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If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Grandtop International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



GRANDTOP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

PROPOSED REFRESHMENT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

**Independent financial adviser to the independent board committee and
independent shareholders of Grandtop International Holdings Limited**



Hantec Capital Limited

A letter from the independent board committee containing its recommendation to the independent shareholders of Grandtop International Holdings Limited is set out on page 9 of this circular. A letter from Hantec Capital Limited containing its advice to the independent board committee and independent shareholders of Grandtop International Holdings Limited is set out on pages 10 to 16 of this circular.

A notice convening the extraordinary general meeting of Grandtop International Holdings Limited to be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18th June, 2007 at 9:00 a.m. is set out on pages 20 to 23 of this circular. Whether or not you are able to attend the extraordinary general meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit at the Company's Hong Kong Branch Share Registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish.

1st June, 2007

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DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Articles”	Articles of Association of the Company
“associates”	shall have 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 and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	means the extraordinary general meeting of the Company to be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18th June, 2007 at 9:00 a.m., the notice of which is set out on pages 20 to 23
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of independent non-executive Directors, comprising Messrs. Chang Kin Man, Yip Man Ki and Zhou Han Ping to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate
“Independent Shareholders”	Shareholders other than Ms. Siu Bessie and her associates
“Issue Mandate”	the mandate to allot and issue new Shares as set out in resolutions numbered 1 and 3 of the Notice

DEFINITIONS

“Hantec”	Hantec Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate. Hantec is a licensed corporation in Hong Kong under section 116 of the Securities and Futures Ordinance to carry out regulated activities of dealing in securities and advising on corporate finance
“Latest Practicable Date”	30th May, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	means the notice convening the EGM which is set out on pages 20 to 23
“Open Offer”	the proposed open offer of the Company as disclosed in the Company’s announcement dated 23rd April, 2007
“PRC”	means the People’s Republic of China
“Repurchase Mandate”	the mandate to repurchase Shares as described in the explanatory statement set out in the Appendix to this circular
“Share(s)”	ordinary share(s) of par value of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



GRANDTOP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

Executive Directors:

Ms. Siu Bessie
Mr. Lee Yiu Tung
Ms. Wong Po Ling, Pauline

Non-Executive Directors:

Mr. Ip Wing Lun
Mr. Fu Wing Kwok, Ewing

Independent Non-executive Directors:

Mr. Chang Kin Man
Mr. Yip Man Ki
Mr. Zhou Han Ping

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman,
KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

No. 1, 1st Floor, Pei Ho Building
115-117 Fuk Wa Street
Sham Shui Po, Kowloon
Hong Kong

1st June, 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM to be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18th June, 2007 at 9:00 a.m.. These include the ordinary resolutions to refresh the General Mandates to issue Shares, to repurchase Shares and to extend such mandate to Shares repurchased.

LETTER FROM THE BOARD

An independent board committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate. Hantec has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate.

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions proposed at the EGM.

A notice convening the EGM setting out the details of the resolutions to be proposed at the EGM is set out on pages 20 to 23 of this circular.

PROPOSED REFRESHMENT OF GENERAL MANDATE

At the annual general meeting of the Company held on 29th September, 2006 (the “2006 AGM”), the Shareholders approved, among other things, ordinary resolutions to approve the grant of a general mandate to the Directors to allot, issue and deal with Shares (the “General Mandate”). As at the date of passing such resolutions, there were a total of 320,000,000 Shares in issue and thus the Directors were authorised to issue and allot 20% thereof, being 64,000,000 Shares under the General Mandate. The Company has not, since the 2006 AGM, refreshed the General Mandate.

During the period from the 2006 AGM to the Latest Practicable Date, according to the Company’s announcement dated 6th February, 2007, 64,000,000 new Shares, representing 100% of the General Mandate, was allotted and issued to Premier Rise Investments Limited upon completion of the allotment and issue of 64,000,000 new Shares to Premier Rise Investments Limited under the conditional subscription agreement dated 6th February, 2007 (the “Subscription”). Immediately following completion of the Subscription, no new Shares under the General Mandate may be further allotted and issued under the General Mandate.

