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 2007

The Board of Directors of Grandtop International Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2007

		Unaudited six months ended 30 September	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**14,349**	22,760
Cost of sales		**(12,830)**	(20,784)
Gross profit		**1,519**	1,976
Other revenue		**109**	59
Selling expenses		**(528)**	(453)
Administrative expenses		**(27,291)**	(4,801)
Loss from operations	*4*	**(26,191)**	(3,219)
Finance costs	*5*	**—**	(58)
Loss before taxation		**(26,191)**	(3,277)
Taxation	*6*	**—**	—
Loss for the period		**(26,191)**	(3,277)
Attributable to:			
Equity holders of the Company		**(26,191)**	(3,277)
Minority interests		**—**	—
		(26,191)	(3,277)
Dividend	*7*	**—**	—
Loss per share	*8*		
Basic		**(5.8 cents)**	(1.0 cents)
Diluted		**N/A**	N/A

* *For identification propose only*

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 September 2007

	Notes	As at 30 September 2007 HK$'000 (Unaudited)	As at 31 March 2007 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**5,000**	4,594
Leasehold land		**612**	720
Prepayments for acquisition of an investment	*9*	**244,602**	—
Available-for-sale financial assets		**—**	—
		250,214	5,314
Current assets			
Inventories		**1,538**	3,656
Trade receivables	*10*	**2,520**	5,613
Prepayments, deposits and other receivables		**1,204**	1,835
Cash and bank balances		**2,272**	6,757
		7,534	17,861
Total assets		**257,748**	23,175
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital	*11*	**6,912**	3,840
Reserves		**80,387**	(3,895)
		87,299	(55)
Non-current liabilities			
Deferred tax liabilities		**167**	167
Amount due to a director	*12*	**140,000**	—
		140,167	167
Current liabilities			
Trade and other payables	*13*	**5,862**	3,066
Tax payable		**19,997**	19,997
Amounts due to directors	*12*	**4,423**	—
		30,282	23,063
Total equity and liabilities		**257,748**	23,175
Net current liabilities		**(22,748)**	(5,202)
Total assets less current liabilities		**227,466**	112

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2007

1. Basis of preparation and accounting policies

The unaudited interim condensed consolidated 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 interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2007.

2. Significant accounting policies

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Company and its subsidiaries (the "Group") for the year ended 31 March 2007 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 2007, that are adopted for the first time for the current period's financial statements:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) — Int 8	Scope of HKFRS 2
HK(IFRIC) — Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) — Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions

The adoption of the above new/revised HKFRSs has no material impact on the accounting policies of the Group and the methods of computation in Group's unaudited interim condensed consolidated financial statements.

The following new/revised HKFRSs relevant to the Group's operations have been issued but are not effective for the current reporting period and have not been early adopted:

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 12	Service Concession Arrangement[2]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

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

[2] Effective for annual periods beginning on or after 1 January 2008.

[3] Effective for annual periods beginning on or after 1 July 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 (ii) apparel trading and (iii) sales support services.

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

(i) Primary segment

	Unaudited							
	Continuing operations							
	Apparel sourcing six months ended 30 September		Apparel trading six months ended 30 September		Sales support services six months ended 30 September		Consolidated six months ended 30 September	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**—**	—	**14,349**	22,760	**—**	—	**14,349**	22,760
Segment results	**—**	—	**(26,191)**	(3,219)	**—**	—	**(26,191)**	(3,219)
Finance costs							**—**	(58)
Loss before taxation							**(26,191)**	(3,277)
Taxation							**—**	—
Loss for the period							**(26,191)**	(3,277)

(ii) Secondary segment

	Unaudited			
	Turnover		Operating results	
	six months ended 30 September		six months ended 30 September	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**2,529**	4,012	**(9,227)**	(1,134)
Macau	**11,820**	18,748	**(16,964)**	(2,085)
	14,349	22,760	**(26,191)**	(3,219)

