	—

7. Loss before taxation

	2009	2008
	HK$'000	*HK$'000*
Loss before taxation is arrived at after charging:		
Cost of inventories sold	**1,534**	16,647
Cost of services rendered	**4,979**	—
Charge for impairment loss on inventories (including in "cost of sales" in the income statement)	**—**	927
Depreciation of property, plant and equipment	**436**	1,054
Write-off of property, plant and equipment	**—**	115
Release of prepaid land lease expenses	**289**	431
Auditors' remuneration:		
— current year provision	**750**	600
— prior year underprovision	**375**	—
	1,125	600
Share-based payments to consultants	**—**	2,828
Minimum lease payments under operating lease in respect of premises	**1,281**	2,063
Net foreign exchange losses	**—**	67
Employee benefit expenses (including directors' remuneration):		
Salaries and allowances	**7,756**	11,664
Pension fund contributions	**140**	286
Share-based payments	**—**	7,372
	7,896	19,322
and crediting:		
Rental income from investment property (net of direct operating expenses)	**(57)**	(20)

8. Income tax

Taxation (credit)/charge in the consolidated income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current tax — U.K.		
— Provision for the year	**—**	418
Profits tax — Hong Kong		
— Overprovision for prior year	**(78)**	—
	(78)	418

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong during the year (2008: HK$Nil). Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

During the year ended 31 March 2006, the Hong Kong Inland Revenue Department ("IRD") issued certain estimated assessments for tax liabilities of Sun Tai Hing Garment Making Company Limited ("Sun Tai Hing"), a wholly owned subsidiary of the Company, for an aggregate amount of approximately HK$19,918,000 on the non-taxable claims 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 (the "Estimated Assessments"). Sun Tai Hing formally lodged objections with the IRD against the Estimated Assessments and a final settlement has not yet been reached. Full provision on the tax liabilities of the Estimated Assessment was made and included in taxation payable of the Group as at the balance sheet date, and the directors of Sun Tai Hing and the Company considered that the existing provision is adequate.

9. Dividend

No dividend was paid or proposed for the year ended 31 March 2009 (2008: HK$Nil), nor has any dividend been proposed since the balance sheet date.

10. Loss per share

The calculation of basic loss per share is based on the loss for the year attributable to the equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted loss per share is based on the loss for the year attributable to the equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potential dilutive ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

	2009	2008
	HK$'000	*HK$'000*
Loss:		
Loss attributable to the equity holders of the Company, used in the basic and diluted loss per share calculations	**(91,677)**	(152,133)
Add: Imputed interest on convertible notes*	**538**	—
Less: Fair value gain on the derivative component of convertible notes*	**(872)**	—
	(92,011)	(152,133)

	Number of shares	
	2009	2008
	'000	*'000*
Shares:		
Weighted average number of ordinary shares for basic loss per share calculation	**836,164**	677,020
Effect of dilution on weighted average number of ordinary shares in respect of share options*	**—**	7,177
Effect of dilution on weighted average number of ordinary shares in respect of conversion of convertible notes*	**43,288**	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**879,452**	684,197

* Diluted loss per share amounts for the current and prior years are the same as the respective basic loss per share amounts because the basic loss per share amounts for the both years are reduced when taking respective convertible notes and share options (were applicable) into account, and therefore the conversion of convertible notes and share options have an anti-dilutive effect on the basic loss per share amounts for the current and prior years.

11. Available-for-sale financial assets

	2009	2008
	HK$'000	*HK$'000*
Equity securities listed in U.K.		
At cost of acquisition	**245,287**	245,287
Less: impairment losses	**(184,868)**	(110,923)
At fair value	**60,419**	134,364

The Company acquired 24,375,975 ordinary shares of 10 pence each or approximately 29.9% of the issued capital of Birmingham City Plc. ("BCP") at a cash consideration of £14,950,029 (equivalent to approximately HK$237,225,000 at the acquisition date) from independent vendors during the year ended 31 March 2008. BCP was incorporated in the U.K. with limited liability and its shares are listed on the Alternative Investment Market of the London Stock Exchange (the "AIM"). BCP's principal place of business is in the

U.K. and is principally engaged in investment holding. BCP has one subsidiary, Birmingham City Football Club Plc. registered in the U.K. and it is principally engaged in operation of a football league club in the U.K. As the Company failed to appoint any representative to the board of directors of BCP and had no power to exercise any significant influence or joint control over the financial and operating policy decisions of BCP after the acquisition of equity interest in BCP, the directors of the Company consider that the Company's investment in BCP is not an investment in an associate but should be designated as available-for-sale equity securities. Taking into account the transaction costs of HK$8,062,000 that are directly attributable to the Company's acquisition of the equity interest in BCP, the initial cost of the Company's investment in BCP as at the acquisition date amounted to approximately HK$245,287,000.

