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**If you have sold or transferred** any of your shares in the Company, you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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## **GOLIFE CONCEPTS HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8172)

### **CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ISSUANCE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

**Financial adviser**



**CIMB-GK Securities (HK) Limited**

**Joint Independent Financial Advisers to the Independent Board Committee  
and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 14 of this circular.

A notice convening the EGM to be held at the conference room located at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong on 31 March 2008 at 11:30 a.m. is set out on page 32 of this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and delivery of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Circular" page for at least seven days from the date of its posting.

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## CHARACTERISTICS OF GEM

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

**The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.**

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## DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it in the GEM Listing Rules
“Acquisition”	the acquisition of the Sale Shares and the FS Convertible Bonds by the Company pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 8 November 2007 as amended by an amendment to share purchase agreement dated 14 February 2008 entered into between the Company, the Sellers and Mr. Claude Lalanne Costa and any subsequent amendments in relation to the acquisition of the Sale Shares and the FS Convertible Bonds
“Announcement”	the announcement of the Company dated 20 February 2008 in relation to, among other things, the proposed issuance and Subscription of the Convertible Bonds
“Board”	the board of Directors of the Company
“Bondholder(s)”	at any time the person who is (are) for the time being the registered holder(s) of the Convertible Bonds
“Business Day”	a day (excluding Saturday and Sunday) on which commercial banks in Hong Kong are generally open for business
“Committed Shareholders”	Mr. Gouw Hiap Kian, Goldig Properties Limited and Far East Holdings International Limited
“Company”	Golife Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the GEM
“Conversion Price”	conversion price of the Convertible Bonds, being HK\$0.07 per Share, subject to adjustment
“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 principal amount of HK\$40,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Directors”	the directors of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be held at the conference room located at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong on 31 March 2008 at 11:30 a.m. to approve the Subscription Agreement and the transactions contemplated thereunder
“Financière Solola”	Financière Solola, a private French company with a share capital of 1,456,196 shares, with a par value of EUR 1 per share
“FS Convertible Bonds”	the 8-year convertible bonds issued by Financière Solola on 27 February 2003 for an amount of EUR1,400,000 bearing an interest of 1% per annum, entitling the holders to convert into 1,400,000 shares of Financière Solola upon conversion at any time until 3 months before 27 February 2011
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the Subscriber and its associates
“Joint Independent Financial Advisers”	GF Capital (Hong Kong) Limited and Ample Capital Limited
“Latest Practicable Date”	10 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Maturity Date”	the third anniversary of the date of the issue of the Convertible Bonds
“Record Date”	record date for the Rights Issue on 12 March 2008
“Redemption Date”	a date on which a notice is given pursuant to the Subscription Agreement to exercise the Redemption Rights

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## DEFINITIONS

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“Redemption Rights”	the rights attached to the Convertible Bonds to redeem the principal amount or a part thereof together with outstanding interests accrued thereon
“Rights Issue”	the issue by way of rights of 997,601,190 Rights Shares in the proportion of four rights shares for every five existing Shares held on the Record Date at the subscription price of HK\$0.057 payable in full on acceptance as announced by the Company on 4 February 2008
“Sale Shares”	1,406,196 shares of EUR 1 each in the issued share capital of Financière Solola
“Sellers”	Credit Lyonnais Capital Investissement, Credit Lyonnais Developpement 2, Mr Pierre Hemar, Lion Capital Investissement, Nollus BV and Quilvest France
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) as recorded on the registers of members of the Company
“Share Option(s)”	share options granted under the share option schemes of the Company adopted on 6 March 2002, entitling the holders thereof to subscribe for Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscriber”	Chung Chiu Limited, a company incorporated in the British Virgin Islands and is wholly owned by a discretionary trust founded by Mr. Gouw Hiap Kian or its wholly owned subsidiary. Chung Chiu Limited is deemed to be interested in 19.80% of the Company through its 100% shareholding in Goldig as at the Latest Practicable Date. Pursuant to the Subscription Agreement, Chung Chiu Limited may subscribe or procure its wholly-owned subsidiary to subscribe for the Convertible Bonds
“Subscription”	the subscription of the Convertible Bonds by the Subscriber under the Subscription Agreement

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## DEFINITIONS

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“Subscription Agreement”	the subscription agreement dated 18 February 2008 as amended by a supplemental agreement to subscription agreement dated 7 March 2008 entered into by the Company and the Subscriber in relation to the Convertible Bonds in the principal amount of HK\$40,000,000 to be issued by the Company
“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	The Codes on Takeovers and Mergers
“EUR”	Euro, the lawful currency of 15 European Union countries namely Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Slovenia and Finland, Cyprus and Malta
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

*Unless otherwise specified in this circular, amounts denominated in EUR have been converted, for the purpose of illustration only, into HK\$ as follows:*

$$EUR1 = HK\$11.98$$

*No representation is made that any amount is HK\$ could have been or could be converted at the above rate or at any other rates or at all.*



**GOLIFE CONCEPTS HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8172)

*Executive Directors:*

Mr. LO Mun Lam, Raymond  
Ms. GOUW San Bo Elizabeth  
Mr. Richard YEN

*Non-executive Directors:*

Mr. Duncan CHIU  
Ms. YU Wai Yin, Vicky

*Independent non-executive Directors:*

Mr. LUM Pak Sum  
Mr. SUM Chun Ho  
Mr. WAN Kwok Pan

*Registered office:*

Century Yard, Cricket Square  
Hutchins Drive, P.O. Box 2681 GT  
Grand Cayman, KY1-1111  
Cayman Islands  
British West Indies