The Directors are of the view that equity financing exercise through the issue of new shares should be a suitable method to raise fund, without increase the financial risk of the Group to satisfy the future acquisition in the event that the Group identifies any suitable investment opportunities that may require larger amount of investment cost and capital commitment. As at the Latest Practicable Date, the Group has not identified any investment target.

LETTER FROM THE BOARD

The Board therefore proposes to seek your approval by way of ordinary resolutions to be proposed at the EGM to give the Directors a fresh general mandate to:

- (i) allot, issue and otherwise deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of Resolution No. 1 as set out in the Notice during the period from the date of the passing of Resolution No. 1 up to: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such mandate, whichever occurs first;
- (ii) repurchase Shares with an aggregate nominal amount up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of Resolution No. 2 as set out in the Notice during the period from the date of the passing of Resolution No. 2 up to: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Repurchase Mandate, whichever occurs first; and
- (iii) add to such general mandate so granted to the Directors to allot, issue and otherwise deal with additional Shares by an amount representing the aggregate nominal amount of the share capital of the Company (up to maximum of 10% of the aggregate nominal amount of the then issued share capital of the Company) repurchased under the Repurchase Mandate. The relevant resolution is set out as Resolution No. 3 in the Notice.

Resolutions No. 1 to 3 are set out in the Notice on pages 20 to 23 of this circular.

As at the Latest Practicable Date, the Company had an aggregate of 384,000,000 Shares in issue. According to the expected timetable in respect of the proposed Open Offer, the Open Offer will be completed prior to the date of the EGM. Upon completion of the Open Offer, the Company had an aggregate of 576,000,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the General Mandates and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM (other than the Open Offer), the Company would be allowed under the Issue Mandate to allot and issue up to 115,200,000 new Shares, being 20% of the Shares in issue as at the date of the EGM.

LETTER FROM THE BOARD

The following table summarises the fund raising activities of the Group during the last 12 months since the Latest Practicable Date:

Date of Announcements	Event	Net Proceeds	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
6th February, 2007	Issue of 64,000,000 Shares	approximately HK\$7,744,000	For general working capital of the Group	HK\$3,987,340 has been used for general working capital of the Group and the remaining balance has not yet been utilised.
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	As at the Latest Practicable Date, the Open Offer has not yet completed. According to the expected timetable in respect of the proposed Open Offer, the Open Offer will be completed prior to the date of the EGM.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the EGM.

EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 13.36(4)(a) of the Listing Rules, refreshment of the Issue Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Issue Mandate. As at the Latest Practicable Date, the Company has no controlling Shareholders and Ms. Siu Bessie, a Director with shareholding interest, who together with her associates have interest in 96,000,000 Shares in the Company, and controlled the voting rights in respect of their Shares in the Company. Accordingly, Ms. Siu Bessie and her associates are required to abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate as set out in the Resolutions No. 1 and No. 3 in the Notice.

LETTER FROM THE BOARD

The Board has been advised by Ms. Siu Bessie and her associates that they have no intention to vote against the resolutions to approve the refreshment of the Issue Mandate as set out in the Resolutions No. 1 and No. 3 in the Notice at the EGM. Other than Ms. Siu Bessie and her associates, no other Directors or their respective associates had any interests in the Shares as at the Latest Practicable Date and are required to abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate as set out in the Resolutions No. 1 and No. 3 in the Notice at the EGM and no Shareholder falls within the two categories described in Rule 13.36(4)(b)(i) and (ii) of the Listing Rules. Further, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll.

An Independent Board Committee has been established to make recommendations to the Shareholders in respect of the refreshment of the Issue Mandate.

Hantec has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate.

The voting of the resolutions to approve the refreshment of the Repurchase Mandate as set out in the Resolutions No. 2 in the Notice will be taken by show of hands unless a poll is demanded at the EGM in accordance with the memorandum and articles of association of the Company.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit at the Company's Hong Kong Branch Share Registrar, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Article no. 66 of the Articles, every resolution put to vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll which is duly demanded shall be then held in such manner prescribed by the Articles.