For the purpose of assessing the impairment of the Company's investment in BCP, market price of BCP's shares listed on the AIM is taken into account. The directors of the Company considered that there is a significant decline in the fair value of the securities, i.e. BCP's market share price quoted on the AIM, below its cost, which is an evidence of impairment. Therefore, an impairment loss on available-for-sale financial assets of HK$73,945,000 (2008: HK$110,923,000) was directly recognised in profit or loss for the year ended 31 March 2009 based on the BCP's market share price quoted on the AIM at the spot transaction rate as at 31 March 2009. Such impairment losses recognised in profit or loss are not reversed through profit or loss, any subsequent increase in the fair value of such available-for-sale financial assets is recognised directly in equity.

12. Trade receivables, deposits, prepayments and other receivables

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**4,687**	4,453
Less: Allowance for doubtful debts	**(4,687)**	(3,354)
	—	1,099
Deposits, prepayments and other receivables	**1,190**	544
	1,190	1,643

(i) The average credit period to the Group's trade receivables is 60 days (2008: 60 days).

(ii) The ageing analysis of gross trade receivables, based on invoice date, is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**—**	335
31 to 60 days	**—**	1,730
Over 60 days	**4,687**	2,388
	4,687	4,453

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the year ended 31 March 2009, the Group recorded a consolidated turnover of approximately HK$10.7 million, representing a decrease of 48.1% compared to the turnover of approximately HK$20.6 million in the last financial year. Such decrease was mainly due to the decrease of the sales of apparel trading business. However, the Group has entered into new business segment which is entertainment business during the year.

The Group's turnover for the year under review was derived from Hong Kong and the United Kingdom markets and accounted for 78.1% and 21.9% respectively. In the last financial year, the Group's turnover was derived from Macau and the United Kingdom markets and accounted for 73.3% and 26.7% respectively.

During the financial year, the gross profit margin of the Group was 38.9% while it was 14.7% in the last financial year. The significant increase in the gross profit margin was mainly due to high gross profit margin in entertainment business in Hong Kong and sportswear & apparel trading business in the United Kingdom.

The loss of the Group for the year ended 31 March 2009 was decreased by 39.7% to approximately HK$91.7 million from the loss for the year of approximately HK$152.1 million in the last financial year. Such loss of the Group was mainly due to a very significant impairment loss on the investment in Birmingham City Plc..

Business Review and Prospects

The Company engages in investment holding. The principal activities of the subsidiaries are businesses of entertainment, apparel sourcing, sportswear & apparel trading and investment holding. During the year under review, the Group entered into entertainment business because of diversification of business and high profit margin in this business. For the existing sportswear & apparel trading business in the United Kingdom, the Group decided to minimise this business because the high competitive market in United Kingdom.

Although the Group is facing the global financial turmoil and poor market conditions, the Group will continue to explore and identify investment opportunities to add into the Group's investments in order to enhance the shareholders' value by its organic growth.

Dividend

No dividend was paid or proposed for the year ended 31 March 2009 (2008: HK$Nil), nor has any dividend been proposed since the balance sheet date.

Liquidity and Financial Resources

As at 31 March 2009, the cash and bank balances of the Group were approximately HK$3,000,000, representing a decrease of 57.7% compared to the cash and bank balances of approximately HK$7,100,000 as at the last financial year end. The current ratio of the Group as at 31 March 2009 was 13.2% (31 March 2008: 24.6%).

Capital Raising

The Company entered into subscription agreement dated 7 May 2008 (the "Subscription Agreement") and supplemental agreement dated 4 June 2008 (the "Supplemental Agreement") with Pacific Capital Investment Management Limited ("Pacific Capital") to issue convertible notes (the "Convertible Notes") by the Company for an aggregate principal amount of up to HK$200,000,000 which was approved as an ordinary resolution passed at the extraordinary general meeting of the Company on 7 July 2008. During the year, the Convertible Notes in the principal amount of HK$20,000,000 were issued. On 11 August 2008, 23 September 2008, 20 November 2008, 18 February 2009, 13 March 2009, 6 April 2009 and 30 April 2009, conversion rights attaching to the Convertible Notes in the principal amounts of HK$6,000,000, HK$2,500,000, HK$1,500,000, HK$2,500,000, HK$2,500,000, HK$2,500,000 and HK$2,500,000 were exercised respectively, resulting in the allotment and issue of 49,586,000 shares, 50,000,000 shares, 30,000,000 shares, 47,169,000 shares, 48,076,000 shares, 45,454,000 shares and 45,454,000 shares respectively.

The Company entered into termination agreement on 5 June 2009 with Pacific Capital to cancel and terminate the Subscription Agreement and the Supplemental Agreement in respect of the Convertible Notes under mutual agreement. The Company and Pacific Capital agreed to release and discharge each other from all obligations under Subscription Agreement and the Supplemental Agreement. Further details were set out in the Company's announcement dated 7 June 2009.

On 7 June 2009, Great Luck Management Limited and Mr. Yeung Ka Sing, Carson (the "Vendors"), the Company and the placing agent entered into the top-up placing and subscription agreement pursuant to which, the Vendors agreed to place, through the placing agent, an aggregate of 150,000,000 existing shares. The gross proceeds from the top-up subscription are HK$60,000,000. The net proceeds of approximately HK$58,000,000 from the top-up subscription are intended to be used as general working capital of the Group, for expansion of the Group's business and/or possible investments in the future when opportunities arise. The details of the top-up placing and subscription agreement were set out in the Company's announcement dated 8 June 2009.