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 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 2007 *HK$'000*	2006 *HK$'000*
Cost of inventories sold	**12,830**	20,784
Depreciation of owned property, plant and equipment	**514**	678
Amortisation of leasehold land	**108**	215
Operating leases in respect of land and buildings	**760**	669
Staff costs (including directors' remuneration)		
Salaries and other staff benefits	**4,256**	2,789
Share-based compensation benefits	**7,400**	—
	11,656	2,789

5. Finance costs

	Unaudited six months ended 30 September 2007 *HK$'000*	2006 *HK$'000*
Interest expenses on:		
Mortgage loan wholly repayable within five years	**—**	58

6. Taxation

No provision for Hong Kong profits tax has been made for the six months ended 30 September 2007 as the Group either incurred taxation loss or had no assessable profit for the period (six months ended 30 September 2006: nil).

7. Dividend

The directors do not recommend the payment of interim dividend for the six months ended 30 September 2007 (six months ended 30 September 2006: nil).

8. Loss per share

The calculation of basic loss per share is based on the Group's net loss attributable to equity holders of the Company for the period ended 30 September 2007 of HK$26,191,000 (30 September 2006: HK$3,277,000) and the weighted average of 454,557,807 (2006: 320,000,000) ordinary shares in issue during the period.

There was no diluting event for the period ended 30 September 2006 and there was an anti-dilutive effect from the share options granted during the period ended 30 September 2007, and accordingly, no diluted loss per share has been presented.

9. Prepayments for acquisition of an investment

On 27 June 2007, the Company entered into the binding Memorandum of Understanding with Mr. David Sullivan, Mr. David Gold, Mr. Ralph Gold, Ms. Karren Brady and Mr. Roger Bannister (collectively the "Vendors") whereby the Vendors had granted the Company the right to purchase an aggregate 29.9% of the issued capital of Birmingham City Plc. ("BCP") from them or their nominees for an aggregate price of £14,950,029 (approximately HK$237,225,000). The Company prepaid the consideration of approximately HK$237,225,000 and professional fee, stamp duty and currency translation of approximately HK$7,377,000 and recorded the balances as prepayments for acquisition of an investment under non-current assets. The transaction on the acquisition of 29.9% issued capital of BCP was approved by the shareholders at the extraordinary general meeting ("EGM") of the Company on 23 November 2007 and the transaction is completed on the same date.

10. Trade receivables

General credit terms granted by the Group to its customers ranged from 0 — 60 days (2006: 0 — 60 days). The following is an aged analysis of the trade receivables at the balance sheet date.

	As at 30 September 2007 (Unaudited) *HK$'000*	As at 31 March 2007 (Audited) *HK$'000*
Within 30 days	**1,497**	4,291
Between 31 — 60 days	**571**	1,636
Between 61 days to 1 year	**452**	1,295
	2,520	7,222
Less: Impairment loss on trade receivables	**—**	(1,609)
	2,520	5,613

11. Share capital

Ordinary shares of HK$0.01 each	**As at 30 September 2007 (Unaudited)** **Number of shares**	**Amount** *HK$'000*	**At at 31 March 2007 (Audited)** **Number of shares**	**Amount** *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	384,000,000	3,840	320,000,000	3,200
Issue of shares by way of open offer *(Note (a))*	192,000,000	1,920	—	—
Issue of shares by way of placing *(Note (b))*	115,200,000	1,152	64,000,000	640
At end of period/year	691,200,000	6,912	384,000,000	3,840

Notes:

(a) On 23 April 2007, the Company entered into an underwriting agreement to raise 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, resulting in additional amount of HK$35,120,000 standing in the share premium account; and

(b) On 20 June 2007, the Company entered into a placing agreement to raise approximately HK$65,595,000, after expenses, by issuing 115,200,000 placing shares at a price of HK$0.57 each and completed on 11 July 2007, resulting in additional amount of HK$64,443,000 standing in the share premium account.

12. Amounts due to directors

Amounts due to directors are unsecured, non-interest bearing and repayable on demand except for an amount of HK$140,000,000 which is not repayable within twelve months after the balance sheet date.

