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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)

**(I) PLACING OF CONVERTIBLE BONDS;
(II) RIGHTS ISSUE
ON THE BASIS OF THREE RIGHTS SHARES
FOR EVERY ONE EXISTING SHARE HELD;
AND
(III) RESUMPTION OF TRADING**

Financial Adviser



Underwriter of the Rights Issue



PLACING OF CONVERTIBLE BONDS

The Board is pleased to announce that the Company has entered into the Placing Agreement with the Underwriter on 3 October 2007 (as amended by a supplemental agreement dated 9 October 2007), pursuant to which the Underwriter agreed to procure Places, on a best effort basis, for the Convertible Bonds with principal amount of HK\$300 million. The Company plans to use the entire net proceeds from the Placing of approximately HK\$292.1 million for potential investments.

Upon full conversion of the Convertible Bonds at the Initial Conversion Price of HK\$0.041 per Share, a total of 7,317,073,170 Conversion Shares will be issued, representing approximately 552.42% of the existing issued share capital of the Company and approximately 84.67% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon conversion of the Convertible Bonds in full.

As completion of the Placing is subject to a number of conditions as referred to in the paragraph headed “Conditions of the Placing” below, which may or may not be fulfilled, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

** for identification purpose only*

RIGHTS ISSUE

The Board also proposes to raise not less than approximately HK\$151 million before expenses (assuming none of the conversion rights attached to the Convertible Notes 2009 is exercised on or before the Record Date) and not more than approximately HK\$178.36 million before expenses (assuming all conversion rights attached to the Convertible Notes 2009 are exercised on or before the Record Date) by way of the Rights Issue of not less than 3,973,672,800 Rights Shares and not more than 4,693,672,800 Rights Shares at a price of HK\$0.038 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and is fully underwritten by the Underwriter. The Company plans to use the net proceeds of the Rights Issue as approximately HK\$20 million for its general working capital and the balance of approximately HK\$125.98 million to HK\$152.65 million for future investment opportunities.

The Rights Issue is conditional upon, among others, the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms as referred to in the paragraph headed “Conditions of the Rights Issue” below, and is further subject to the Underwriter not terminating the Underwriting Agreement as referred to in the paragraph headed “Termination of the Underwriting Agreement” below. **As completion of the Rights Issue is subject to a number of conditions, which may or may not be fulfilled, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Pursuant to the requirements of the Listing Rules, the proposed Rights Issue is conditional on the approval by the Shareholders at the SGM, where the controlling Shareholder, or in the case that the Company has no controlling Shareholders, the Directors and the chief executive of the Company are required to abstain from voting in favour of the Rights Issue.

An independent board committee of the Company will be formed to advise the Shareholders and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Rights Issue.

A circular containing, among others, (i) further information about the Placing and details of the Rights Issue; (ii) the advice of the independent financial adviser to the independent board committee of the Company and the Shareholders in relation to the Rights Issue; (iii) the recommendation of the independent board committee of the Company to the Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM, will be despatched to the Shareholders as soon as possible.

Subject to the Rights Issue being approved at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

Under Rule 14.82 of the Listing Rules, the Group shall not consist wholly or substantially of cash upon the completion of the Rights Issue and/or Placing. Upon completion of the Rights Issue and the Placing, which is expected to take place approximately two months and four months from the date of this announcement respectively, and on the assumption that there is no acquisition or investments made by the Group during this period, (i) the percentages of cash to total assets and net assets of the Group will be approximately 84.64% and 98.61% respectively upon completion of the Rights Issue but before the Placing; and (ii) the percentages of cash to total assets and net assets of the Group will be approximately 93.05% and 249.04% respectively upon completion of the Rights Issue and the Placing. Under such circumstance, the Company will not satisfy this requirement and will not be regarded as suitable for listing.

The Directors are in the process of identifying suitable investment(s) and/or business(es) to be made and acquired so that the Company will continue to comply with Rule 14.82 of the Listing Rules. The Company will make announcement when there is any development which has adverse impact on compliance of Rule 14.82 of the Listing Rules and apply for suspension of trading in the Shares on the date of completion of the Rights Issue and/or Placing, as the case may be, if the Company cannot satisfy the requirement under the Rule 14.82 of the Listing Rules on the date of completion of the Rights Issue and/or Placing, as the case may be.

In view of the possible implication under Rule 14.82 of the Listing Rules on the Company upon the completion of the Rights Issue and/or Placing, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 4 October 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of the trading of the Shares with effect from 9:30 a.m. on 11 October 2007.