*Head Office and Principal place  
of business in Hong Kong:*

Suite A, 15/F., Wyndham Place  
40-44 Wyndham Street  
Central, Hong Kong

12 March 2008

*To the Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO THE PROPOSED  
ISSUANCE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

On 18 February 2008 after trading hours, the Company entered into a subscription agreement (as amended by a supplemental agreement dated 7 March 2008) with the Subscriber whereby the Subscriber agreed to subscribe for the Convertible Bonds in the principal amount of HK\$40,000,000 to be issued by the Company for a term of 3 years with a coupon rate of 2% per annum. The Convertible Bonds will entitle the Bondholder(s) to a right to convert the Convertible Bonds into Conversion Shares at the initial Conversion Price (subject to adjustment). Assuming full conversion of the Convertible Bonds at the Conversion Price of HK\$0.07 per Share, the Convertible Bonds will be converted into 571,428,571 fully-paid Shares, representing approximately 45.82% of the issued share capital of the Company as at the Latest Practicable Date and approximately 31.42% of the issued share capital of the Company as enlarged by the full conversion of the Convertible Bonds.



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## LETTER FROM THE BOARD

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As the Subscriber is a substantial Shareholder of the Company interested in 246,920,000 Shares, representing approximately 19.80% of the share capital of the Company as at the Latest Practicable Date, the issuance of the Convertible Bonds to the Subscriber constitutes a connected transaction of the Company under the Listing Rules. Accordingly, the Subscription Agreement is subject to, among other things, the Independent Shareholders' approval at the EGM. The Subscriber and its associates will abstain from voting in respect of the relevant resolution approving the Subscription.

An independent board committee comprising all the independent non-executive Directors has been established to consider the terms of the Subscription Agreement. GF Capital (Hong Kong) Limited and Ample Capital Limited have been appointed as Joint Independent Financial Advisers by the independent board committee to advise the independent board committee and Independent Shareholders in this respect.

The purpose of this circular is to provide you with further details on, among other things, (i) the Subscription Agreement; (ii) the letter of advice from the Independent Board Committee; (iii) the letters of advice from the Joint Independent Financial Advisers; together with (iv) a notice convening the EGM.

### **The Subscription Agreement:**

Date:	18 February 2008, after trading hours
Parties:	the issuer, Company the Subscriber
Coupon rate:	2% per annum
Total Principal Amount:	HK\$40,000,000
Maturity Date:	3 years from the date of issuance of Convertible Bonds
Conversion rights:	The Bondholder(s) will have the right to convert the Convertible Bonds, in whole or in part into Shares at any time commencing the ninety-first (91) day after the date of issue of the Convertible Bonds but prior to the earlier of the Redemption Date or five Business Days prior to the Maturity Date  No Bondholder(s) is allowed to convert any Convertible Bonds into Conversion Shares, in whole or in part and at any time, which conversion will result in the minimum public float of Shares in issue to be of less than 25%
Initial Conversion Price:	HK\$0.07 per Conversion Share, subject to adjustment for, among other things, anti-dilution as stated below

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## LETTER FROM THE BOARD

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- Conversion Shares: a maximum of 571,428,571 Shares (subject to adjustment) to be issued upon conversion of the Convertible Bonds
- Redemption: The outstanding Convertible Bonds may be redeemed by the Company at anytime from the date of issue to the Maturity Date at the principal amount
- Subscriber's undertaking: The Subscriber undertakes not to convert any Convertible Bonds into Shares when such conversion will cause i) the public float of the Company to fall below the minimum public float requirement under Rule 11.23 of the GEM Listing Rules; or ii) its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with them in the Company, will equal to or exceed 30% of the Shares in issue following such conversion, unless the Subscriber is willing to make a general offer to all Shareholders pursuant to the Takeovers Code
- Anti-dilution: The initial Conversion Price is subject to adjustments in the case of customary antidilution events, including among others, (i) free distribution of shares, subdivisions, consolidations or reclassification of shares, (ii) stock dividends, (iii) certain grant, offer or issue of options, rights or warrants or convertible or exchangeable securities; (iv) capital distributions including indebtedness, certain assets or shares of capital stock of the Company or certain other securities; and; (v) capitalization of profits and reserves; and (vi) any other event or circumstance which would have an analogous effect to any of the foregoing. The Company will make an announcement when there is any adjustment to the Conversion Price and the adjustment will be certified by the Company's auditors
- Transferability: The Convertible Bonds may be freely transferred by the Bondholder(s) with written consent of the Company obtained prior to any transfer of the Convertible Bonds provided that such consent may not be unreasonably withheld subject to compliance of the conditions under the Convertible Bonds and further subject to the conditions, approvals, requirements and any other provisions of or under (i) the Stock Exchange or their rules and regulations; (ii) the approval for listing in respect of the Conversion Shares; and (iii) all applicable laws and regulations
- Voting right: The Bondholder(s) will not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of being Bondholder(s)

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## LETTER FROM THE BOARD

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**Listing:** No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee for the listing of, and permission to deal in the Shares to be issued upon conversion of the Convertible Bonds

**Ranking of Conversion Shares:** The Conversion Shares will rank pari passu in all respects among themselves and with other Shares in issue at the date of conversion

### **The initial Conversion Price:**

- (i) represents a premium of approximately 18.64% to the closing price of HK\$0.059 per Share as quoted on the Stock Exchange on 18 February 2008;
- (ii) represents a premium of approximately 22.81% to the average of the closing prices of HK\$0.057 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18 February 2008;
- (iii) represents a premium of approximately 100% over the adjusted net tangible asset value of the Company of HK\$0.035 per Share as at 30 June 2007 (as adjusted by the proposed issuance of rights Shares as announced by the Company on 4 February 2008); and
- (iv) represent a premium of approximately 34.62% to the closing price of HK\$0.052 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Conversion Price was negotiated between the Company and the Subscriber on an arm's length basis and was determined with reference to the closing prices of HK\$0.059 per Share as quoted on the Stock Exchange on 18 February 2008, the existing financial position of and the future prospects of the Group.