RECOMMENDATION

The Directors are of the opinion that the proposed ordinary resolutions for granting to the Directors the General Mandates to issue Shares and to repurchase Shares and the extension of the issue of Shares mandate to Shares repurchased under the repurchase mandate referred to in this circular are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of such resolutions at the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 9 of this circular and the letter from Hantec containing its advice and the principal factors which it has considered in arriving at its advice with regard to the refreshment of the Issue Mandate, as set out on pages 10 to 16 of this circular.

GENERAL

Hantec has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

By Order of the Board
Grandtop International Holdings Limited
Mr. Lee Yiu Tung
Executive Director



GRANDTOP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

1st June, 2007

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE ISSUE MANDATE

We refer to the circular from the Company to the Shareholders dated 1st June, 2007 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise you in connection with the refreshment of the Issue Mandate, details of which are set out in the “Letter from the Board” set out on pages 3 to 8 of the Circular. We wish to draw your attention to the “Letter from Hantec” set out on pages 10 to 16 of the Circular, which contains Hantec’s advice regarding the refreshment of the Issue Mandate.

Having taken into account the advice of Hantec, we consider the refreshment of the Issue Mandate to be fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the EGM to approve the refreshment of the Issue Mandate.

Yours faithfully,

Mr. Chang Kin Man
*Independent Non-executive
Director*

Mr. Yip Man Ki
*Independent Non-executive
Director*

Mr. Zhou Han Ping
*Independent Non-executive
Director*

LETTER FROM HANTEC

The following is the full text of a letter of advice from Hantec to the Independent Board Committee and the Independent Shareholders for the purpose of inclusion in this circular:



Hantec Capital Limited
45th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

1st June, 2007

*To the Independent Board Committee and
the Independent Shareholders of
Grandtop International Holdings Limited*

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE ISSUE MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the proposed refreshment of the Issue Mandate, details of which are contained in the letter from the board (the “**Board Letter**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 1st June, 2007, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, refreshment of the Issue Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Issue Mandate. As at the Latest Practicable Date, the Company has no controlling Shareholders and Ms. Siu Bessie, the executive Director with shareholding interest, who together with her associates have interest in 96,000,000 Shares in the Company, and controlled the voting rights in respect of their Shares in the Company. Accordingly, Ms. Siu Bessie and her associates are required to abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate as set out in the Resolutions No.1 and No. 3 in the Notice.

LETTER FROM HANTEC

The Board has been advised by Ms. Siu Bessie and her associates that they have no intention to vote against the resolutions to approve the refreshment of the Issue Mandate as set out in the Resolutions No.1 and No.3 in the Notice at the EGM. Other than Ms. Siu Bessie and her associates, no other Directors or their respective associates had any interests in the Shares as at the Latest Practicable Date and are required to abstain from voting in favour of the resolutions approving the refreshment of the Issue Mandate as set out in the Resolutions No.1 and No.3 in the Notice at the EGM and no Shareholder falls within the two categories described in Rules 13.36(4)(b)(i) and (ii) of the Listing Rules. Further, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Independent Shareholders at the EGM will be taken by poll.

An independent board committee, comprising all the independent non-executive Directors, namely Mr. Chang Kin Man, Mr. Yip Man Ki and Mr. Zhou Han Ping, has been established to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and presentation provided to us by the Directors.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

LETTER FROM HANTEC

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, we have taken the following principal factors and reasons into consideration:

1. Background of the refreshment of the Issue Mandate

At the annual general meeting of the Company held on 29th September, 2006 (the “2006 AGM”), the Shareholders approved, among other things, ordinary resolutions to approve the grant of a general mandate to the Directors to allot, issue and deal with Shares (the “General Mandate”). As at the date of passing such resolutions, there were a total of 320,000,000 Shares in issue and thus the Directors were authorised to issue and allot 20% thereof, being 64,000,000 Shares, the maximum number of Shares that can be issued under the General Mandate. The Company has not, since the 2006 AGM, refreshed the General Mandate.

