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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer 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 GFT Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 MAPLE FORCE LIMITED

20 January 2006

** for identification purpose only*

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:—

“Company”	GFT Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Latest Practicable Date”	17 January 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maple Agreement”	an agreement dated 28 December 2005 entered into between POL and Ko Chi Shing in relation to the sale and purchase of Maple Sale Shares and Maple Sale Debts
“Maple Disposal”	the disposal of Maple Sale Shares and Maple Sale Debts by POL to Ko Chi Shing pursuant to the terms of Maple Agreement
“Maple Force”	Maple Force Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company prior to the completion of Maple Agreement
“Maple Sale Debts”	the amounts owed by Maple Force and its subsidiary to POL that are outstanding at the completion of Maple Agreement
“Maple Sale Shares”	7 ordinary shares of HK\$1.00 each in the issued share capital of Maple Force, representing 70% equity interest in Maple Force

DEFINITIONS

“POL”	Prosper Overseas Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



GFT HOLDINGS LIMITED

真樂發控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

Executive Directors:

Leung Wai Ho (*Chairman*)

Wong Chung Shun (*Deputy Chairman*)

Ha Kee Choy, Eugene

Independent Non-executive Directors:

Chui Chi Yun, Robert

Lam Kwok Cheong

Lai Wing Leung, Peter

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

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

Unit A9, 3/F., Block A

Hong Kong Industrial Center

489-491 Castle Peak Road

Kowloon, Hong Kong

20 January 2006

To the Shareholders and option holders (for information only)

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
DISPOSAL OF ENTIRE INTEREST IN MAPLE FORCE LIMITED**

On 29 December 2005, the Company announced that POL, a wholly owned subsidiary of the Company entered into Maple Agreement whereby POL disposed of Maple Sale Shares and Maple Sale Debts to Ko Chi Shing at an aggregate consideration of HK\$2,733,521 payable in cash on completion.

Maple Disposal constitutes discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information in relation to Maple Disposal.

** for identification purpose only*

LETTER FROM THE BOARD

MAPLE AGREEMENT DATED 28 DECEMBER 2005

Parties:

Vendor: POL, a wholly owned subsidiary of the Company

Purchaser: Ko Chi Shing, who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and connected persons of the Company and is not connected person of the Company

Assets being disposed of:

Maple Sale Shares: 7 ordinary shares of HK\$1.00 each in the issued share capital of Maple Force, representing 70% equity interest in Maple Force and the entire interest of the Company in Maple Force

Maple Sale Debts: amounts owed by Maple Force and its subsidiary to POL that were outstanding at completion of Maple Agreement

Consideration:

The aggregate consideration for Maple Sale Shares and Maple Sale Debts is HK\$2,733,521, the whole amount was paid in cash and was received by the Group upon completion and was arrived at after arm's length negotiations between the parties. The consideration for Maple Sale Shares of HK\$7 is the nominal value of Maple Sale Shares. The consideration for Maple Sale Debts of HK\$2,733,514 is equivalent to the book value of Maple Sale Debts as at the date of Maple Agreement and the date of completion.

Based on the unaudited consolidated net liabilities of Maple Force of approximately HK\$2.58 million as at 30 November 2005, the Company recorded a gain on Maple Disposal of approximately HK2.58 million and the proceed will be applied for general working capital purpose.

Completion:

Completion was taken place on 30 December 2005, upon which the Company ceased to have any interest in Maple Force.

After the completion of Maple Disposal, Maple Force will no longer be consolidated into the account of the Group. Based on the unaudited consolidated management account of Maple Force as at 30 November 2005, Maple Disposal reduced the assets and liabilities of the Group by approximately HK\$0.35 million and HK\$2.93 million respectively.

LETTER FROM THE BOARD

Information on Maple Force:

Maple Force is a company incorporated in Hong Kong with limited liability. It together with its sole wholly owned subsidiary, namely Maple Printing Co., Limited, is engaged in the trading and manufacturing of printing products. According to the audited financial statements of Maple Force for the period from 18 March 2004 (date of incorporation) to 31 December 2004 which were prepared in accordance with accounting principles generally accepted in Hong Kong (save for preparation of consolidated financial statements), the audited net loss (both before and after taxation and extraordinary items) of Maple Force for the period from 18 March 2004 to 31 December 2004 was approximately HK\$1.23 million and the audited net liabilities of Maple Force as at 31 December 2004 was approximately HK\$1.23 million.

REASONS FOR MAPLE 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. Maple Force and its subsidiary are engaged in the trading and manufacturing of printing products and have been suffered from losses over the past years. The Directors consider it would be beneficial to focus the Group's resources on its core business of trading and manufacturing of toys, gifts and premiums and divest the non-core business, particularly the non-profitable ones.

The Directors consider that the terms of Maple Disposal are fair, reasonable and on normal commercial terms and are in the interests of the Group and the Shareholders as a whole.

GENERAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) were as follows:

(a) Long positions in the Shares

Name of Director		Number of Shares held			Total	Percentage of issued share capital
		Personal interest	Family interest	Corporate interest		
Leung Wai Ho ("Mr. Leung")	executive director	22,500,000	—	330,560,000 <i>(note 1)</i>	353,060,000	22.4%
Wong Chung Shun ("Mr. Wong")	executive director	22,500,000	—	330,560,000 <i>(note 2)</i>	353,060,000	22.4%

Notes:

- The Shares were held by Charm Management Limited, a wholly-owned subsidiary of New Spread Investments Limited. Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited. As Mr. Leung owns the entire interest in Excel Advance Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 Shares held by Charm Management Limited.
- As Mr. Wong owns the entire interest in Good Achieve Holdings Limited and 50% of the issued share capital of Grand Achieve Group Limited, he is deemed to be interested in 330,560,000 Shares held by Charm Management Limited.