### **Conditions precedent**

Completion of the Subscription Agreement is conditional upon:

- (i) the Listing Committee having granted the listing of and permission to deal in the Conversion Shares;
- (ii) no event having occurred or occurring which would constitute an event of default or a potential event of default pursuant to the Subscription Agreement;
- (iii) if required, the Stock Exchange or any relevant regulatory authorities shall have approved and not withdrawn approval for the issue of the Convertible Bonds and the transactions contemplated thereunder (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object and the fulfilment of such conditions);

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## LETTER FROM THE BOARD

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- (iv) if required, all consents or approvals of, and all filings with any relevant governmental or regulatory authorities and other third parties in the Cayman Islands;
- (v) the Independent Shareholders passing the relevant resolutions to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bond at the EGM; and
- (vi) the Shareholders passing the relevant resolutions to approve the Acquisition Agreement and the transactions contemplated hereunder at an extraordinary general meeting of the Company to be convened in connection therein.

### **LISTING RULES IMPLICATIONS**

As the Subscriber is a substantial Shareholder interested in 246,920,000 Shares, representing approximately 19.80% of the issued share capital of the Company, the issuance of the Convertible Bonds to the Subscriber constitutes a connected transaction to the Company under the GEM Listing Rules. Accordingly, the Subscription Agreement is subject to, among others, the Independent Shareholders' approval at the EGM. The Subscriber and its associates will abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder at the EGM.

### **Completion**

Completion of the subscription of the Convertible Bonds shall take place on or before 30 April 2008 upon the fulfillment (or waiver) of the conditions precedent to the Subscription Agreement set out in the above at 4:00 p.m. at the office of the Company in Hong Kong, or on such other date as the parties may agree, and each party shall perform its respective obligations.

### **REASONS AND BENEFITS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT**

On 8 November 2007, the Company, the Sellers and Mr. Claude Lalanne Costa entered into the conditional sale and purchase agreement which is amended by the amendment to share purchase agreement dated 14 February 2008, pursuant to which the Company has conditionally agreed to purchase the Sale Shares, which represent 96.57% of the issued share capital of Financière Solola, and the FS Convertible Bonds for an initial consideration of EUR7,717,766 (HK\$92,458,837) payable by the Company in late April 2008. Detailed information on the Acquisition was published in the announcement of the Company dated 19 November 2007 and the circular of the Company dated 8 March 2008 in connection thereof.

On 4 February 2008, the Company announced the proposed Rights Issue of not less than 997,601,190 rights shares and not more than 999,977,190 rights shares at the subscription price of HK\$0.057 per rights share. The estimated net proceeds of the Rights Issue will be approximately HK\$55 million (assuming that no outstanding Share Options are exercised on or before the Record Date).

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## LETTER FROM THE BOARD

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In addition to the proceeds of the Rights Issue, in order to fulfill the Company's payment obligations under the Acquisition Agreement and to allow the Company to have sufficient working capital, the Company has entered into the Subscription Agreement to issue the Convertible Bonds to the Subscriber, a substantial Shareholder of the Company. The terms of the Convertible Bonds have been negotiated on an arm's length basis for the purpose of financing the Acquisition. Given the prevailing unfavourable lending market conditions and overall cautious credit approval adopted by the financial institutions, to complete the Acquisition in late April 2008, the Directors consider that it is in the best interests of the Company and its shareholders as a whole to issue the Convertible Bonds, which is redeemable by the Company.

In addition, the Directors believe that the issuance of the Convertible Bonds will immediately enrich the amount of cash held by the Company and the conversion of Convertible Bonds will strengthen the equity base of the Group.

Having considered all the relevant factors, the executive Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **USE OF PROCEEDS**

Based on estimated expenses of approximately HK\$0.5 million, the net proceeds of the issuance of the Convertible Bond will be approximately HK\$39.5 million, which HK\$32.8 million will be utilized for the payment of the initial consideration for the Acquisition and the remaining balance will be utilized for general working capital purpose.

### **SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date, the existing authorized share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares, of which 1,247,001,488 Shares were in issue.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE UPON CONVERSION OF THE CONVERTIBLE BONDS

Set out below is a table showing the shareholding structure of the Company before and after the Rights Issue and conversion of the Convertible Bonds (assuming no Share Options are exercised on or before the Record Date):