During the period from the 2006 AGM to the Latest Practicable Date, the General Mandate had been fully utilised as to 64,000,000 Shares, representing 100% of the Shares that can be issued under the General Mandate granted in the 2006 AGM. Such Shares were allotted and issued to Premier Rise Investments Limited pursuant to a subscription agreement dated 6th February, 2007 (the “Subscription”). As a result, the issued share capital of the Company was increased from 320,000,000 Shares as at the 2006 AGM to 384,000,000 upon completion of the Subscription and no new Shares could be allotted and issued under the General Mandate.

In order to maintain the Company’s flexibility to determine the appropriate financing method for future transactions and/or other potential investment opportunities, the Board proposes to refresh the Issue Mandate for the Directors to allot, issue and deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at the date of EGM.

The Directors are of the view that equity financing exercise through the issue of new Shares should be a suitable method to raise fund, without increase the financial risk of the Group to satisfy the future acquisition in the event that the Group identifies any suitable investment opportunities that may require larger amount of investment cost and capital commitment. As at the Latest Practicable Date, the Group has not identified any investment target.

LETTER FROM HANTEC

2. History of fund raising activities of the Group during the last 12 months

As at the Latest Practicable Date, the Company had an aggregate of 384,000,000 Shares in issue. According to the expected timetable in respect of the proposed Open Offer, the Open Offer will be completed prior to the date of EGM and upon completion of the Open Offer, the Company will have an aggregate of 576,000,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Issue Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of EGM save for the issuance of the new Shares under the Open Offer, the Company would be allowed under the Issue Mandate to allot and issue up to 115,200,000 new Shares, being 20% of the Shares in issue as at the date of EGM.

The following table summarises the fund raising activities of the Group during the last 12 months from the Latest Practicable Date:

Date of Announcements	Event	Net Proceeds	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
6th February, 2007	Issue of 64,000,000 Shares	approximately HK\$7,744,000	For general working capital of the Group	HK\$3,987,340 has been used for general working capital of the Group and the remaining balance has not yet been utilised.
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	As at the Latest Practicable Date, the Open Offer has not yet completed. According to the expected timetable in respect of the proposed Open Offer, the Open Offer will be completed prior to the date of the EGM.

3. Reasons for the refreshment of the Issue Mandate

Given that the General Mandate has been fully utilised due to issuing of new Shares under the Subscription announced on 6th February, 2007, the Directors consider that the refreshment of the Issue Mandate will provide the Group with financial flexibility for raising additional capital for the Company. Therefore, we consider that the refreshment of the Issue Mandate will increase the amount of capital to be raised and will also strengthen the capital base of the Group and provide more options of financing to the Group.

LETTER FROM HANTEC

According to the 2006 interim report of the Company, the Group recorded cash and bank balances of approximately HK\$1,943,000 and net current liabilities of approximately HK\$9.5 million as at 30th September, 2006. Together with the net proceeds of approximately HK\$37 million to be raised from the Open Offer, the Group will have sufficient working capital to satisfy its present requirement as disclosed in the circular in respect of the Open Offer. However, there is no certainty that existing internal resources will be sufficient to finance, or other financing alternatives will be available for future transactions and/or other potential investments opportunities that may be identified by the Company in the future especially considering the cash position and net current liabilities of the Group as at 30th September, 2006. The Directors believe that funding requirement or appropriate investment opportunities may arise at any time and such funding or investment decisions have to be required or made within a short period of time. Accordingly, the Directors consider that the refreshment of the Issue Mandate will provide the Group with the flexibility of issuing new Shares by way of placement of Shares to raise capital within a short period of time. As such, the Directors believe that the refreshment of the Issue Mandate will maintain the financial flexibility for the Group whenever any equity financing should be required.

