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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The Board of Directors (the "Board") of Grandtop International Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2008 (the "Interim Period") together with comparative figures as follows. These interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2008

		Unaudited six months ended 30 September	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
Turnover	3	**2,338**	14,349
Cost of sales		**(1,162)**	(12,830)
Gross profit		**1,176**	1,519
Other revenue		**3**	109
Change in fair value of convertible notes		**1,738**	—
Impairment loss on available-for-sale financial assets		**(12,161)**	—
Selling expenses		**(70)**	(528)
Administrative expenses		**(8,641)**	(27,291)
Loss from operations	4	**(17,955)**	(26,191)
Finance costs	5	**(1,190)**	—
Loss before taxation		**(19,145)**	(26,191)
Taxation	6	**—**	—
Loss for the period attributable to equity holders of the Company		**(19,145)**	(26,191)
Dividend	7	**—**	—
Loss per share	8		
Basic		**(2.49 cents)**	(5.76 cents)
Diluted		**N/A**	N/A

* *for identification purpose only*

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2008

	Notes	As at 30 September 2008 (Unaudited) HK$'000	As at 31 March 2008 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**3,216**	2,780
Investment property		**1,250**	1,250
Available-for-sale financial assets	*9*	**122,203**	134,364
		126,669	138,394
Current assets			
Prepaid land lease expenses		**73**	289
Trade receivables	*10*	**1,705**	1,099
Prepayments, deposits and other receivables		**3,863**	544
Cash and bank balances		**6,667**	7,055
		12,308	8,987
Total assets		**138,977**	147,381
Equity			
Share capital	*11*	**8,599**	7,603
Reserves		**(6,598)**	5,043
Total equity		**2,001**	12,646
Non-current liabilities			
Amounts due to directors		**97,982**	97,982
Deferred tax liabilities		**167**	167
Convertible notes		**9,202**	—
		107,351	98,149
Current liabilities			
Trade payables, accruals and other payables	*12*	**3,826**	5,588
Taxation payable		**20,415**	20,415
Amounts due to directors		**5,384**	10,583
		29,625	36,586
Total liabilities		**136,976**	134,735
Total equity and liabilities		**138,977**	147,381
Net current liabilities		**(17,317)**	(27,599)
Total assets less current liabilities		**109,352**	110,795

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2008

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2008.

2. Significant accounting policies

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group for the year ended 31 March 2008 except for the following new/revised Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as the "new/revised HKFRSs"), which have become effective for accounting periods beginning on or after 1 April 2008, that are adopted for the first time for the current period's financial statements:

HK(IFRIC) — Int 13	Customer loyalty programmes

The adoption of these new/revised HKFRSs had no material financial effect on the Group's results and financial position for the current or prior accounting period. Accordingly, no prior adjustment has been recognized.

The Group has not early adopted the following new/revised HKFRSs that have been issued but are not yet effective for the accounting period beginning on 1 April 2008. The directors of the Company are in the process of making an assessment of the impact of these new/revised HKFRSs to the Group's results of operations and financial position in the period of initial application.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 (Amendment)	Financial Instruments: Presentation[1]
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement[1]
HKFRS 2 (Amendment)	Share-based Payment — Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combination[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — INT 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) — INT 16	Hedges of a Net Investment in a Foreign Operation[3]

[1] Effective for annual periods beginning on or after 1 January 2009.

[2] Effective for annual periods beginning on or after 1 July 2009.

[3] Effective for annual periods beginning on or after 1 October 2008.

3. Segment information

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are provision of (i) apparel sourcing and apparel trading, (ii) sales support services and (iii) investment holding.

An analysis of the Group's turnover and operating results by segments during the period is shown as follows:

(i) Business segments

	Unaudited							
	Continuing operations							
	Apparel sourcing and apparel trading six months ended 30 September		Sales support services six months ended 30 September		Investment holding six months ended 30 September		Consolidated six months ended 30 September	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**1,225**	14,349	**1,113**	—	**—**	—	**2,338**	14,349
Segment results	**27**	(16,100)	**1,079**	—	**(8,641)**	—	**(7,535)**	(16,100)
Other revenue							**3**	109
Change in fair value of convertible notes							**1,738**	—
Impairment loss on available-for-sale financial asset	**—**	—	**—**	—	**(12,161)**	—	**(12,161)**	—
Unallocated expenses							**—**	(10,200)
Finance costs							**(1,190)**	—
Loss before taxation							**(19,145)**	(26,191)
Taxation							**—**	—
Loss for the period attributable to equity holders of the Company							**(19,145)**	(26,191)

(ii) Geographical segments

	Unaudited			
	Turnover six months ended 30 September		Operating results six months ended 30 September	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United Kingdom	**2,338**	—	**1,106**	—
Hong Kong	**—**	2,529	**(8,641)**	(9,227)
Macau	**—**	11,820	**—**	(6,873)
	2,338	14,349	**(7,535)**	(16,100)

There are no material sales between the geographical segments.