PLACING AGREEMENT

Date: 3 October 2007 (as amended by a supplemental agreement dated 9 October 2007)

Parties: The Company as the issuer; and
The Underwriter as the placing agent.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Conversion Price

The Initial Conversion Price of HK\$0.041 per Share was arrived at after arm's length negotiation between the Underwriter and the Company and represents (i) a discount of approximately 58.59% of the closing price of HK\$0.099 per Share as quoted on the Stock Exchange on the Last Trading Day, and (ii) a discount of approximately 60.19% to the average closing price of HK\$0.103 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day.

The Initial Conversion Price will be subject to adjustment, the details of which are summarised in the “Terms of the Convertible Bonds” of this announcement.

The Directors (including the independent non-executive Directors) consider that the terms of the Convertible Bonds, including the Initial Conversion Price, are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

The Underwriter will receive a placing commission of 2.5% on the gross proceeds from the Placing. The abovementioned commission will be payable by the Company upon completion of the Placing. The placing commission was arrived at after arm’s length negotiation between the Company and the Underwriter.

Conversion Shares

Assuming full conversion of the Convertible Bonds at the Initial Conversion Price, the Convertible Bonds will be convertible into 7,317,073,170 Shares, representing approximately 552.42% of the existing issued share capital of the Company and approximately 84.67% of the enlarged issued share capital of the Company as enlarged by the issue of the Conversion Shares upon conversion of the Convertible Bonds in full.

Placees

It is expected that the Underwriter will procure, on a best effort basis, no less than six Placees to subscribe the Convertible Bonds by cash. All the Placees and their respective ultimate beneficial owners will be third parties independent of the Company and its connected persons (as defined in the Listing Rules). According to the terms of the Placing Agreement, the Underwriter has agreed that the Placing will not result in any Placee becoming a substantial shareholder of the Company upon conversion of the Convertible Bonds. The Underwriter shall not take up any Convertible Bonds in the Placing in any event.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (a) the Listing Committee having granted approval for (either unconditionally or subject only to conditions to which neither the Company and the Underwriter will reasonably object) the listing of and permission to deal in the Conversion Shares;
- (b) the Bermuda Monetary Authority having given its consent on the issue of the Convertible Bonds and the issue of the Conversion Shares (if required);
- (c) the passing by Shareholders in the SGM of a resolution to approve the Placing Agreement and the issue of the Convertible Bonds and the Conversion Shares thereunder in accordance with the Listing Rules; and
- (d) the Company having entered into a binding memorandum of understanding, heads of agreement or definitive agreement concerning an investment, joint venture or acquisition which constitutes a notifiable transaction under the Listing Rules.

If any of the above conditions, which cannot be waived by either parties to the Placing Agreement, have not been fulfilled within 90 days from the date of the SGM (or such later date as the Company and the Underwriter may agree), the Placing Agreement shall lapse and become null and void and the parties will automatically be released from all obligations thereunder, save for any liability arising out of antecedent breaches.

Application will be made by the Company to the Listing Committee for the grant of the listing of and permission to deal in the Conversion Shares.

Completion

Completion of Convertible Bonds to be placed on a best effort basis shall take place within three Business Days upon the fulfillment of the conditions of the Placing (or such other date as the parties may agree).

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 9:00 a.m. on the date of the completion of the Placing, in the reasonable opinion of the Underwriter the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws of regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a potential, military, industrial, financial, economic or other nature, whether or not ejusdem generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally or the Company's securities on the Stock Exchange for a period of more than 30 consecutive Business Days, save for any suspension for clearance of this announcement or circular in relation to the Convertible Bonds; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Company or its present or prospective Shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities market occurs,

then and in any such case, the Underwriter may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 9:00 a.m. on the date of the completion of Placing.

