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**GFT HOLDINGS LIMITED**

**真樂發控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(stock code: 1003)**

## **DISCLOSEABLE TRANSACTION**

### **DISPOSAL OF ENTIRE INTEREST IN GOOD PROSPER TRADING LIMITED**

On 23 November 2006, the Company entered into GPTL Agreement whereby the Company agreed to dispose of the Sale Share and the Sale Debts to Sky Hawk at an aggregate consideration of HK\$20,000,000, of which HK\$2,000,000 shall be paid as deposit within three business days after signing of GPTL Agreement and the balance of HK\$18,000,000 shall be satisfied in cash on completion. Upon completion of GPTL Agreement, the Company will cease to have any interest in GPTL.

The Disposal constitutes discloseable transaction for the Company under the Listing Rules. A circular containing particulars of GPTL Agreement will be despatched to the shareholders of the Company as soon as possible.

#### **GPTL AGREEMENT DATED 23 NOVEMBER 2006**

##### **Parties:**

Vendor: the Company

Purchaser: Sky Hawk, which and its ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company and are not connected persons of the Company

##### **Assets being disposed of:**

Sale Share: 1 ordinary share of US\$1.00 each in the issued share capital of GPTL, representing the entire issued share in the capital of GPTL

Sale Debts: amounts owed by GPTL to the Company and its subsidiaries that are outstanding at completion of GPTL Agreement

The principal assets of GPTL Group are the Land Use Rights in respect of parcels of adjacent land with an aggregate site area of approximately 145,395 square meters situated at 中國廣東省博羅縣圓洲鎮九潭道 (Jiu Tan Dao, Yuan Zhou Zhen, Boluo County, Guangdong Province, the PRC\*). The book value of the Land Use Rights together with the infrastructure erected on the lands as at 30 September 2006 is approximately HK\$18.04 million.

**Consideration:**

The Consideration is HK\$20,000,000, of which HK\$2,000,000 shall be paid as deposit within three business days after signing of GPTL Agreement and the balance of HK\$18,000,000 shall be satisfied in cash on completion. The Consideration was arrived at after arm's length negotiations between the parties by reference to the unaudited consolidated net liabilities of GPTL Group of HK\$0.89 million and the amount in HK\$17.29 million due by GPTL to the Company and its subsidiaries as at 30 September 2006.

The Company will record a gain on the Disposal of approximately HK\$3.40 million and the proceed will be applied for general working capital purpose.

**Completion:**

Completion will be taken place on 23 February 2007 or such other date as the parties may otherwise agreed, upon which GPTL will cease to be a subsidiary of the Company.

**Information on GPTL Group:**

GPTL is a company incorporated in the British Virgin Islands with limited liability. GPTL Group is principally engaged in securities trading and investment and holding of the Land Use Rights. The unaudited consolidated net profits (both before and after taxation and extraordinary items) of GPTL Group for the year ended 31 December 2005 was approximately HK\$1.57 million. The unaudited consolidated net loss (both before and after taxation and extraordinary items) of GPTL Group for the year ended 31 December 2004 was approximately HK\$1.40 million. The unaudited consolidated net liabilities of GPTL Group as at 31 December 2005 was approximately HK\$0.27 million.

**REASONS FOR THE DISPOSAL**

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and manufacturing of consumer goods such as toys, gifts and premiums. GPTL Group is principally engaged in securities trading and investment and holding of the Land Use Rights. In order to focus of its resource on the core toys and premiums business, the Company has recently minimized activities in securities trading and investment. In addition, the Land Use Rights were acquired by the Company in year 2004 for expanding the manufacturing base to cater for the growth in business. The acquisition cost of the Land Use Rights together with the infrastructure erected thereon is approximately HK\$18.75 million. However, because of keen competition in toy industry, the business growth of the Company slowed down and the lands have been vacant and there has no concrete development plan. Therefore, the Directors consider it would be beneficial to the Company to divest the non-core business and the non-performing assets so as to better utilise the resources in the core business.

The Directors consider that the terms of the Disposal are fair, reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

**LISTING RULES IMPLICATIONS**

The Disposal constitutes discloseable transaction for the Company under the Listing Rules. A circular containing particulars of GPTL Agreement will be despatched to the shareholders of the Company as soon as possible.

## DEFINITIONS

“Company”	GFT Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Consideration”	the consideration for the Disposal in an aggregate amount of HK\$20,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Debts by the Company to Sky Hawk pursuant to the terms of GPTL Agreement
“GPTL”	Good Prosper Trading Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“GPTL Agreement”	an agreement date 23 November 2006 entered into between the Company and Sky Hawk in relation to the sale and purchase of the Sale Share and the Sale Debts
“GPTL Group”	GPTL and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Land Use Rights”	the land use rights in respect of parcels of adjacent land with an aggregate area of approximately 145,395 square meters situated at 中國廣東省博羅縣圓洲鎮九潭道 (Jiu Tan Dao, Yuan Zhou Zhen, Boluo County, Guangdong Province, the PRC*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Sale Debts”	the amounts owed by GPTL to the Company and its subsidiaries that are outstanding at the completion of GPTL Agreement
“Sale Share”	1 ordinary share of US\$1.00 each in the issued share capital of GPTL, representing the entire issued share in the capital of GPTL
“Sky Hawk”	Sky Hawk International Limited, a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**GFT Holdings Limited**  
**Leung Wai Ho**  
*Chairman*

Hong Kong, 24 November 2006

*As at the date of this announcement, the Board comprises Mr. Leung Wai Ho, Mr. Wong Chung Shun and Mr. Ha Kee Choy, Eugene as executive directors and Mr. Chui Chi Yun, Robert, Mr. Lam Kwok Cheong and Mr. Lai Wing Leung, Peter as independent non-executive directors.*

*\* for identification purpose only*