Name of Shareholder/ Beneficial owner	Existing shareholding as at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Shareholders have taken up their rights entitlements		Immediately after completion of the Rights Issue assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements		Immediately after completion of the Rights Issue assuming all Shareholders have taken up their rights entitlements and full conversion of the Convertible Bonds		Immediately after completion of the Rights Issue assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements and full conversion of the Convertible Bonds	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Mr. Gouw Hiap Kian (Notes 1 & 4)	40,800,000	3.27	73,440,000	3.27	73,440,000	3.27	73,440,000	2.61	73,440,000	2.61
Goldig Properties Limited (Note 1)	246,920,000	19.80	444,456,000	19.80	444,456,000	19.80	444,456,000	15.78	444,456,000	15.78
Chung Chiu Limited (Notes 1 & 3)	-	-	-	-	133,038,777	5.93	571,428,571	20.29	704,467,348	25.02
<b>Sub-total of Shares Mr. Gouw Hiap Kian deemed to be interested in</b>	287,720,000	23.07	517,896,000	23.07	650,934,777	29.00	1,089,324,571	38.68	1,222,363,348	43.41
Duncan Chiu	-	-	-	-	-	-	-	-	-	-
Richard Yen	-	-	-	-	-	-	-	-	-	-
Far East Holdings International Limited ("Far East") (Note 2)	149,373,600	11.98	268,872,480	11.98	268,872,480	11.98	268,872,480	9.55	268,872,480	9.55
Grand Ming Securities Limited	-	-	-	-	424,623,585	18.92	-	-	424,623,585	15.08
CIMB-GK Securities (HK) Limited ("CIMB-GK") (Note 2)	-	-	-	-	90,263,948	4.02	-	-	90,263,948	3.20
Other public Shareholders	809,907,888	64.95	1,457,834,198	64.95	809,907,888	36.08	1,457,834,198	51.77	809,907,888	28.76
<b>Total:</b>	<u>1,247,001,488</u>	<u>100.00</u>	<u>2,244,602,678</u>	<u>100.00</u>	<u>2,244,602,678</u>	<u>100.00</u>	<u>2,816,031,249</u>	<u>100.00</u>	<u>2,816,031,249</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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*Notes:*

- (1) Goldig Properties Limited is a wholly owned subsidiary of Chung Chiu Limited, which in turn is wholly owned by a discretionary trust. The founder of such discretionary trust is Mr. GOUW Hiap Kian, and the trustee of the discretionary trust is HSBC International Trustee Limited. Under the SFO, each of Chung Chiu Limited and Mr. GOUW Hiap Kian is deemed to be interested in the 246,920,000 Shares held by Goldig Properties Limited.
- (2) CIMB-GK has entered into sub-underwriting arrangement with Far East whereby Far East has sub-underwritten the entire maximum 91,119,308 rights shares from CIMB-GK (assuming all Share Options are exercised on or before the Record Date and assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements).
- (3) The Subscriber undertakes not to convert any Convertible Bonds into Shares when such conversion will cause i) the public float of the Company to fall below the minimum public float requirement under Rule 11.23 of the GEM Listing Rules; or ii) its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with them in the Company, will equal to or exceed 30% of the Shares in issue following such conversion, unless the Subscriber is willing to make a general offer to all Shareholders pursuant to the Takeovers Code.
- (4) Mr. GOUW Hiap Kian is not acting in concert with the underwriters of the Rights Issue, namely Far East, Grand Ming Securities Limited and CIMB-GK.

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## LETTER FROM THE BOARD

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### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following table summarizes the fund raising activities of the Group during the last twelve months before the Latest Practicable Date:

Date of announcement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
4 February 2008	The proposed Rights Issue	HK\$55 million	- To partially finance the Acquisition	- The Rights Issue is yet to be approved by the Shareholders as at the date of this circular
5 June 2007	Issue of 150,000,000 new Shares under the subscription agreement dated 5 June 2007	HK\$24.3 million	- Approximately HK\$14.5 million for the expansion of its retail distribution network in Hong Kong and the PRC for existing brands (Anya Hindmarch, Paule Ka and Life of Circle) and new brands (Cynthia Rowley and Herend) of the Group; - Approximately HK\$4.9 million for brand and product development for existing and new brands of the Group; and - Approximately HK\$4.9 million for marketing and as general working capital of the Group	- Approximately HK\$14.5 million for the expansion of its retail distribution network; - Approximately HK\$5.1 million for product development; and - Approximately HK\$4.7 million for general working capital of the Group

Save for the above, the Company has not conducted any other fund raising activities in the past twelve months before the Latest Practicable Date.



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## LETTER FROM THE BOARD

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### THE EGM

The EGM will be convened to approve the Subscription Agreement and the transaction contemplated thereunder, which constitutes a connected transaction, by the Independent Shareholders by poll. As the Subscriber is a connected person in relation to the Subscription Agreement under the GEM Listing Rules, the Subscriber and its associates will abstain from voting in respect of the relevant resolution approving the Subscription Agreement and the issuance of the Convertible Bonds at the EGM.

### PROCEDURES TO DEMAND A POLL AT GENERAL MEETING

Pursuant to Article 66, at any general meeting a poll may be demanded in respect of a resolution put to the vote at the meeting by:

- (a) the chairman of meeting;
- (b) at least three members present in person or by proxy and entitled to vote;
- (c) any member or members present in person (or in the case of a member being a corporation, by its authorized representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting;
- (d) any member or members present in person (or in the case of a member being a corporation, by its authorized representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums on the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the GEM Listing Rules; any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights.

### ADDITIONAL INFORMATION

Your attention is drawn to the letter from the independent board committee to the Independent Shareholders set out on page 15 of the circular and the letter from the Joint Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders set out on pages 16 to 26 of this circular and to the information set out in the Appendix in this circular.

By Order of the Board  
**LO Mun Lam, Raymond**  
*Executive Director*



**GoLife**

**GOLIFE CONCEPTS HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8172)

12 March 2008

*To the Independent Shareholders,*

Dear Sir/Madam,

**CONNECTED TRANSACTION IN RELATION TO THE PROPOSED  
ISSUANCE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

We refer to the letter from the Board set out in the circular dated 12 March 2008 (the “Circular”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider the terms of the Subscription Agreement and the transaction contemplated thereunder and to advise the Independent Shareholders as to whether the terms of the Subscription Agreement are fair and reasonable and whether the Subscription Agreement is in the interests of the Company and the Shareholders as a whole and to recommend whether the Independent Shareholders should vote in favour of the ordinary resolution to be proposed at the EGM to approve the Subscription Agreement and the transaction contemplated thereunder. Ample Capital Limited and GF Capital (Hong Kong) Limited have been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transaction contemplated thereunder.

