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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 PLACING AGREEMENT**

The Board announces that due to the recent downturn in the global financial and securities market, the Placing has not been completed on or before 12 October 2008, being the 90th day from the date of the SGM. Accordingly the Placing Agreement has lapsed and has been terminated.

Reference is made to the announcements of the Company dated 6 May 2008, 27 May 2008, 27 June 2008 and 14 July 2008 and the circular of the Company dated 28 June 2008 (the "Circular") in relation to, among other matters, the placing of the Placing CN with aggregate principal value of up to HK\$100,000,000 and up to 400,000,000 Placing Shares to be issued by the Company by the Placing Agent on a best effort basis. Capitalised terms used herein shall have the same meanings as defined in the Circular unless specified otherwise.

Pursuant to the Placing Agreement in respect of the Placing CN and the Placing Shares, the conditions precedent of the Placing Agreement shall be fulfilled within 90 days after the date of the SGM or 180 days of the date of the Placing Agreement, whichever is earlier. The Placing Agreement shall lapse and be terminated if the conditions precedent of the Placing Agreement have not been fulfilled within such period.

Due to the recent downturn of the global financial and securities market, the Placing Agent has not successfully placed any Placing CN and the Placing Shares on or before 12 October 2008, being the 90th day from the date of the SGM. Accordingly, the Placing Agreement has lapsed and has been terminated.

Part of the proceeds from the Placing was originally intended to be used for the payment of the cash portion of the Consideration for the Acquisition. The Acquisition has been completed on 23 July 2008 and the working capital of the Group is sufficient for the requirement of the Acquisition. The Directors believe that the lapse of the Placing has no material adverse impact on the Company's operation and financial position.

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

Hong Kong, 14 October 2008

*As at the date of this announcement, the Board comprises Mr. Ha Kee Choy, Eugene, Ms. Ma Wai Man, Catherine and Mr. Ng Kai Man as executive Directors; and Mr. Cheng Yuk Wo, Mr. Chui Chi Yun, Robert and Ms. Leung Sau Fan, Sylvia as independent non-executive Directors.*

*\* for identification only*