In the event that the Underwriter terminates the Placing Agreement pursuant to the abovementioned clause, all obligations of each of the parties under the Placing Agreement shall cease and determine and neither party to the Placing Agreement shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Terms of the Convertible Bonds

The principal terms of the Convertible Bonds are arrived after arm's length negotiation between the Company and the Underwriter and are summarised as follows:

Principal amount	:	HK\$300,000,000.00
Initial Conversion Price	:	HK\$0.041 per Share, subject to adjustments in certain events including, among other things, share consolidation, share subdivision, capitalization issue, capital distribution and rights issue.
Interest rate	:	4% per annum.
Maturity	:	The second anniversary of the Issue Date.
Redemption	:	Unless previously converted in accordance with the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond on the Maturity Date at the redemption amount which is 100% of the principal amount of Convertible Bonds outstanding.
Transferability	:	The Convertible Bonds are not transferable without the prior written consent of the Company, except by a transfer to subsidiaries or the holding company of the holders of the Convertible Bonds. The Convertible Bonds may not be transferred by the holder of the Convertible Bonds, without the prior written consent of the Company, to any connected person (as defined under the Listing Rules) of the Company.
Conversion period	:	The holders of the Convertible Bonds shall have the right to convert on any Business Day at any time following the date of issue of the Convertible Bonds until the date 7 days before (and excluding) the Maturity Date, the whole or any part (in an amount or integral multiple of HK\$500,000) of the outstanding principal amount of the Convertible Bonds into Shares at the then prevailing conversion price.
Voting	:	The holders of the Convertible Bonds will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only of it being the holders of the Convertible Bonds.

- Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Bonds.
- Ranking : The Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Bonds will rank *pari passu* in all respects with all other existing Shares outstanding at the date of conversion of the Convertible Bonds.

RIGHTS ISSUE

Issue statistics

- Basis of Rights Issue : three Rights Shares for every one existing Share held on the Record Date
- Number of Shares in issue : 1,324,557,600 Shares as at the date of this announcement (or 1,564,557,600 Shares upon full exercise of the conversion right by the holders of the Convertible Notes 2009 on or before the Record Date) (*Note*)
- Number of Rights Shares : Not less than 3,973,672,800 Rights Shares (assuming no conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date) and not more than 4,693,672,800 Rights Shares (assuming all conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date)
- Subscription Price : HK\$0.038 per Rights Share

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent 300% of the Company's issued share capital as at the date of this announcement and approximately 75% of the Company's enlarged issued share capital of the Company immediately following the completion of the Rights Shares, assuming that none of the conversion rights of the Convertible Notes 2009 are exercised on or before the completion of the Rights Issue.

Note:

As at the date of this announcement, a principal amount of HK\$24,000,000.00 of the Convertible Notes 2009 was outstanding and carrying right to convert the outstanding principal amount into 240,000,000 Shares at a conversion price of HK\$0.10 per Share (subject to adjustment). Save for the above, the Company has no derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

The Placing and the Rights Issue are not inter-conditional. As the issue of the Convertible Bonds is conditional, among others, the approval of the Placing by the Shareholders at the SGM which is after the closure of the register of members of the Company for the purpose of the Rights Issue, the holders of the Convertible Bonds are not entitled to the Rights Issue.

Qualifying Shareholders

The Company will send the Prospectus, the provisional allotment letters and forms of application for excess Rights Shares to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificate(s)) with the Registrar, by 4:30 p.m. (Hong Kong time) on 19 November 2007.

Closure of Register of members

The register of members of the Company will be closed from 20 November 2007, to 23 November 2007, both days inclusive. No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription price

HK\$0.038 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for Rights Shares.

The subscription price of HK\$0.038 per Rights Share was arrived at after arm's length negotiations between the Company and the Underwriter with reference to recent closing prices of the Shares on the Stock Exchange and represents:

- (i) a discount of approximately 61.62% to the closing price of HK\$0.099 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 63.11% to the average closing price of the Shares of approximately HK\$0.103 for last 5 trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 28.64% to the theoretical ex-rights price of HK\$0.05325 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

The Directors (including the independent non-executive Directors) consider that the discount of the subscription price of the Rights Share is reasonable on the basis that the terms of the Rights Issue (including the price) are arrived at after arms-length negotiation with the Underwriter and should achieve the objective of encouraging existing Shareholders to take up their entitlements, so as to share in the potential growth of the Company.

Basis of provisional allotments

Three Rights Shares for every one existing Share held by a Qualifying Shareholder on the Record Date.

Status of the Rights Shares

When fully paid, issued and allotted, the fully-paid Rights Shares will rank pari passu in all respects with the existing Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Rights Shares.

Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong.