We wish to draw your attention to the letter from the Board and the letter from Ample Capital Limited and GF Capital (Hong Kong) Limited to the Independent Board Committee and the Independent Shareholders which contains its advice to us and you in relation to the Convertible Bonds as set out in the circular.

Having taken into account the principal factors and reasons considered by, and the opinion of, Ample Capital Limited and GF Capital (Hong Kong) Limited as stated in their letter of advice as set out on pages 16 to 26 of the circular, we consider the terms of the Subscription Agreement and the transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Subscription Agreement to be proposed at the EGM.

Yours faithfully,

For and on behalf of

**Independent Board Committee**

**Mr. LUM Pak Sum**

*Independent non-executive Director*

**Mr. SUM Chun Ho**

*Independent non-executive Director*

**Mr. WAN Kwok Pan**

*Independent non-executive Director*

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# LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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*The following is the text of a letter of advice from the Joint Independent Financial Advisers, which has been prepared for the purpose of incorporation into this circular, setting out its opinion to the Independent Board Committee and the Independent Shareholders in connection with the Subscription Agreement.*



Suites 2301-05 & 2313, COSCO Tower  
183 Queen's Road Central, Hong Kong



Unit A, 14/F., Two Chinachem Plaza  
135 Des Voeux Road Central, Hong Kong

12 March 2008

*To the Independent Board Committee  
and the Independent Shareholders*

Dear Sirs,

## **CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ISSUANCE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

### **INTRODUCTION**

We refer to our appointment as the joint independent financial advisers to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to the Subscription Agreement, particulars of which are set out in the “Letter from the Board” (the “**Letter**”) contained in the circular of the Company to the Shareholders dated 12 March 2008 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

On 18 February 2008, after trading hours, the Company entered into the Subscription Agreement with the Subscriber whereby the Subscriber agreed to subscribe for the Convertible Bonds in the principal amount of HK\$40,000,000 to be issued by the Company for a term of 3 years with a coupon rate of 2% per annum.

As the Subscriber is a substantial Shareholder interested in 246,920,000 Shares, representing approximately 19.80% of the issued share capital of the Company as at the Latest Practicable Date, the issuance of the Convertible Bonds to the Subscriber constitutes a connected transaction to the Company under the GEM Listing Rules. Accordingly, the Subscription Agreement is subject to, among other things, the Independent Shareholders’ approval at the EGM. The Subscriber and its associates will abstain from voting in respect of the resolution approving the Subscription Agreement and the transactions contemplated thereunder at the EGM.

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# LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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## INDEPENDENT BOARD COMMITTEE

An independent board committee comprising all the independent non-executive Directors, namely Mr. Lum Pak Sum, Mr. Sum Chun Ho and Mr. Wan Kwok Pan, has been established to consider the terms of the Subscription Agreement and to give advice to the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are on normal commercial terms and whether the entering into of the Subscription Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole and to make recommendation to the Independent Board Committee to advise the Independent Shareholders and to advise the Independent Shareholders on how to vote in relation to the resolution in respect of the Subscription Agreement.

## BASIS OF OUR OPINION

In formulating our opinion, we have relied solely on the statements, information, opinions and representations for matters relating to the Company contained in the Circular and the information and representations provided to us by the Company, its representatives and/or the Directors for which they are solely and wholly responsible. We have assumed that all such statements, information, opinions and representations for matters relating to the Company contained or referred to in the Circular or otherwise provided or made or given by the Company, its representatives and/or the Directors and for which they are solely responsible were true, accurate and complete at the time they were made and given and continue to be true, accurate and complete at the date of the Circular. We have assumed that all statements of belief, opinion and representations for matters relating to the Company made or provided by the Directors and/or the representatives of the Company contained in the Circular were reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular. The Directors confirmed that they have provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of such information and the information contained in the Circular to provide a reasonable basis of our opinions.

We consider that we have reviewed sufficient information which enables us to reach an informed view and to provide us with a reasonable basis for our opinion. We have no reason to suspect that any material facts or information which is known to the Company, its representatives and the Directors have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information, facts, and representation provided, or the reasonableness of the opinions and representation expressed by the Company, its representatives and the Directors. We have not, however, carried out any independent verification on the information provided to us by the Company, its representatives and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs of the Company and the prospects of the Company.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

### 1. Reasons for the entering into of the Subscription Agreement

We note that the primary reasons for the entering into of the Subscription Agreement are (i) to finance the Acquisition; (ii) to improve the working capital of the Group; and (iii) to strengthen the equity base of the Group upon the conversion of Convertible Bonds.

As mention in the Letter, on 8 November 2007, the Company, the Sellers and Mr. Claude Lalanne Costa entered into a sale and purchase agreement which is supplemented by an amendment to share purchase agreement dated 14 February 2008, pursuant to which the Company has conditionally agreed to purchase the Sale Shares, which represent approximately 96.57% of the issued share capital of Financière Solola, and the FS Convertible Bonds for an initial consideration of EUR7,717,766 (HK\$92,458,837) payable by the Company upon completion of the Acquisition.

To finance the Acquisition, on 4 February 2008, the Company announced the proposed Rights Issue of not less than 997,601,190 Rights Shares and not more than 999,977,190 Rights Shares at the Subscription Price of HK\$0.057 per Rights Share. The estimated net proceeds of the Rights Issue will be approximately HK\$55 million.

