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GOLIFE CONCEPTS HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8172)

ALTERATION TO CONDITIONS OF CONVERTIBLE BONDS

ALTERATION TO CONDITIONS OF CONVERTIBLE BONDS

Reference is made to the announcement of the Company dated 9 July 2008 and the Circular in relation to the issuance and subscription of Convertible Bonds to the Subscribers.

The Company and the Bondholders proposed to enter a Deed of Amendments, pursuant to which, the conditions of the Convertible Bonds shall be modified (i) to extend the maturity date of the Convertible Bonds to the fifth anniversary of the date of issue instead of the third anniversary of the date of issue, as originally agreed pursuant to the Subscription Agreement; and (ii) to a mandatory conversion of any outstanding amount of Convertible Bonds into Shares by the Bondholders at HK\$0.239, subject to adjustment for standard anti dilution events, at the New Maturity Date. Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of the convertible equity securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities. The Company will put forward the Proposed Alternation to the Shareholders at the SGM of the necessary resolutions to approve the Proposed Alternation and the transaction contemplated thereunder. Accordingly, the Stock Exchange will approve the Proposed Alteration under Rule 34.05 of the GEM Listing Rules provided that the Proposed Alteration has been duly approved by the Shareholders at the SGM.

A circular containing, among other things, details of the amendments to the Convertible Bonds and notice of the SGM will be despatched to the Shareholders as soon as practicable.

ALTERATION TO CONDITIONS OF CONVERTIBLE BONDS

Background

Reference is made to the announcement of the Company dated 9 July 2008 and the Circular in relation to the issuance and Subscription of the Convertible Bonds to the Subscriber.

On 9 July 2008, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe for the Convertible Bonds in the principal amount of HK\$35,000,000 to be issued by the Company, for a term of 3 years. The Convertible Bonds will entitle the Bondholder(s) to a right to convert the Convertible Bonds into the Conversion Shares at the Initial Conversion Price of HK\$0.125 per Conversion Share (subject to adjustment for anti dilution events). The entering into of the Subscription Agreement and the transaction contemplated thereunder including the issue of the Convertible Bonds constituted a connected transaction of the Company under Chapter 20 of the GEM Listing Rules was approved by the Independent Shareholders by way of poll at the Previous EGM. The approval granted by the Stock Exchange for the listing of and permission to deal in the Conversion Shares was obtained by the Company on 19 August 2008.

According to the original terms under the Subscription Agreement as disclosed in the paragraph headed “The Subscription Agreement” in the Circular, the Bondholder(s) will have the right to convert the Convertible Bonds, at a minimum tranche of HK\$100,000 into the Conversion Shares at any time after the date of issue of the Convertible Bonds but before the date of its maturity. The Directors confirmed that the Convertible Bonds have been issued on 25 September 2008, hence the maturity date of the Convertible Bonds shall be 24 September 2011.

Pursuant to the terms of Convertible Bonds, the conversion price of the Convertible Bonds and the total number of the Conversion Shares to be allotted and issued upon exercise of all the conversion rights under the Convertible Bonds have been adjusted to 29,288,702 Conversion Shares at HK\$0.239 per Share as a result of completion of the Open Offer.

Summary of the Alteration

The Company and the Bondholders proposed to enter a Deed of Amendments to modify the terms and conditions of the Convertible Bonds.

The alterations (the “Proposed Alternation”) of the terms and conditions of the Convertible Bonds involves:

- (i) the maturity date of the Convertible Bonds shall be the fifth anniversary of the date of issue (the “New Maturity Date”) instead of the third anniversary of the date of issue, as originally agreed pursuant to the Subscription Agreement; and

- (ii) the mandatory conversion of any outstanding amount of Convertible Bonds into New Conversion Shares by the Bondholders at HK\$0.239 (being adjusted as a result of the Open Offer), subject to adjustment for standard anti dilution events, at the New Maturity Date.

As a result of the Proposed Alternation, the New Maturity Date of the Convertible Bonds shall be 24 September 2013 with a clause of mandatory conversion by the Bondholders at New Maturity Date. As at the date of this announcement, the outstanding principal amount of the Convertible Bonds is HK\$7,000,000 at the New Conversion Price of HK\$0.239 per Share, subject to adjustment for standard anti dilution events. As such, upon full conversion of the Convertible Bonds at the New Conversion Price of HK\$0.239 per Share, a total of 29,288,702 New Conversion Shares will be issued. Apart from the Proposed Alteration, the other terms and conditions of the Convertible Bonds shall remain intact and unchanged.

The Proposed Alternation will be subject to:

- (a) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at the SGM of the necessary resolutions to approve the Proposed Alternation and the transactions contemplated thereunder (including but not limited to the allotment and issue of the New Conversion Shares to the Bondholders);
- (b) all necessary consents and approvals required to be obtained on the part of the Company and the Bondholders in respect of the Proposed Alternation and the transactions contemplated thereunder having been obtained; and
- (c) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the New Conversion Shares.