Rights of Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. If there are any Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong as at the Record Date, the Company will comply with all necessary requirements under Rule 13.36(2) of the Listing Rules and will only exclude the Non-Qualifying Shareholders from the Rights Issue after making enquiry regarding the legal restrictions under the laws of the relevant places. The Directors consider that (i) if based on legal opinions provided by the legal advisers, it is necessary or expedient not to offer the Rights Shares to any particular Shareholder on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Non-Qualifying Shareholders; or (ii) if the legal opinions provided by the legal advisers do not support the statement in paragraph (i) above, the Rights Shares will be offered to such particular Shareholder. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders (if any) for their information only. The Company will not send provisional allotment letters and forms for application for excess Rights Shares to the Non-Qualifying Shareholders.

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to any Non-Qualifying Shareholders there may be, to be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commences, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, of HK\$100 or more will be paid to the Non-Qualifying Shareholders in Hong Kong dollars pro rata to their respective shareholding as soon as possible. The Company will retain individual amounts of less than HK\$100.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application.

Application for excess Rights Shares

Qualifying Shareholders may apply for any unsold entitlements, and any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the forms for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares).

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary document with the Registrar for completion of the relevant registration by 4:30 p.m. on 19 November 2007.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 13 December 2007. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 13 December 2007 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date	:	3 October 2007 (as amended by a supplemental agreement dated 9 October 2007)
Parties	:	the Company and the Underwriter
Number of Rights Shares underwritten	:	Not less than 3,973,672,800 Rights Shares (assuming no conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date) and not more than 4,693,672,800 Rights Shares (assuming all conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date)
Commission	:	2.5% of the subscription price for the Underwritten Shares, the Directors consider that such rate is fair and reasonable and was determined after arm's length negotiations between the Company and the Underwriter

Termination of the Underwriting Agreement

If at any time at or before 4:00 p.m. on the second Business Day following the Acceptance Date:

- (i) any of the following events occurs which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or otherwise make it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation or any material change in the judicial interpretation or application thereof or other occurrence of any nature whatsoever; or
 - (b) occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Underwriting Agreement and including an event of change in relation to or a development of an existing state of affairs) of a political, military, financial, regulatory, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict) resulting in a material adverse change in, or which might reasonably be expected to result in a material adverse change in political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or
 - (d) a change or development involving a prospective material change in taxation in any jurisdiction or the implementation of exchange controls in any jurisdiction; or

- (e) the occurrence of any material change in market conditions, taxation or exchange control or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities); or
- (f) any material and adverse change in the conditions of local, national or international securities markets;
or
- (ii) the Underwriter shall receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) any change occurs in the circumstances of any member of the Group which would materially and adversely affect the business, financial or trading position or prospects of the Group as a whole; or
- (iv) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission would have a material and adverse effect on the business, financial or trading position of the Group as a whole; or
- (v) there is an occurrence of any event, or series of events, beyond the control of the Underwriter (including, without limitation, acts of government, strike, lock-outs, fire, explosion, flooding, civil commotion, acts of war or acts of God) which, in the reasonable opinion of the Underwriter, has or would have the effect of making any part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof,

then and, in such case, the Underwriter may, by notice in writing given to the Company at or before 4:00 p.m. on the second Business Day after the Acceptance Date, rescind the Underwriting Agreement. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon each of the following events being fulfilled:

- (i) the signing by or on behalf of all of the Directors of one printed copy of each of the Prospectus Documents and the certification by any two Directors (or by their agents duly authorised in writing) of two copies of each of the Prospectus Documents;
- (ii) the delivery of the signed copy by all the Directors of each of the Prospectus Documents referred to in (i) above to the Underwriter;
- (iii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of two copies of each of the Prospectus Documents each duly certified by any two Directors (or by their agents duly authorised in writing) in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;

- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders;
- (v) compliance by the Company with all its obligations under the Underwriting Agreement;
- (vi) the approval of the Rights Issue by the Shareholders who are permitted to vote under the Listing Rules, the applicable laws and the bye-laws of the Company at the SGM;
- (vii) the Listing Committee of the Stock Exchange (a) agreeing to grant listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter in its absolute opinion accepts and the satisfaction of such conditions (if any) on or before the day on which dealings in the Rights Shares in their nil-paid form commence; and (b) not having been withdrawn or revoked such listing and permission before 10:00 a.m. on the settlement date as agreed;
- (viii) the Bermuda Monetary Authority granting their consent to the Rights Issue and the issue of the Rights Shares (if necessary); and
- (ix) the due posting of the Circular on the posting date as agreed.