Having considered that (i) the Group would not rule out any future chances to develop its business and funding requirement or appropriate investment opportunities which may arise at any time where such funding or investment decision may be required or made within short period of time; and (ii) share placement exercises are dependent, to a large extent, on market conditions which can be volatile and such opportunities may not always arise, we are of the view that the refreshment of the Issue Mandate is reasonable as it will provide the Group with the financial flexibility to respond to the market promptly and to allot and issue new Shares to raise capital in a timely manner through equity financing should that be required.

4. Other alternative of financing

Other than raising fund by way of issuing equity capital, the Board indicates that the Company will consider other financing methods such as bank financing, debt financing in order to meet its financing requirements arising from future investment of the Group, depending on the then financial position, capital structure and cost of funding of the Group as well as the then market condition. Yet, these alternatives may subject to lengthy due diligence and negotiations. As such, the refreshed Issue Mandate will serve as one of the alternatives for the Company to finance the Group's investment and the Board will use the method that serves the best interests of the Group. We therefore consider that the proposed refreshment of the Issue Mandate would provide the Group with flexibility to determine the appropriate financing method for future transactions and/or other potential investment opportunities given that (i) the nature of equity financing is non-interest bearing and requires no collateral or securities; and (ii) a board capital base may enhance the liquidity of the Shares.

LETTER FROM HANTEC

5. Potential dilution to shareholding of the Independent Shareholders

As set out in the Board Letter, the Open Offer is expected to be completed prior to the date of EGM. For illustration only, the shareholding structure of the Company upon completion of the Open Offer and upon full utilisation of the refreshed Issue Mandate will be as follows:

	As at the		Upon completion of the		Upon completion of the	
	Latest Practicable Date		Open Offer but before		Open Offer and	
	Shares	%	Shares	%	Shares	%
Huge Gain Development Limited (<i>Note 1</i>)	96,000,000	25.00%	144,000,000	25.00%	144,000,000	20.83%
Premier Rise Investments Limited (<i>Note 2</i>)	64,000,000	16.67%	96,000,000	16.67%	96,000,000	13.89%
Ms. Leung Choi Fan (<i>Note 3</i>)	12,650,000	3.29%	18,975,000	3.29%	18,975,000	2.74%
Public Shareholders	211,350,000	55.04%	317,025,000	55.04%	317,025,000	45.87%
Exercise of the refreshed Issue Mandate	—	—	—	—	115,200,000	16.67%
Total	384,000,000	100.00%	576,000,000	100.00%	691,200,000	100.00%

Notes:

- The entire share capital of Huge Gain Development Limited is owned by Nerine Trust Company Limited (“Nerine Trust”) which is the trustee of S B Unit Trust and holds properties for the benefit of holders of units issued by S B Unit Trust. All the units issued by S B 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. Siu Bessie and Ms. Tsai Lai Wan, Jenny have indirect interest in Nerine Trust.
- Premier Rise Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Hui Ho Luek, a substantial Shareholder.
- Ms. Leung Choi Fan, spouse of Mr. Hui Ho Luek who wholly and beneficially owns Premier Rise Investments Limited.
- Assuming all existing Shareholders will take up their respective entitlements under the Open Offer.

LETTER FROM HANTEC

Shareholders should be aware that the General Mandate will be revoked upon approval at the date of EGM by the Independent Shareholders on refreshment of the Issue Mandate which will, if granted, continue to be in force until the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such mandate.

Upon full utilisation of the refreshed Issue Mandate and with the Open Offer completes before the date of EGM, 115,200,000 new Shares can be issued under the refreshed Issue Mandate. Assuming no Shares will be issued and/or repurchased during the period between the Latest Practicable Date and the date of EGM save for the issuance of the new Shares under the Open Offer, the aggregate shareholding of the existing public Shareholders will decrease from existing of approximately 55.04% to approximately 45.87% after the full utilisation of the refreshed Issue Mandate. The existing public Shareholders will have a potential maximum decrease in shareholdings of approximately 9.17% after the full utilisation of the refreshed Issue Mandate.

