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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)

LAPSE OF THE PLACING AGREEMENT

The Placing has not become unconditional on 21 February 2008, being the last date on which the conditions of the Placing Agreement must be fulfilled. Accordingly, the Placing Agreement has automatically lapsed.

Reference is made to the announcement of the Company dated 10 October 2007 and the circular of the Company dated 1 November 2007 (the “Circular”) in respect of, among other things, the placing by the Underwriter, on a best effort basis, of 4% convertible bonds in an aggregate principal amount of HK\$300 million proposed to be issued by the Company. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless otherwise specified herein.

Pursuant to the Placing Agreement, 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.

As of the date of this announcement, the condition (d), inter alia, has not been fulfilled due to the recent change in market condition. The Placing has not become unconditional within 90 days from the date of the SGM, i.e. on 21 February 2008, the Placing Agreement has automatically lapsed.

** for identification purpose only*

The Directors do not expect the lapse of the Placing Agreement would have any material adverse effect on the current business operation and financial position of the Group.

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

Hong Kong, 21 February 2008

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 and Ms. Leung Sau Fan, Sylvia as the independent non-executive Directors.