In the event that the conditions of the Rights Issue are not fulfilled (or waived in whole or in part by the Underwriter) on or before the dates specified therein (or such later date or dates as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate and save in respect of costs and expenses as referred to therein.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from 16 November 2007. Dealings in the Rights Shares in the nil-paid form will take place from 28 November 2007 to 5 December 2007 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 28 November 2007 to 5 December 2007 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Transaction	Date of completion of the transaction	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
11 October 2006	Placing of 300 million existing shares of HK\$0.01 each (the "Pre-Consolidated Share(s)") and subscription of 300 million new Pre-Consolidated Shares at HK\$0.04 per Pre-Consolidated Share	25 October 2006	HK\$11.8 million	As general working capital of the Group	As general working capital of the Group
26 January 2007	(1) Placing of 340,000,000 new Shares at HK\$0.10 per Share; and (2) placing of convertible notes with an aggregate principal amount of HK\$34 million	Issue of (i) 220 million new Shares on 14 March 2007; (ii) 120 million new Shares on 11 April 2007; and (iii) HK\$34 million convertible notes on 23 July 2007	HK\$66.6 million	As to approximately HK\$20 million as general working capital of the Group and as to approximately HK\$46.6 million for future investment opportunities	As to approximately HK\$20 million has been used for general working capital of the Group and as to the balance of approximately HK\$46.6 million has not been utilized yet and placed in short-term deposits with banks pending for future investment opportunities
14 August 2007	Top -up placing of 70,000,000 new Shares at HK\$0.128 per Share	20 August 2007	HK\$8.6 million	As general working capital of the Group	As to approximately HK\$0.5 million has been used for general working capital of the Group and as to the balance of approximately HK\$8.1 million has not been utilized and placed in short-term deposits with banks pending for future general working capital of the Group

REASONS FOR THE RIGHTS ISSUE AND THE PLACING AND USE OF THE PROCEEDS

The Company is principally engaged in the business of trading of toys, gifts and premium products and trading and investments in securities.

As set out in the interim report 2007 of the Company, the Company recorded an unaudited net loss of approximately HK\$60.38 million for the six months ended 30 June 2007. Although the Directors will endeavour to improve the business operations and performance of the Group, they are actively pursuing new investments or projects for the medium to long-term growth of the Group and which will broaden the earning base of the Group for the benefits of the Company and the Shareholders as a whole.

As announced by the Company on 14 September 2007, the placing of 150,000,000 new Shares to raise a net proceeds of approximately HK\$18.6 million as set out in the Company's announcement dated 14 August 2007 has been terminated.

The Directors consider that it is prudent to finance the Group's long-term growth by long term funding, preferably in the form of equity which will not increase the Group's finance costs. Furthermore, the Directors consider that it is in the interest of the Company to enlarge its capital base and improve the overall financial and cash position of the Group by way of the Rights Issue which will allow all Shareholders the opportunity to participate in the growth of the Company.

The net proceeds from the Rights Issue is expected to be approximately HK\$145.98 million to HK\$172.65 million, which will be used by the Company as approximately HK\$20 million for its general working capital and the balance of approximately HK\$125.98 million to HK\$152.65 million for future investment opportunities.

In order to increase the flexibility of the Group and strengthen its position in sourcing and negotiating new investments or projects, the Directors consider that the Placing of Convertible Bonds is an appropriate means of raising additional capital of the Company. Moreover, it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the Directors consider that terms of the Convertible Bonds is more favourable than bank borrowing under current market conditions.

The Directors consider the terms of the Placing Agreement (including the Initial Conversion Price) are fair and reasonable and in the best interest of Shareholders and the Company as a whole.

The net proceeds from the Placing is expected to be approximately HK\$292.1 million and will be used entirely by the Company for potential investments. As at the date of this announcement, no specific investment has been identified by the Group.

Under Rule 14.82 of the Listing Rules, the Group shall not consist wholly or substantially of cash upon the completion of the Rights Issue and/or Placing. Upon completion of the Rights Issue and the Placing, which is expected to take place approximately two months and four months from the date of this announcement respectively, and on the assumption that there is no acquisition or investments made by the Group during this period, (i) the percentages of cash to total assets and net assets of the Group will be approximately 84.64% and 98.61% respectively upon completion of the Rights Issue but before the Placing; and (ii) the percentages of cash to total assets and net assets of the Group will be approximately 93.05% and 249.04% respectively upon completion of the Rights Issue and the Placing. Under such circumstance, the Company will not satisfy this requirement and will not be regarded as suitable for listing.