Taking into account that (i) the refreshment of the Issue Mandate allows the Company to raise capital by allotment and issuance of Shares before the next annual general meeting; (ii) the refreshment of the Issue Mandate provides more flexibility and options of financing to the Group for further development of its business and for other potential future investment as and when such opportunities arise; and (iii) the shareholding of all the Shareholders will be diluted to the same extent upon any utilisation of the refreshed Issue Mandate, we consider such dilution or potential dilution of shareholding of the Independent Shareholders acceptable.

RECOMMENDATION

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the refreshment of the Issue Mandate are in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the refreshment of the Issue Mandate.

Yours faithfully,
For and on behalf of
Hantec Capital Limited
Robert Siu
Director

This Appendix serves as an explanatory statement as required by the Listing Rules, to be included in this circular concerning the repurchase of Shares by the Company.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 384,000,000 Shares. Upon completion of the Open Offer, the issued share capital of the Company comprised 576,000,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate at the EGM and on the basis that no further Shares are issued or repurchased prior to the EGM (other than the Open Offer), the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 57,600,000 Shares.

REASONS FOR THE REPURCHASE

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases as and when appropriate and beneficial to the Company. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of Hong Kong and the Cayman Islands. The Companies Laws (2004 Revision) of the Cayman Islands (the “Laws”) provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorised by the articles of association of the Company and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company’s share premium account or, if so authorised by the Articles and subject to the provisions of the Laws, out of capital.

There may be material adverse impact on the working capital or the gearing position of the Company (as compared with the position disclosed in the Company’s audited accounts for the year ended 31st March, 2006) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

EFFECT OF THE TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such an increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code. As at the Latest Practicable Date, Huge Gain Development Limited ("Huge Gain"), the single largest shareholder of the Company, held 96,000,000 Shares of the Company, representing approximately 25% of the entire issued share capital of the Company. In the event that the Open Offer is completed (assuming Huge Gain takes up all of its entitlements) and that the Repurchase Mandate is exercised in full, Huge Gain's interest would be increased to approximately 27.78% of the issued share capital of the Company. Accordingly, the Directors consider that the exercise in full of the power to repurchase Shares under the Repurchase Mandate will not give rise to an obligation to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any associate of any of the Directors has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the last six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

During each of the past twelve months preceding the Latest Practicable Date, the highest and lowest trading prices of the Shares on the Stock Exchange are as follows:

Month	Highest Price <i>(HK\$)</i>	Lowest Price <i>(HK\$)</i>
2006		
May	0.119	0.099
June	0.156	0.107
July	0.150	0.120
August	0.130	0.105
September	0.135	0.114
October	0.127	0.107
November	0.125	0.107
December	0.131	0.119
2007		
January	0.141	0.114
February	0.273	0.134
March	0.333	0.210
April	0.347	0.253
May (up to the Latest Practicable Date)	0.550	0.315

NOTICE OF EXTRAORDINARY GENERAL MEETING



GRANDTOP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2309)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “Extraordinary General Meeting”) of the shareholders of Grandtop International Holdings Limited (the Company”) will be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Monday, 18th June, 2007 at 9:00 a.m. for the following purposes:

1. to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu

NOTICE OF EXTRAORDINARY GENERAL MEETING

of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong (the “Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any such other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** conditional upon resolutions nos. 1 and 2 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 1 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 2 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said resolution.”

By order of the Board
Grandtop International Holdings Limited
Mr. Lee Yiu Tung
Executive Director

Hong Kong, 1st June, 2007

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

No. 1, 1st Floor, Pei Ho Building
115-117 Fuk Wa Street
Sham Shui Po, Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's Hong Kong Branch Share Registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting (or any adjournment thereof).
4. As at the date of this notice, the directors of the Company are Ms. Siu Bessie, Mr. Lee Yiu Tung and Ms. Wong Po Ling, Pauline as executive directors, Mr. Fu Wing Kwok, Ewing and Mr. Ip Wing Lun as non-executive directors, Mr. Chang Kin Man, Mr. Yip Man Ki and Mr. Zhou Han Ping, all being the independent non-executive directors.