Effect on shareholding

	As at the date of this announcement		Assuming all the New Conversion Shares are in issued upon full exercise of the outstanding amount of HK\$7,000,000 of the Convertible Bonds	
Riche (BVI) Limited	105,922,746	16.96%	105,922,746	16.20%
Public Shareholders	518,487,525	83.04%	518,487,525	79.32%
Bondholders (<i>Note</i>)	—	—	29,288,702	4.48%
Total	<u>624,410,271</u>	<u>100.00%</u>	<u>653,698,973</u>	<u>100.00%</u>

Note: To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the Bondholders and their ultimate beneficial shareholders are independent of and not connected with the Company. For illustration purpose only, the number of Conversion Shares to be issued may vary at New Maturity Date.

Reasons for the Proposed Alteration

The Board believes that the Proposed Alternation of the Convertible Bonds is fair and reasonable and is in the interests of the Company and the Shareholders as a whole for the following reasons:

- (i) The Board considered that the extension of the maturity date provides a higher flexibility for the redemption of the outstanding Convertible Bonds by the Company in respect of the New Maturity Date;
- (ii) There will be no cash outflow to the Group when the Convertible Bonds become maturity so as to improve the financial position of the Group and the Company could have greater flexibility in operating its business; and
- (iii) The outstanding principal amount of the Convertible Bonds, if converted, represents approximately 4.48% of the issued share capital of the Group as enlarged by the New Conversion Shares.

As the Convertible Bonds carry no interest, the Board considered that the Proposed Alternation would have no financial impact to the operations of the Company and its subsidiaries.

To the best knowledge of Directors, information and belief and having made all reasonable enquiries, the Bondholders and its ultimate beneficial owners are third parties independent of the Company and its connected person.

GEM Listing Rules Implications

Pursuant to the conditions of the Convertible Bonds, the terms and conditions of the Convertible Bonds may be varied, expanded or amended by agreement in writing between the Company and the Bondholders. In addition, according to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of the convertible equity securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible equity securities. The Company will put forward the Proposed Alternation to the Shareholders at the SGM of the necessary resolutions to approve the Proposed Alternation and the transaction contemplated thereunder. Accordingly, the Stock Exchange will approve the Proposed Alternation under Rule 34.05 of the GEM Listing Rules provided that the Proposed Alternation has been duly approved by the Shareholders at the SGM.

A circular containing, among other things, details of the amendments to the Convertible Bonds and notice of the SGM will be despatched to the Shareholders as soon as practicable.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Bondholders”	at any time the person who is (are) for the time being the registered holder(s) of the Convertible Bonds
“Circular”	the circular of the Company dated 28 July 2008 in relation to, among others things, the Subscription Agreement
“Company”	Golife Concepts Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Conversion Share(s)”	the Shares falling to be issued by the Company under the Convertible Bonds (upon exercise of the conversion right attached thereof by a Bondholder pursuant to the Subscription Agreement)
“Convertible Bonds”	the convertible bonds in the principle amount of HK\$35,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Deeds of Amendments”	the deeds of amendments to be entered into between the Company and the Bondholders to alter the terms of the Convertible Bonds
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Conversion Price”	the initial conversion price of the Convertible Bonds, being HK\$0.125 per Share, subject to adjustment for standard anti dilution events

“New Conversion Share(s)”	the 29,288,702 Shares falling to be issued by the Company under the Convertible Bonds pursuant to the Proposed Alternation
“New Conversion Price”	the conversion price of the Convertible Bonds, being HK\$0.239 per Share (being adjusted as a result of the Open Offer), subject to adjustment for standard anti dilution events
“Open Offer”	the issue of 555,031,352 Shares by way of open offer to qualifying Shareholders, details of which is set out in the Company’s circular dated 14 May 2009 and the Company’s announcement dated 29 June 2009
“Previous EGM”	the extraordinary general meeting of the Company convened to approve, among others, the Subscription Agreement and the transactions contemplated thereunder
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Proposed Alternation and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Goldig Properties Limited
“Subscription”	The subscription of the Convertible Bonds by the Subscriber under Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 9 July 2008 entered into by the Company and the Subscriber in relation to the Convertible Bonds in the principle amount of HK\$35,000,000 to be issued by the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Golife Concepts Holdings Limited
Lee Chan Wah
Executive Director

Hong Kong, 21 July 2009

As at the date of this announcement, the executive Directors are Mr. Lai Hok Lim and Mr. Lee Chan Wah and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Law Yiu Sang, Jacky and Ms. Chio Chong Meng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will be published on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website www.golife.com.hk.