The Directors are in the process of identifying suitable investment(s) and/or business(es) to be made and acquired so that the Company will continue to comply with Rule 14.82 of the Listing Rules. The Company will make announcement when there is any development which has adverse impact on compliance of Rule 14.82 of the Listing Rules and apply for suspension of trading in the Shares on the date of completion of the Rights Issue and/or Placing, as the case may be, if the Company cannot satisfy the requirement under the Rule 14.82 of the Listing Rules on the date of completion of the Rights Issue and/or Placing, as the case may be.

In view of the possible implication under Rule 14.82 of the Listing Rules on the Company upon the completion of the Rights Issue and/or Placing, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

SHAREHOLDING OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and the effect on the shareholding of the Company following completion of the Rights Issue and the completion of the Placing, assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue save pursuant to the exercise of the conversion rights attaching to the Convertible Notes 2009 and the Convertible Bonds; (ii) the Underwriter takes up the Rights Shares to the maximum extent; and (iii) completion of the Placing after completion of the Rights Issue:

Scenario 1:

Assuming there is no conversion of the Convertible Notes 2009 on or before the Record Date

Shareholders	As the date of this announcement		Immediately after completion of the Rights Issue but before the Placing (assuming none of the conversion rights attaching to the Convertible Notes 2009 are converted into Shares)		Immediately after completion of the Rights Issue but before the Placing (assuming all the conversion rights attaching to the Convertible Notes 2009 are converted into Shares after the Record Date)		Immediately after completion of the Rights Issue and the Placing (assuming full conversion of the Convertible Bonds and assuming all conversion rights attaching to the Convertible Notes 2009 are converted into Shares after the Record Date)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tse Cho Tseung (Note 1)	141,224,000	10.66%	141,224,000	2.67%	141,224,000	2.45%	141,224,000	1.08%
The Underwriter/ sub-underwriters	—	—	3,973,672,800	75.00%	3,973,672,800	69.00%	3,973,672,800	30.39%
Holders of Convertible Notes 2009 (Note 2)	—	—	—	—	461,538,461	8.01%	461,538,461	3.53%
Placees	—	—	—	—	—	—	7,317,073,170	55.95%
Public	1,183,333,600	89.34%	1,183,333,600	22.33%	1,183,333,600	20.54%	1,183,333,600	9.05%
	<u>1,324,557,600</u>	<u>100.00%</u>	<u>5,298,230,400</u>	<u>100.00%</u>	<u>5,759,768,861</u>	<u>100.00%</u>	<u>13,076,842,031</u>	<u>100.00%</u>

Scenario 2:

Assuming full conversion of the Convertible Notes 2009 on or before the Record Date

Shareholders	As the date of this announcement		Immediately after completion of the Rights Issue but before the Placing		Immediately after completion of the Rights Issue and the Placing (after full conversion of the Convertible Bonds)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tse Cho Tseung (<i>Note 1</i>)	141,224,000	10.66%	141,224,000	2.26%	141,224,000	1.04%
The Underwriter/sub-underwriters	—	—	4,693,672,800	75.00%	4,693,672,800	34.57%
Holders of Convertible Notes 2009	—	—	240,000,000	3.83%	240,000,000	1.77%
Placees	—	—	—	—	7,317,073,170	53.90%
Public	<u>1,183,333,600</u>	<u>89.34%</u>	<u>1,183,333,600</u>	<u>18.91%</u>	<u>1,183,333,600</u>	<u>8.72%</u>
	<u><u>1,324,557,600</u></u>	<u><u>100.00%</u></u>	<u><u>6,258,230,400</u></u>	<u><u>100.00%</u></u>	<u><u>13,575,303,570</u></u>	<u><u>100.00%</u></u>

Notes:

1. The Directors have no knowledge that whether Mr. Tse Cho Tseung has any intention to take up his entitlement under the Rights Issues or apply for excess Rights Shares. This table has assumed that he will not take up his entitlement under the Rights Issues, apply for excess Rights Shares or change his existing shareholding in the Company and therefore becomes a public Shareholder immediately after the Rights Issue. If he takes up his entitlement under the Rights Issue in full, he will remain as a substantial Shareholder by his 10.66% shareholding in the Company immediately after the Rights Issue but before the Placing (assuming none of the conversion rights attaching to the Convertible Notes 2009 will be converted into Shares).
2. According to the terms of the Convertible Notes 2009, the initial conversion price of the Convertible Notes 2009 will be adjusted on the next day following the Record Date. Detail of such adjustment could be referred to the section headed “Adjustments in relation to the Convertible Bonds and Convertible Notes 2009” below.