In addition to the proceeds of the Rights Issue, in order to fulfill the Company's payment obligations under the Acquisition Agreement and to allow the Company to have sufficient working capital, the Company has entered into the Subscription Agreement to issue the Convertible Bonds to the Subscriber, a substantial Shareholder of the Company. The Directors also believe that the issuance of the Convertible Bonds will immediately enrich the amount of cash held by the Company and the conversion of Convertible Bonds will strengthen the equity base of the Group.

To assess the necessity of the Subscription, we have reviewed (i) the principal business of the Group and the reasons of and benefits from the Acquisition; and (ii) the financial position and financing needs of the Group.

The principal business activities of the Group are brand development and distribution businesses targeting markets in the Greater China region. Through holding equity interest, licensing rights or franchised distribution rights, the Group currently operates four international brands – Anya Hindmarch, Cynthia Rowley, Life of Circle and Paule Ka – covering products from apparel, accessories to jewelry and gifts.

As mentioned in the announcement made by the Company on 19 November 2007 and the circular of the Company dated 8 March 2008 in relation to the Acquisition, Financière Solola is principally engaged in the design and sale of women's fashion apparel under a single brand name "Solola". The Directors consider that the Acquisition provides the Group with an opportunity of owning an established French brand with an existing distribution network

in Europe as well as design and product development capabilities. In view of the Group's intention of expanding its overall point-of-sale network as well as immediate development in mainland China, the Directors believe that the Acquisition will not only enhance the financial performance of Group after completion of the Acquisition, but also represents growth potential for the Group by introducing the products of Financière Solola to the markets in Greater China, particularly mainland China. Hence, upon completion of the Acquisition, the Group will embark on plan to develop its point-of-sales network of up to 100 in Greater China in the next few years. In addition, the Directors also expect the Acquisition will create synergies of product design and development with the Group's other licensed or equity-partnership brands in terms of consolidating Financière Solola's sourcing operations. Based on the above, we consider that the Subscription which is used to finance the Acquisition is in the usual and ordinary course of business of the Company.

As stated in the interim report of the Company for the six months ended 30 June 2007, as at 30 June 2007, the unaudited net assets of the Group were approximately HK\$103,868,000. As at 30 June 2007 the Group had cash and bank balances of approximately HK\$14,696,000 and net total current assets of approximately HK\$20,340,000. Taking into account the prevailing internal financial resources of the Group and the estimated net proceeds from the Rights Issue of approximately HK\$55 million, we consider that it is necessary for the Company to raise additional funds in order to complete the Acquisition of initial consideration of approximately HK\$87.8 million and retain sufficient working capital to finance the operation of the Group.

We note that the net proceeds of the Subscription will be approximately HK\$39.5 million, of which HK\$32.8 million will be utilized for the payment of the initial consideration for the Acquisition and the remaining balance will be utilized for general working capital purpose. Given the prevailing unfavorable lending market conditions and overall cautious credit approval adopted by the financial institutions, to complete the Acquisition in accordance to the terms and schedule thereof, the Directors consider that it is in the best interests of the Company and its shareholders as a whole to issue the Convertible Bonds, which is redeemable by the Company.

Based on the above and having considered factors including, among other things, (i) the necessity of additional financing of the Group to finance the Acquisition and working capital of the Group; (ii) overall cautious credit approval adopted by the financial institutions which may render it difficult to raise additional bank borrowings; (iii) the substantial amount of fund i.e. approximately HK\$40 million that is expected to be raised under the Subscription; (iv) the Subscription will enhance the working capital of the Group; and (v) the flexibility offered by the Convertible Bonds which is redeemable at the sole discretion of the Company, we concur with the Directors that the Subscription is an appropriate way to finance the Acquisition and raise sufficient working capital of the Group.

## **2. Terms of the Subscription Agreement**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue and the Subscriber agreed to subscribe for the Convertible Bonds in the principal amount of HK\$40,000,000 for a term of 3 years with a coupon rate of 2% per annum.

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## LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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Assuming full conversion of the Convertible Bonds at the Conversion Price of HK\$0.07 per Share (subject to anti-dilution adjustment), the Convertible Bonds will be converted into 571,428,571 fully-paid Shares, representing approximately 45.82% of the issued share capital of the Company as at the date of this announcement and approximately 31.42% of the issued share capital of the Company as enlarged by the full conversion of the Convertible Bonds.

### *Initial Conversion Price*

The initial Conversion Price of HK\$0.07 per Share was negotiated between the Company and the Subscriber on an arm's length basis and represents:

- (i) a premium of approximately 18.64% to the closing price of HK\$0.059 per Share as quoted on the Stock Exchange on 18 February 2008, being the last trading day prior to the publish of the Announcement;
- (ii) a premium of approximately 22.81% to the average of the closing prices of HK\$0.057 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18 February 2008;
- (iii) a premium of approximately 34.62% to the closing prices of HK\$0.052 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and
- (iii) a premium of approximately 100% over the adjusted net tangible asset value of the Company of HK\$0.035 per Share as at 30 June 2007 (as adjusted by the proposed issuance of rights Shares as announced by the Company on 4 February 2008).

As stated in the Letter, the executive Directors consider the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### *Comparison with other issuances of convertible notes/bonds conducted by other companies listed on the Stock Exchange*

In order to assess the fairness and reasonableness of the terms of the Subscription Agreement, we consider that it would be appropriate to look into the other issuances of convertible notes/bonds conducted by other companies listed on the Stock Exchange which were announced since the last three months until immediately before the date of the Subscription Agreement i.e. 18 February 2008 (the “**Comparables**”).

