

STATEMENT FROM THE GENERAL MANAGER

On behalf of the Board of Directors (the "Board") of Grandtop International Holdings Limited, I am pleased to report the annual results of the Company together with its subsidiaries (collectively the "Group") for the year ended 31 March 2006.

PERFORMANCE

Turnover of the Group for the year ended 31 March 2006 was approximately HK\$48,428,000 (2005: HK\$101,974,000), represented a decrease of approximately 53% as compared to the previous year. Loss attributable to shareholders was approximately HK\$79,610,000 while it was a profit HK\$2,160,000 in the previous year. Loss per share decreased to HK\$0.249 (2005: Earnings per shares HK\$0.007).

BUSINESS REVIEW

In last year, the Group has commenced in apparel trading operation (retail and wholesales of apparel products) in Hong Kong and Macau in order to capture the business opportunity arising from Mainland Individual Traveler Scheme ("Scheme"). However the outcome was not promising as originally planned in this year. The main reason was that the Group did not capture the market of the Scheme due to the lower anticipated growth rate of the Scheme and lower anticipated spending power of these travelers.

The Group's apparel sourcing division faced intensive competition during the year. After thoughtful discussion from the Board, the Group decided to scale down apparel-sourcing business during the financial year.

The Board believe the Group should reallocate all their resources to apparel trading operation because the Group believe that the economy of Hong Kong and Macau have more potential in the years to come.

Restructuring plan has been taken by disposed of some non-core subsidiaries in order to focus on its core business operation and better control in operating costs.

The Group is constantly exploring new business opportunities in order to achieve better returns for our shareholders and will continue to seek merger and acquisition opportunities so as to enhance shareholders' value.

APPRECIATION

On the behalf of the Board, I would like to take this opportunity to express my gratitude to our customers for their continued trust and support. I would also like to express our appreciation to the management and staff members for their hard work and significant contribution to the Group in the past year. Finally, I would like to thank our shareholders for their support to the Group.

On behalf of the Board
Grandtop International Holdings Limited
Bessie Siu
General Manager