The Underwriter has confirmed that it will sub-underwrite its underwriting obligations under the Rights Issue to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective concert parties) will not own 30% or more of the issued share capital of the Company after completion of the Rights Issue. Each of the Underwriter and the sub-underwriters (and their respective ultimate beneficial owners) is not a party acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with each other or with any Shareholders. Each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners do not have any shareholding in the Company and are not connected persons (as defined in the Listing Rules) of the Company.

As stipulated in the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters mentioned above is required to take up the Rights Shares pursuant to their underwriting obligations, none of the Underwriter and the sub-underwriters will own 10% or more of the issue share capital of the Company immediately after the Rights Issue and the Underwriter or any of these sub-underwriters shall procure independent places to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

DILUTION EFFECTS ON SHAREHOLDERS

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attaching to the Convertible Bonds, for so long as any of the Convertible Bonds are outstanding, the Company will keep shareholders informed of the level of dilution and details of conversion as follows:—

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the Company’s designated website at www.irasia.com/listco/hk/gft/index.htm and the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 - (a) whether there is any conversion of the Convertible Bonds during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 - (b) the outstanding principal amount of the Convertible Bonds after the conversion, if any;
 - (c) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company;
 - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (ii) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will as soon as practicable make an announcement on the the Company’s designated website at www.irasia.com/listco/hk/gft/index.htm and the website of the Stock Exchange including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be); and
- (iii) if the Company forms the view that any issue of new Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Bonds as mentioned in (i) and (ii) above.

TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

2007

Despatch of Circular with notice of the SGM	Thursday, 1 November
Last day of dealings in Shares on a cum-rights basis	Thursday, 15 November
First day of dealings in Shares on an ex-rights basis	Friday, 16 November
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 19 November
Book closure period (both days inclusive)	from Tuesday, 20 November to Friday, 23 November
Latest time for return of proxy form for the SGM	10:00 a.m. on Wednesday, 21 November
SGM	10:00 a.m. on Friday, 23 November
Record Date	Friday, 23 November
Announcement of results of SGM.....	Friday, 23 November
Register of members reopens	Monday, 26 November
Prospectus Documents expected to be despatched on	Monday, 26 November
First day of dealings in nil-paid Rights Shares	Wednesday, 28 November
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 30 November
Last day of dealings in nil-paid Rights Shares	Wednesday, 5 December
Latest time for acceptance of and payment for Rights Shares.....	4:00 p.m. on Monday, 10 December
Rights Issue expected to become unconditional on or before	4:00 p.m. on Wednesday, 12 December
Announcement of results of the Rights Issue	Thursday, 13 December
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before	Thursday, 13 December
Certificates for fully-paid Rights Shares expected to be despatched on or before.....	Thursday, 13 December
Dealings in fully-paid Rights Shares expected to commence on	Monday, 17 December

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any change to the anticipated timetable for the Rights Issue will be published as and when appropriate.

ADJUSTMENTS IN RELATION TO THE CONVERTIBLE BONDS AND CONVERTIBLE NOTES 2009

The Initial Conversion Price of the Convertible Bonds has been determined by the Company and the Underwriter at the time of the entering into of the Placing Agreement after taking into account the effect of the Rights Issue. Accordingly, the Rights Issue will not lead to any adjustments to the Initial Conversion Price of the Convertible Bonds.

The Rights Issue may lead to adjustment to the conversion price and/or the number of Shares to be issued upon conversion of the Convertible Notes 2009. According to the terms of the Convertible Notes 2009, the existing conversion price of the Convertible Notes 2009 of HK\$0.10 per Share will be adjusted to HK\$0.052 per Share on the next day following the Record Date. Accordingly, the number of Shares to be issued upon full conversion of the outstanding HK\$24,000,000.00 Convertible Notes 2009 based on this adjusted conversion price will be 461,538,461. The Company will consult its auditors for the required adjustment and the holders of the Convertible Notes 2009 will be informed of the required adjustments (if any) as soon as practicable.

TRADING LIMITS

The Directors note that the current market price of the Shares is approaching the extremity of share as set out in Rule 13.64 of the Listing Rules. The Directors are also aware that a listed issuer is required to either change the trading method or to proceed with a consolidation of its shares in such event. It is anticipated that the price of the Shares will, as a result of the Rights Issue, further reduce and approach the extremity of HK\$0.01 per Share. The Directors will consider conducting a consolidation exercise before any future fund raising by the Company.