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**LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS**

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<b>Company name</b>	<b>Stock code</b>	<b>Date of announcement</b>	<b>Premium/ (Discount) represented by conversion price over/to closing price of shares on last trading day prior to the relevant announcement</b>	<b>Interest</b>
Country Garden Holdings Company Limited	2007	15-Feb-08	37.1%	2.5% per annum
Sun Man Tai Holdings Company Limited	433	6-Feb-08	Nil	Nil
Mandarin Entertainment (Holdings) Limited	0009	6-Feb-08	(27.27%)	Nil
Sunny Global Holdings Limited	1094	5-Feb-08	(86.7%)	Nil
Sungreen International Holdings Limited	8306	4-Feb-08	5.8%	3% per annum
Mongolia Energy Corporation Limited	276	1-Feb-08	5.0%	Nil
Artfield Group Limited	1229	28-Jan-08	(86.8%)	Nil
Frankie Dominion International Limited	704	24-Jan-08	(19.19%)	Nil
Glory Future Group Limited	8071	23-Jan-08	2.56%	Nil
Intelli-Media Group (Holdings) Limited	8173	15-Jan-08	(44.4%)	Nil
Artel Solutions Group Holdings Limited	931	15-Jan-08	4.32%	Nil
Asian Capital Resources (Holdings) Limited	8025	11-Jan-08	(16.20%)	Nil



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**LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS**

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<b>Company name</b>	<b>Stock code</b>	<b>Date of announcement</b>	<b>Premium/ (Discount) represented by conversion price over/to closing price of shares on last trading day prior to the relevant announcement</b>	<b>Interest</b>
Rising Development Holdings Limited	1004	10-Jan-08	(9.68%)	1% per annum
The Sun's Group Limited	988	19-Dec-07	13.00%	2% per annum
Espco Technology Holdings Limited	8299	18-Dec-07	(54.55%)	Nil for first two years and 4% per annum thereafter
Suncorp Technologies Limited	1063	18-Dec-07	(55.75%)	0.5% per annum
New City (China) Development Limited	456	11-Dec-07	(47.92%)	prime rate plus 2% per annum
B.A.L. Holdings Limited	8079	7-Dec-07	Nil	Nil
China Rise International Holdings Limited	723	7-Dec-07	(7.14%)	1.5% per annum
Cosmopolitan International Holdings Limited	120	7-Dec-07	3.45%	Nil
Dynamic Energy Holdings Limited	578	6-Dec-07	19.20%	2% per annum
Imagi International Holdings Limited	585	4-Dec-07	25.39%	Nil
Kai Yuen Holdings Limited	1215	4-Dec-07	Nil	3.5% per annum

## LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

Company name	Stock code	Date of announcement	Premium/ (Discount) represented by conversion price over/to closing price of shares on last trading day prior to the relevant announcement	Interest
Wang Sing International Holdings Group Limited	2389	4-Dec-07	(2.90%)	Nil
New Smart Energy Group Limited	91	4-Dec-07	40.35%	Nil
Pacific Basin Shipping Limited	2343	3-Dec-07	27.00%	3.3% per annum
Neptune Group Limited	70	29-Nov-07	(13.04%)	1% per annum
Chun Wo Development Holdings Limited	711	26-Nov-07	29.76%	Nil
		Average:	(2.57%)	
		Maximum:	40.35%	prime rate plus 2% per annum
		Minimum:	(86.8%)	Nil
The Company	8172	20-Feb-08	18.64%	2% per annum

As illustrated in the table above, the conversion prices of the Comparables range from a discount of approximately 86.8% to a premium of approximately 40.35% over the respective closing prices on their respective last trading days. The average discount on the conversion prices of the Comparables was approximately 2.57%. The interest rates for the convertible notes/bond of the Comparables range from nil to prime rate plus 2% per annum.

Given that (i) the initial Conversion Price represents premium over the reference prices of the Share as illustrated above; (ii) the premium represented by the initial Conversion Price over the closing price of the Shares on the Last Trading Day falls within the Range and better than the average discount of the Comparables; and (iii) the interest rate of the Convertible Bonds fall within range of the Comparables, we consider that the terms of the Subscription are fair and reasonable so far as the Independent Shareholders are concerned and the Subscription Agreement is on normal commercial terms.

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# LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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## *Dilution of independent shareholders' holdings*

Based on the shareholding of the Company as set out in the Letter, as at the Latest Practicable Date, 287,720,000 Shares were deemed to be interested by Mr. Gouw Hiap Kian (representing approximately 23.07% of the issued share capital of the Company) and 809,907,888 Shares were held by public Shareholder (representing approximately 64.95% of the issued share capital of the Company). Upon completion of the Subscription and subsequent full conversion into Conversion Shares, (i) the shareholding of public Shareholders, assuming all of the Shareholder has taken up their rights entitlements under the Rights Issue, will be diluted to approximately 51.77%; and (ii) the shareholding of public Shareholders, assuming none of the Shareholder has taken up their rights entitlements under the Rights Issue, will be diluted to approximately 28.76%.

Although in both cases the dilution effect appears to be considerable, the Independent Shareholders should note that dilution effect on shareholding of the existing Shareholders is still possible for other alternative equity financing exercises such as placement of new shares and other convertibles securities of similar size of the Subscription. In addition, the Subscriber has undertaken not to convert any Convertible Bonds into Shares when such conversion will cause (i) the public float of the Company to fall below the minimum public float requirement under Rule 11.23 of the GEM Listing Rules; or (ii) its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with it in the Company, will equal to or exceed 30% of the Shares in issue following such conversion, unless the Subscriber is willing to make a general offer to all Shareholders pursuant to the Takeovers Code.

In view of the needs of the Group for the additional funding to finance the Acquisition and serve its general working capital requirements, we are of the opinion that the dilution effect of the shareholding of existing public Shareholders is acceptable as compared to favourable impacts on the Group brought by the Subscription and the Acquisition.