(b) Long positions in the share options of the Company

Name of Director		Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options outstanding as at the Latest Practicable Date	Percentage of issued share capital
Mr. Leung	executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%
Mr. Wong	executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%
Ha Kee Choy, Eugene	executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%
Chui Chi Yun, Robert	independent non-executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%
Lam Kwok Cheong	independent non-executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%
Lai Wing Leung, Peter	independent non-executive director	1.12.2004	31.12.2004 to 30.12.2006	0.0676	1,278,540	0.1%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

(a) Interests disclosed pursuant to the SFO

As at the Latest Practicable Date, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Note	Number of Shares held		Percentage of issued share capital
		Direct interest	Deemed interest	
Charm Management Limited		330,560,000	—	20.9%
New Spread Investments Limited	1	—	330,560,000	20.9%
Excel Advance Holdings Limited	1	—	330,560,000	20.9%
Good Achieve Holdings Limited	1	—	330,560,000	20.9%
Grand Achieve Group Limited	1	—	330,560,000	20.9%
Tokyo Unique (Hongkong) Limited		194,800,000	—	12.3%
Tokyo Unique Co., Ltd.	2	—	194,800,000	12.3%
Takeaki Maeda	2	—	194,800,000	12.3%
Merrill Lynch & Co., Inc.	3	—	125,878,000	8.0%
Lam William Ka Chung	4	18,000,000	66,652,970	5.4%
Lam Wong Yuk Sin, Mary	5	—	84,652,970	5.4%

Notes:—

- Each of Excel Advance Holdings Limited, Good Achieve Holdings Limited and Grand Achieve Group Limited is interested in one-third of the issued share capital of New Spread Investments Limited, which in turn owns the entire interest in Charm Management Limited. Therefore, each of Excel Advance Holdings Limited, Good Achieve Holdings Limited, Grand Achieve Group Limited and New Spread Investments Limited is deemed to be interested in 330,560,000 Shares.
- Tokyo Unique (Hongkong) Limited is owned as to 67% by Tokyo Unique Co., Ltd., which in turn is controlled by Mr. Takeaki Maeda. Thus, both Tokyo Unique Co., Ltd. and Mr. Takeaki Maeda are deemed to be interested in 194,800,000 Shares.

3. Merrill Lynch & Co., Inc. is interested in 125,878,000 Shares which are corporate interest held through Merrill Lynch International, Inc, Merrill Lynch International Holdings Inc., Merrill Lynch Europe Plc, Merrill Lynch Holdings Limited and Merrill Lynch International.
4. Mr. Lam William Ka Chung (“Mr. Lam”) beneficially owns 18,000,000 Shares and is deemed to have corporate interest in 66,652,970 Shares held by Kingsway Lion Spur Technology Limited (“KLST”), an indirect non-wholly owned subsidiary of Kingsway International Holdings Limited which in turn is a company beneficially owned or controlled as to 40% by Mr. Lam and his spouse, Mrs. Lam Wong Yuk Sin, Mary (“Mrs. Lam”).
5. Mrs. Lam is deemed to be interested in 84,652,970 Shares, of which 18,000,000 Shares are beneficially owned by Mr. Lam and 66,652,970 Shares are held by KLST.

(b) Substantial shareholders of other members of the Group

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) were directly or indirectly interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the other members of the Group:

Name of subsidiary	Name of shareholder	Percentage of shareholding
New Challenge Limited	Yu Kwai Sang	15%
Thunder Force Limited	Hsu Ho Feng Chu	49%
Thunder Tech Electronic Co., Ltd	Hsu Ho Feng Chu	49%
Yanyan Force Limited	Ng Kai Lok Paul	40%

Except as being the shareholders and directors of the members of the Group, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the above named persons are third party independent of the Company and connected persons of the Company.

Save as disclosed above, so far as is known to the Directors, there were no other person (not being a Director or chief executive of the Company) who, as at the Latest Practicable Date, had interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group or had any options in respect of such capital.

4. SERVICES CONTRACTS

As at the Latest Practicable Date, there were no existing or proposed service contracts between any of the Directors and any member of the Group which is not expiring or derterminable by the Company within a year without payment of any compensation (other than statutory compensation).

5. COMPETING BUSINESS

Interests of the Directors in competing businesses to the Group as at the Latest Practicable Date required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:—

Name of Director	Name of entity	Nature of competing business	Nature of interest
Mr. Leung	General Fast Trading Limited	Trading of toys and electronic products	Director and shareholder
	United Force Overseas Company Limited	Manufacturing of toys and electronic products	Director and shareholder
Mr. Wong	General Fast Trading Limited	Trading of toys and electronic products	Director and shareholder
	United Force Overseas Company Limited	Manufacturing of toys and electronic products	Director and shareholder

Save as disclosed above, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

6. LITIGATION

The Company received a writ on 8 October 2004 regarding the litigation instituted by Mr. Kowk Chin Wing, a former director of the Company, in respect of the loans due from two former subsidiaries of the Company namely, Rockapetta Industrial Company Limited and Grand Extend Investments Limited, for a sum of approximately HK\$44.5 million and accrued interest thereof (from 1 January 2001 to the date of judgement at the prime lending rate). The Directors, after seeking advice from legal advisors, are of the opinion that the plaintiff does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group. As at the Latest Practicable Date, the litigation is at discovery stage and the parties involved are dealing with their documentary evidence and witness statements for preparation for trial.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group.

7. GENERAL

The secretary of the Company is Ms. Lau Siu Mui, who is a member of the Association of Chartered Certified Accountants. The qualified accountant of the Company is Mr. Cheng Wai Ming, who is a member of the Chartered Institute of Management Accountants.