



GFT HOLDINGS LIMITED

真樂發控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of GFT Holdings Limited (the "Company") will be held at Tang Room II, 3rd Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong at 9.00 a.m. on Monday, 5 March 2007 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **"THAT** subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited for the listing of, and permission to deal in, the Consolidated Shares (as defined in paragraph (a) of this resolution below):

- (a) with effect from the first business day immediately following the date on which this resolution is passed as an ordinary resolution, every five (5) ordinary shares of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into two (2) ordinary shares of HK\$0.025 each (each a "Consolidated Share");
- (b) all fractions of the Consolidated Shares to which holders of issued ordinary shares of HK\$0.01 each in the share capital of the Company would otherwise be entitled to be aggregated, sold and retained for the benefit of the Company;
- (c) any one director of the Company (the "Director") be and is generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as he considers necessary or expedient to give effect to the foregoing arrangements; and
- (d) in this resolution, the term "business day" shall mean a day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities and there is no suspension of trading in the shares of the Company on that day."

2. **"THAT:**

- (a) the execution of and the Share Placing Agreement dated 24 January 2007 entered into between the Company and Hani Securities (H.K.) Limited (the "Placing Agent") in relation to the placing of up to 850,000,000 new shares in the capital of the Company at the placing price of HK\$0.04 per share by the Placing Agent, of which 375,000,000 new shares shall be placed on fully underwritten basis and 475,000,000 new shares shall be placed on a best effort basis, a copy of which has been produced to this meeting marked "A" and signed by the chairman of this meeting for identification purpose, be and is hereby approved, confirmed and ratified and the transaction contemplated thereunder be and is hereby approved;
- (b) the execution of and the Supplemental Share Placing Agreement dated 9 February 2007 entered into between the Company and the Placing Agent in relation to the amendments to the Share Placing Agreement and, conditional upon the completion of the share consolidation as specified in resolution 1 above, up to 340,000,000 new Consolidated Shares in the capital of the Company shall be placed by the Placing Agent at the placing price of HK\$0.10 per Consolidated Share, of which 150,000,000 Consolidated Shares shall be placed on fully underwritten basis and 190,000,000 Consolidated Shares shall be placed on a best effort basis, a copy of which has been produced to this meeting marked "B" and signed by the chairman of this meeting for identification purpose, be and is hereby approved, confirmed and ratified and the transaction contemplated thereunder be and is hereby approved;
- (c) the issue and allotment of shares of the Company to the placees procured by the Placing Agent pursuant to the Share Placing Agreement (as amended by the Supplemental Share Placing Agreement) be and are hereby approved;

and any one Director be and is hereby approved to do such acts and execute such documents as he may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Share Placing Agreement (as amended by the Supplemental Share Placing Agreement) and completion of the transactions contemplated thereunder."

3. **"THAT:**

- (a) the execution of and the Note Placing Agreement dated 24 January 2007 entered into between the Company and the Placing Agent in relation to the placing of convertible note(s) in the aggregate principal amount of up to HK\$34,000,000 and at the conversion price of HK\$0.04 per share of the Company by the Placing Agent on a best effort basis, a copy of which has been produced to this meeting marked "C" and signed by the chairman of this meeting for identification purpose, be and is hereby approved, confirmed and ratified and the transaction contemplated thereunder be and is hereby approved;
- (b) the execution of and the Supplemental Note Placing Agreement dated 9 February 2007 entered into between the Company and the Placing Agent in relation to the amendments to the Note Placing Agreement and, conditional upon the completion of the share consolidation as specified in resolution 1 above, convertible note(s) in the aggregate principal amount of up to HK\$34,000,000 and at the conversion price of HK\$0.10 per Consolidated Share of the

Company shall be placed by the Placing Agent on a best effort basis, a copy of which has been produced to this meeting marked "D" and signed by the chairman of this meeting for identification purpose, be and is hereby approved, confirmed and ratified and the transaction contemplated thereunder be and is hereby approved;

- (c) the terms and conditions of convertible note(s) to be issued by the Company under the placing pursuant to the Note Placing Agreement dated 24 January 2007 (as amended by the Supplemental Note Placing Agreement), a copy of which has been produced to this meeting marked "E" as referred in the above (a) and (b) and signed by the chairman of this meeting for identification purpose, be and are hereby approved;
- (d) the issue of the convertible note(s) in the principal amount of up to HK\$34,000,000 contemplated and pursuant to the Note Placing Agreement (as amended by the Supplemental Note Placing Agreement) be and is hereby approved;
- (e) the issue and allotment of shares of the Company to holders of the convertible note(s) contemplated and pursuant to the terms of the convertible note(s) upon exercise of conversion rights under the convertible note(s) be and are hereby approved;

and any one Director be and is hereby approved to do such acts and execute such documents as he may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Note Placing Agreement (as amended by the Supplemental Note Placing Agreement) and the convertible note(s) and completion of the transactions contemplated thereunder."

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

Hong Kong, 14 February 2007

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head Office and Principal Place of Business in Hong Kong:
Unit A9, 3rd Floor,
Block A,
Hong Kong Industrial Center,
489-491 Castle Peak Road,
Kowloon, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. The instrument appointing a proxy and (if required by the board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the head office and principal place of business of the Company in Hong Kong at Unit A9, 3/F, Block A, Hong Kong Industrial Center, 489-491 Castle Peak Road, Kowloon, Hong Kong not later than forty-eight (48) hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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*