13. Trade and other payables

An aged analysis of the trade and other payables as at the balance sheet date is as follows:

	As at 30 September 2007 (Unaudited) ***HK$'000***	As at 31 March 2007 (Audited) *HK$'000*
Trade creditors		
Within 90 days	**328**	727
Within 91 days to 180 days	**—**	190
	328	917
Other payables due within 30 days or on demand	**5,534**	2,149
	5,862	3,066

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 September 2007, the Group recorded an unaudited turnover of approximately HK$14 million, representing a decrease of 39% as compared with approximately HK$23 million for the corresponding period in 2006. The Group also recorded an unaudited net loss attributable to shareholders of approximately HK$26 million, representing an increase of 767% as compared with approximately HK$3 million for the corresponding period in 2006. The increase due to lower than expected customers turnout rate for apparel trading and high rental costs and other administrative expenses led to a loss in the period under review. It was also due to the share-based payment expenses recognised in accordance with the Hong Kong Financial Reporting Standard 2 in relation to share options granted to eligible participants pursuant to the Company's share option scheme. During the Interim Period, fair value of share options granted amounted to approximately HK$10.2 million and included in administrative expenses with a corresponding credit to the share option reserve. The management is in the belief that the grant of share option is an effective way to expedite business diversification development of the Group and, in order to enhance shareholders' value by organic growth.

Business Review

The Group is principally engaged in (i) apparel sourcing, (ii) apparel trading and (iii) sales support services.

Apparel sourcing

Following on booming economic condition in both Hong Kong and Macau, the purchasing power from customers in both Hong Kong and Macau markets increased significantly during the period under review. Such booming market condition attracts local competitors entering into the apparel souring market and lead to the increase in competition in terms of price and quality of the apparel products, consequently, the Group's apparel sourcing business was adversely affected. The Group decided to minimise the apparel sourcing business in order to avoid further losses.

Apparel trading

During the period under review, an unaudited segment turnover for the six months ended 30 September 2007 amounted to approximately HK$14 million and recorded a loss of approximately HK$26 million while it posted both turnover and loss of approximately HK$23 million and HK$3 million respectively in last corresponding period in 2006. The Group experienced lower than expected customers turnout rate and high rental costs which led to a loss in the period under review.

Sales support services

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

MAJOR EVENTS

(i) On 27 June 2007, the Company entered into the binding Memorandum of Understanding with Mr. David Sullivan, Mr. David Gold, Mr. Ralph Gold, Ms. Karren Brady and Mr. Roger Bannister (collectively the "Vendors") whereby the Vendors had granted the Company the right to purchase an aggregate 29.9% of the issued capital of Birmingham City Plc. ("BCP") from them or their nominees for an aggregate price of £14,950,029 (approximately HK$237,225,000). The Company prepaid the consideration of approximately HK$237,225,000 and professional fee, stamp duty and currency translation of approximately HK$7,377,000 and recorded the balances as prepayments for acquisition of an investment under non-current assets. The transaction on the acquisition of 29.9% issued capital of BCP was approved by the shareholders at the extraordinary general meeting ("EGM") of the Company on 23 November 2007 and the transaction is completed on the same date.

(ii) On 23 July 2007, Far Grow Investments Limited, wholly owned subsidiary of the Company entered into the conditional sale and purchase agreement with Chung Tat Fun in relation to the proposed acquisition of 51% equity interest of Guangzhou Yuexiu Music Factory Entertainment Ballroom 廣州市越秀區音樂工廠娛樂歌舞廳. The transaction has not yet been completed at the date of this announcement.

PROSPECT

Although the Group's apparel sourcing and apparel trading business faced a comprehensive challenge from local competitors, the Group will take every step to overcome the challenge by restructuring the cost structure as well as formulating new business plans to expand revenue by entering into trading of high margin apparel products in the future. The business of football club of Birmingham City Plc. has been competitive and demanding. The Board believes that the Acquisition is a good opportunity to diversify the Group's business and to look for additional income sources. The Group will continue to explore and identify investment opportunities to add to the Group's investment portfolio in order to enhance Shareholders' value by its organic growth. Furthermore, following Completion, the Group will benefit from the supplying and sourcing of apparel, accessories and related products for Birmingham Football Club in the future.