Foreign Exchange Exposure

The Group is exposed to currency risk primarily through its investment in quoted equity securities in Birmingham City Plc. with a carrying value of approximately HK$60.4 million (31 March 2008: HK$134.4 million) as at 31 March 2009 that are denominated in Pound Sterling ("£"), which was acquired during the year of 2008.

Pledge of Group's Asset

As at 31 March 2009 and 31 March 2008, the property of Sun Tai Hing Garment Making Company Limited ("Sun Tai Hing"), a subsidiary of the Company, was charged by the plaintiff for the claim in a writ on 11 September 2007. Save as the above, the Group did not have assets charged nor pledged to secure any outstanding borrowing.

Human Resource

The Group employs approximately 50 employees and their remuneration packages are generally structured by reference to market terms and individual merit. Salaries are normally review on an annual basis based on performance appraisals and other relevant factors.

Commitment

As at 31 March 2009 and 2008, the Company and the Group did not have any capital commitment.

Contingent Liabilities

A writ was filed against the Group entities in respect of a claim for reimbursement of expenses paid on behalf of the Group amounting to approximately HK$3,000,000 on 26 July 2006. The Company was not aware of such alleged payments and had instructed lawyers to deal with the matter. Based on the written legal opinion from the legal counsel, the board of directors is of the opinion that the claim is not justifiable and without merit.

A writ was filed by Siu Ban & Sons Limited ("Siu Ban") against Sun Tai Hing, a subsidiary of the Company, on 11 September 2007 in respect of a claim for the return of the property of Sun Tai Hing located in Hong Kong (the "Property") and damages for costs and loss of interest Siu Ban claimed that Sun Tai Hing did not pay the purchase consideration for the acquisition of the Property in May 2002. The Property was also charged by the plaintiff for this claim. The board of directors is of the opinion that the claim is not justifiable and without merit.

Significant Post Balance Sheet Non-Adjusting Events

The Company entered into termination agreement on 5 June 2009 with Pacific Capital to cancel and terminate the Subscription Agreement and the Supplemental Agreement in respect of the Convertible Notes under mutual agreement. The Company and Pacific Capital agreed to release and discharge each other from all obligations under Subscription Agreement and the Supplemental Agreement. Further details were set out in the Company's announcement dated 7 June 2009.

On 7 June 2009, Great Luck Management Limited and Mr. Yeung Ka Sing, Carson ("Vendors"), the Company and the placing agent entered into the top-up placing and subscription agreement pursuant to which, the Vendors agreed to place, through the placing agent, an aggregate of 150,000,000 existing shares. The gross proceeds from the top-up subscription are HK$60,000,000. The net proceeds of approximately HK$58,000,000 from the top-up subscription are intended to be used as general working capital of the Group, for expansion of the Group's business and/or possible investments in the future when opportunities arise. The details of the top-up placing and subscription agreement were set out in the Company's announcement dated 8 June 2009.

Purchase, Sale or Redemption of Securities of the Company

During the relevant periods neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

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. The Company has applied the principles of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rule and complied with all the applicable code provisions of the Code, except the following:

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from the above code provision as one of non-executive Directors ("NEDs") and all independent non-executive Directors ("INEDs") are not appointed for specific terms. According to the provisions of the Company's Articles of Association, however, the NEDs and INEDs are subject to retirement and re-election. The reason for the deviation is that the Company believes that the Directors ought to be committed to representing the long term interest of the Company's shareholders.

Code provision A.4.2 stipulates that all directors should be subject to retirement by rotation at least once every three years. Pursuant to the Company's Articles of Association, the chairman shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In order to ensure the smooth running and continuous adhering to the strategic view of the Company, the Company believes that the position of chairman is more practical to be maintained and not to be subject to retirement by rotation.

Code provision E1.2 stipulates that the chairman of the board (the "Chairman") should attend the annual general meeting (the "AGM"). The Chairman was unable to attend the AGM on 28 August 2008 due to his business trip but he has designated the Executive Director of the Company to answer questions raised at the AGM.

Model Code for Securities

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry to all the Directors of the Company, all the Directors of the Company confirmed that they have complied with the required standard of dealings and the code of conduct regarding the Model Code 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 of 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 up to the date of this announcement. The Audit Committee of the Company reviewed and commented on the Company's annual results for the year ended 31 March 2009.

Remuneration Committee

The Remuneration Committee was established for the purpose of making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management. The written terms of reference which describe the authority and duties of the Remuneration Committee which in line with the Code were prepared and adopted. The Remuneration Committee, comprises three independent non-executive directors, namely Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond and Mr. Zhou Han Ping.

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 will be available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at www.irasia.com/listco/hk/grandtop/index.htm in due course.

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

Hong Kong, 24 July 2009

As at the date of this announcement, the Board comprises of 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 and Ms. Wong Po Ling, Pauline; non-executive directors, namely Mr. Christian Lali Karembeu and Mr. Chan Wai Keung and independent non-executive directors, namely Mr. Chang Kin Man, Mr. Yau Yan Ming, Raymond and Mr. Zhou Han Ping.