GENERAL

Pursuant to the requirements of Rule 7.19(6) of the Listing Rules, the proposed Rights Issue is conditional on the approval by the Shareholders at the SGM where the controlling Shareholder, or in the case that the Company has no controlling Shareholders, the Directors and the chief executive of the Company are required to abstain from voting in favour of the Rights Issue.

An independent board committee of the Company will be formed to advise the Shareholders and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Rights Issue.

A circular containing, among others, (i) further information about the Placing and details of the Rights Issue; (ii) the advice of the independent financial adviser to the independent board committee of the Company and the Shareholders in relation to the Rights Issue; (iii) the recommendation of the independent board committee of the Company to the Shareholders in relation to the Rights Issue; and (iv) a notice convening the SGM, will be despatched to the Shareholders as soon as possible.

Subject to the Rights Issue being approved at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 4 October 2007 pending the release of this announcement. Application has been made for the resumption of trading of the Shares with effect from 9:30 a.m. on 11 October 2007.

DEFINITIONS

The following terms not defined in the text of this announcement have the meaning set forth below:

“Acceptance Date”	latest day for acceptance of and payment for the Rights Shares
“Board”	the board of Directors
“Business Day”	a full day (other than a Saturday and Sunday) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders in relation to the Placing and the Rights Issue, in such form as may be agreed by the Company and the Underwriter
“Company”	GFT Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Conversion Shares”	new Shares which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	4% convertible bonds due 2009 in an aggregate principal amount of HK\$300 million proposed to be issued by the Company pursuant to the Placing Agreement
“Convertible Notes 2009”	the interest free convertible notes of principal amount of HK\$24,000,000.00 due on 23 July 2009 and carrying right to convert the outstanding principal amount into Shares at a conversion price of HK\$0.10 per Share (subject to adjustment), which is outstanding as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Conversion Price”	the initial conversion price of HK\$0.041 per Share (subject to adjustment under the terms of the Convertible Bonds)
“Issue Date”	the date of the first issue of the Convertible Bonds

“Last Trading Day”	3 October 2007, the last trading day immediately preceding the release of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the second anniversary of the Issue Date
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on the register of members of the Company on the Record Date is (are) outside Hong Kong where the Directors, based on the legal opinions provided by legal advisers, consider it necessary or expedient to exclude any such Shareholder on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place
“Placee(s)”	any individual, institutional or other professional investor(s) procured by the Underwriter to subscribe for the Convertible Bonds pursuant to the Underwriter’s obligation under the Placing Agreement
“Placing”	the placing of Convertible Bonds in the principal amount of HK\$300 million pursuant to the Placing Agreement
“Placing Agreement”	the conditional convertible bonds placing agreement dated 3 October 2007 (as amended by a supplemental agreement dated 9 October 2007) entered into between the Company and the Underwriter in relation to the Placing, subject to the terms and conditions contained therein
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the provisional allotment letter and form of application for excess Rights Shares
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	23 November 2007, the record date by which entitlements to the Rights Issue will be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

“Rights Issue”	the issue of Rights Shares at a price of HK\$0.038 per Rights Share
“Rights Shares”	Not less than 3,973,672,800 new Shares (assuming no conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date) and not more than 4,693,672,800 new Shares (assuming all conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date) to be issued under the Rights Issue
“SFO”	The Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and approve, among others, the Placing and the Rights Issue
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of HK\$0.025 each in the existing capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Get Nice Investment Limited, a corporation deemed licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance and asset management), which is not a connected person (as defined in the Listing Rules) of the Company
“Underwriting Agreement”	the underwriting agreement dated 3 October 2007 (as amended by a supplemental agreement dated 9 October 2007) entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	Not less than 3,973,672,800 Rights Shares (assuming no conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date) and not more than 4,693,672,800 Rights Shares (assuming all conversion rights of the Convertible Notes 2009 are exercised on or before the Record Date)

By order of the Board
GFT Holdings Limited
Ma Wai Man, Catherine
Executive Director

Hong Kong, 10 October 2007

As at the date of this announcement, the Board comprises Mr. Ha Kee Choy, Eugene and Ms. Ma Wai Man, Catherine, as the executive Directors and Mr. Cheng Yuk Wo, Mr. Chui Chi Yun, Robert, Mr. Lam Kwok Cheong and Mr. Lai Wing Leung, Peter, as the independent non-executive Directors.