As set out in the circular of the Company dated 23 August 2007, the Company is acquiring 51% equity interest in Guangzhou Yuexiu Music Factory Entertainment Ballroom 廣州市越秀區音樂工廠娛樂歌舞廳 ("GMF") which is principally engaged in operating café and bar as well as providing catering services in the PRC. The Board believes that the acquisition of GMF provides a good opportunity for the Group to diversify its business and to look for additional income sources. Following completion of the sale and purchase agreement for the above acquisition, it is contemplated that the cafe and restaurant chains will be operated in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2007, the Group had total current assets of approximately HK$7,534,000 (31 March 2007: HK$17,861,000) and total current liabilities of approximately HK$30,282,000 (31 March 2007: HK$23,063,000). Included in current assets was cash and bank balances of approximately HK$2,272,000 (31 March 2007: HK$6,757,000), representing an approximately 66% decrease as compared with 31 March 2007.

Net cash used for operating activities was approximately HK$2,030,000 for the six months ended 30 September 2007 (six months ended 30 September 2006: HK$2,268,000). Net cash used for investing activities was approximately HK$245,090,000 for the six months ended 30 September 2007 (six months ended 30 September 2006: net cash generated from this activities was approximately HK$7,673,000). Net cash generated from financing activities was approximately HK$242,635,000 (six months ended 30 September 2006: net cash used for this activities was HK$5,950,000). With the stable financial position of the Group, the Board is therefore in the opinion that the Group has sufficient resources and working capital to meet its daily operations and future development.

The Group serviced its debts primarily through cash generated by operations, bank borrowings and fund advanced by certain directors. The Group's had no bank borrowings as at 30 September 2007 (31 March 2007: HK$nil) The Group does not have any bank overdrafts and banking facilities obtained during the period under review.

The cash and bank balances and bank borrowings of the Group's were mainly denominated in Hong Kong dollars, such that the Group does not have significant exposure to foreign exchange fluctuation. No hedging for the foreign currency transaction has been carried out during the period under review.

As at 30 September 2007, equity attributable to shareholders amounted to approximately HK$87,299,000, as compared to accumulated losses attributable to shareholders as at 31 March 2007 of HK$55,000. Gearing ratio, calculated as the bank borrowings divided by shareholders equity was not applicable as the Group had no bank borrowings as at 30 September 2007 (31 March 2007: nil).

The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 0.25 times as at 30 September 2007 (31 March 2007: 0.77 times). Inventory turnover days for the six months ended 30 September 2007 were 74 days (for the six months ended 30 September 2006: 147 days). The Board of Directors is in the opinion that both gearing ratio and current ratio were at an acceptable level.

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. The Board 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 Garment Making Co. Limited ("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 the damage for the loss of the cost and interest of Siu Ban as it was claimed by Siu Ban that Sun Tai Hing did not pay the purchase consideration for the acquisition of the Property in May 2002. The Board is of the opinion that the claim is not justifiable and without merit.

PLEDGE OF ASSETS

As at 30 September 2007, none of the Group's assets has been pledged (31 March 2007: nil)

CORPORATE GOVERNANCE

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 2007 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 non-executive Director ("NED") 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 NED 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 3 September 2007 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 OF LISTED ISSUERS

The Company has adopted a code of conducts for securities transactions with terms no less exacting than the required standard of the Model Code as set out in Appendix 10 to the Listing Rules.

Following specific enquiry made with the directors of the Company, the Company has confirmed that each of its directors has complied with the required standard set out in the Model Code regarding securities transactions by directors.

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 2007.

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 THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 September 2007.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the website of the Stock Exchange.

The Company's interim report containing all the information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the website of the Stock Exchange 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, Ms. Wong Po Ling, Pauline and Ms. Bessie Siu; non-executive directors, namely Mr. Christian Lali Karembeu and Mr. Chan Wai Keung and independent non-executive directors, namely Mr. Chang Kin Man, Mr. Zhou Han Ping, Mr. Yip Man Ki and Mr. Yau Yan Ming, Raymond.

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

Hong Kong, 27 December 2007