No analysis of capital expenditure by geographical location is presented as majority of the Group's capital assets acquired during the period is located in United Kingdom, Hong Kong and Macau.

4. Loss from operations

The Group's loss from operations is arrived at after charging:

	Unaudited six months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Cost of inventories sold	**1,162**	12,830
Depreciation of owned property, plant and equipment	**204**	514
Amortisation of leasehold land	**215**	108
Operating leases in respect of land and buildings	**582**	760
Impairment loss on available-for-sale financial assets	**12,161**	—
Staff costs (including directors' remuneration)		
Salaries and other staff benefits	**3,936**	4,256
Share-based compensation benefits	**—**	7,400
	3,936	11,656

5. Finance costs

	Unaudited six months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Interest expenses	**—**	—
Imputed interest expense on convertible notes	**1,190**	—
	1,190	—

6. Taxation

No provision for Hong Kong profits tax has been made for the six months ended 30 September 2008 as the Group either incurred taxation loss or had no assessable profit for the period (six months ended 30 September 2007: Nil).

7. Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2008 (six months ended 30 September 2007: Nil).

8. **Loss per share**

The calculation of basic loss per share is based on the unaudited condensed consolidated loss from ordinary activities attributable to shareholders for the six months ended 30 September 2008 of HK$19,145,565 (2007: loss of HK$26,191,182) and the weighted average of 768,344,345 (2007: 454,557,807) shares in issue during the period.

Diluted loss per share for the period ended 30 September 2008 and 2007 have not been presented as the effect of any dilution is anti-dilutive.

9. **Available-for-sale financial assets**

	As at 30 September 2008 (Unaudited) ***HK$'000***	As at 31 March 2008 (Audited) *HK$'000*
Equity securities listed in the United Kingdom		
Balance at 1 April 2008/At cost of acquisition	**134,364**	245,287
Less: Impairment loss for the period/year	**(12,161)**	(110,923)
Balance at end of the period/year	**122,203**	134,364

10. **Trade receivables**

The ageing analysis of trade receivables as at the balance sheet date is as follows:

	As at 30 September 2008 (Unaudited) ***HK$'000***	As at 31 March 2008 (Audited) *HK$'000*
Within 30 days	**128**	335
Between 31 — 60 days	**663**	1,730
Between 61 days to 1 year	**914**	2,388
	1,705	4,453
Less: Impairment loss on trade receivables	**—**	(3,354)
	1,705	1,099

11. Share capital

Ordinary shares of HK$0.01 each	As at 30 September 2008 (Unaudited) Number of shares	Amount	As at 31 March 2008 (Audited) Number of shares	Amount
		HK$'000		*HK$'000*
Authorised capital:				
At beginning and end of period/year	**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid capital:				
At beginning of period/year	**760,320,000**	**7,603**	384,000,000	3,840
Issue of shares by way of open offer *(Note (a))*	—	—	192,000,000	1,920
Issue of shares by way of placements *(Note (b))*	—	—	184,320,000	1,843
Issue of shares of conversion of convertible notes *(Note (c))*	**99,586,000**	**996**	—	—
At end of period/year	**859,906,000**	**8,599**	760,320,000	7,603

Notes:

(a) During the year ended 31 March 2008, the Company raised approximately HK$37,040,000, after 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.

(b) From 11 July 2007 to 13 November 2007, the Company raised approximately HK$117,594,000, after expenses, by issuing 184,320,000 shares by placements at subscription prices ranging from HK$0.57 to HK$0.80 each.

(c) On 11 August 2008 and 23 September 2008, conversion rights attaching to the convertible notes in the principal amounts of HK$6,000,000 and HK$2,500,000 were exercised respectively, resulting in the allotment and issue of 49,586,000 shares and 50,000,000 shares respectively.

12. Trade payables, accruals and other payables

The ageing analysis of the trade payables, accruals and other payables as at the balance sheet date is as follows:

	As at 30 September 2008 (Unaudited)	As at 31 March 2008 (Audited)
	HK$'000	*HK$'000*
Within 30 days	**3,826**	5,588

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Under the global financial turmoil and poor market conditions, the Group recorded a turnover of approximately HK$2.3 million for the six months ended 30 September 2008, representing a decrease of 83.9% compared to the turnover of approximately HK$14.3 million in the corresponding period of 2007. Such decrease was mainly due to change in the Group's focus to sportswear & apparel trading and sales support services businesses in the United Kingdom from apparel sourcing and apparel trading businesses in Hong Kong, Macau and the PRC.

During the period under review, the gross profit margin of the Group was 50.3% while it was 10.6% in the corresponding period of 2007. The significantly increase in the gross profit margin was mainly due to high profit margin in sportswear sales support services businesses in the United Kingdom.

The loss of the Group for the period ended 30 September 2008 decreased by 27.1% to approximately HK$19.1 million from the loss for the period of approximately HK$26.2 million in the corresponding period of 2007. Such loss of the Group for this period was mainly due to an impairment loss on the investment in Birmingham City Plc.

Business Review and Prospects

The Company engages in investment holdings. The principal activities of its subsidiaries are engaged in provision of apparel sourcing, sportswear & apparel trading and sales support services. During the period under review, the Group focused on sportswear & apparel trading and sales support services businesses in the United Kingdom, because of high profit margin in these businesses. However, the Group decided to minimise the apparel sourcing and apparel trading businesses in Hong Kong, Macau and the PRC to avoid further loss attributable to these businesses in the high competitive markets.

Besides, the Group will endeavor to 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 profit margin apparel products. 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.

Liquidity and Financial Resources

The current ratio of the Group as at 30 September 2008 was 41.5% (31 March 2008: 24.6%) and ratio of total liabilities to total assets of the Group as at 30 September 2008 was 98.6% (31 March 2008: 91.4%).

As at 30 September 2008, the cash and bank balances of the Group were approximately HK$6.7 million, representing a decrease of 5.6% compared to the cash and bank balances of approximately HK$7.1 million as at the last financial year end.

Capital Raising

The Company entered into subscription agreement dated 7 May 2008 and supplemental agreement dated 4 June 2008 with Pacific Capital Investment Management Limited to issue convertible notes (the "Convertible Notes") by the Company for an aggregate principal amount of 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 period, the Convertible Notes in the principal amount of HK$20,000,000 were issued. On 11 August 2008, 23 September 2008 and 20 November 2008, conversion rights attaching to the Convertible Notes in the principal amounts of HK$6,000,000, HK$2,500,000 and HK$1,500,000 were exercised respectively, resulting in the allotment and issue of 49,586,000 shares, 50,000,000 shares and 30,000,000 shares respectively.

Pledge of Group's Asset

As at 30 September 2008 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.

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$122.2 million (31 March 2008: HK$134.4 million) as at 30 September 2008 that are denominated in Pound Sterling ("£"), which was acquired during the current year.

Contingent Liabilities

A writ was filed against the Company 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 dated 21 July 2008, it is considered 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 management of Sun Tai Hing is of the opinion that the claim is not justifiable and without merit.

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 complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2008 except for the deviations as detailed in the Company's last annual report as follows:

(a) Code provision A4.1 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.

(b) Code provision A4.2 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.

(c) 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 personal reasons but he has designated the Executive Director and Chief Executive Officer of the Company to answer questions raised at the AGM.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all the directors of the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2008.

Audit Committee

The Audit Committee comprises four independent non-executive directors of the Company has reviewed with the management in the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including review of the unaudited financial information and interim report for the six months ended 30 September 2008.

Remuneration Committee

The Remuneration Committee comprises four independent non-executive directors of the Company, is responsibility for reviewing and evaluating the remuneration policies of executive directors and senior management and making recommendations to the Board from time to time.

Nomination Committee

The Nomination Committee comprises four independent non-executive directors of the Company. The primary role is to ensure that there is a formal and transparent procedure adopted by the Company for the nomination of directors of the Company.

Purchase, Sale or Redemption of Securities of the Company

During the six months ended 30 September 2008, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

Publication of Interim Results on the Website of the Stock Exchange

This interim results announcement is published on the websites of the Company (http://www.irasia.com/listco/hk/grandtop/index.htm) and Hong Kong Exchanges and Clearing Limited (http://www.hkex.com.hk). The interim report of the Company for 2008 containing all information required by the Listing Rules will be dispatch to Shareholders and made available on the above websites in due course.

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, Mr. Yip Man Ki and Mr. Zhou Han Ping.

By Order of the Board
Grandtop International Holdings Limited
Ip Wing Lun
Executive Director and Company Secretary

Hong Kong, 12 December 2008