Having taken into account the factors discussed in this letter including the benefits associated with the Subscription as set out in the paragraph headed "Possible financial effects on the Company" below, we are of the view that the dilution to the shareholding of the existing Independent Shareholders is justifiable.

### **3. Possible financial effects on the Company**

As set out in the Letter, based on estimated expenses of approximately HK\$0.5 million, the net proceeds of the issuance of the Convertible Bond will be approximately HK\$39.5 million, of which HK\$32.8 million will be utilized for the payment of the initial consideration for the Acquisition and the remaining balance will be utilized for general working capital purpose.

#### *Net asset value*

As at 30 June 2007, the unaudited consolidated net asset value of the Company was HK\$103,868,000.

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## LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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Assuming the Rights Issue will not be completed, the entire HK\$40,000,000 Convertible Bonds will be credited as liabilities of the Company, the net asset value of the Company will be decreased by approximately HK\$500,000 (being the estimated expenses incurred for the issuance of Convertible Bond) immediately upon completion of the Subscription. Upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder, the liabilities of the Company will be decreased by HK\$40,000,000. The share capital and the net asset value of the Company will be increased by the same amount.

Assuming the Rights Issue will be completed, the net asset value of the Company immediately upon completion of the Rights Issue will increase by approximately HK\$55,000,000. Assuming the entire HK\$40,000,000 Convertible Bonds, will be credited as liabilities of the Company, the net asset value of the Company will be decreased by approximately HK\$500,000 (being the estimated expenses incurred for the issuance of Convertible Bond) immediately upon completion of the Subscription. As such, the net asset value of the Company will increase by approximately HK\$54,500,000 upon the completion of the Rights Issue and the issuance of Convertible Bond. Upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder, the liabilities of the Company will be decreased by HK\$40,000,000. The share capital and the net asset value of the Company will be increased by the same amount.

### *Working capital*

The Group had unaudited bank balances and cash on hand of approximately HK\$14,696,000 as at 30 June 2007.

Assuming the Rights Issue will not be completed, the cash and bank balances on hand would increase by approximately HK\$39,500,000 immediately upon completion of the Subscription. There will not be any effect on the cash and bank balances upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder.

Assuming the Rights Issue will be completed, the cash and bank balances of the Company immediately upon completion of the Rights Issue will increase by approximately HK\$55,000,000. Immediately upon completion of the Subscription, the cash and bank balances on hand will further increase by approximately HK\$39,500,000. There will not be any effect on the cash and bank balances upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder.

### *Gearing position*

Based on the interim report of the Company for the six months ended 30 June 2007, the gearing ratio of the Company (defined as total liabilities/total assets x 100%) was 17.70%.

Assuming the Rights Issue will not be completed, the Subscription is expected to increase the total asset by HK\$39,500,000 and the total liabilities by HK\$40,000,000. Accordingly the gearing ratio will slightly increase. Upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder, the liabilities of the Company will decrease by HK\$40,000,000 and the gearing ratio will decrease.

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## LETTER FROM JOINT INDEPENDENT FINANCIAL ADVISERS

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Assuming the Rights Issue will be completed, the total assets of the Company immediately upon completion of the Rights Issue will increase by HK\$55,000,000. Immediately upon completion of the Subscription, the total assets will increase by HK\$39,500,000 and the total liabilities will increase by HK\$40,000,000. Accordingly the gearing ratio will decrease upon completion of the Rights Issue and the issuance of Convertible Bonds. Upon fully exercise of the conversion right attached to the Convertible Bond by the Bondholder, the liabilities of the Company will be decreased by HK\$40,000,000 and the gearing ratio will further decrease.

Based on the above analysis on the possible financial effect of the Subscription to the Company, we note that gearing ratio of the Company will be improved upon the exercise of the conversion rights attached to the Convertible Bonds while the net asset value per Share will only be slightly reduced. As a result, we consider that the Subscription is in interests of the Company and the Shareholders as a whole and the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

### CONCLUSIONS

Having considered the above principal factors and reasons and the possible financial effect of the Subscription Agreement, we are of the opinion that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the entering into of the Subscription Agreement is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Subscription Agreement to be proposed at the EGM.

For and on behalf of  
**GF Capital (Hong Kong) Limited**  
**Danny Wan**

*Managing Director and Head of Corporate Finance*

For and on behalf of  
**Ample Capital Limited**  
**H. W. Tang**  
*President*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) (“SFO”)) which were notified to the Company and the Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### (a) Long position in share options granted by the Company

Name of Directors	Date of grant	Exercise price (HK\$)	Number of Share Options as at 3 July 2007	Number of Share Options as at the Latest Practicable Date	Approximate percentage of the Company's issued share capital (%)
Richard Yen	3 July 2007	\$0.219	990,000	990,000	0.08
Duncan Chiu	3 July 2007	\$0.219	990,000	990,000	0.08

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Exchange pursuant to Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

### 3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons or corporations (not being Directors or chief executive of the Company), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO, or which were required to be entered in the register maintained by the Company pursuant to section 336 of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital, were as follows:

#### (a) Long position in shares and/or underlying shares of the Company

Name of Shareholder	Number of shares/ underlying shares interested or deemed to be interested	Approximate percentage of the Company's issued share capital (%)
Gouw Hiap Kian ( <i>Note 1</i> )	1,223,353,348	98.10
Ng Choy Yue Mary ( <i>Note 1</i> )	1,223,353,348	98.10
Chung Chiu Limited ( <i>Notes 2, 3 and 5</i> )	1,148,923,348	92.13
HSBC International Trustee Limited ( <i>Notes 2, 3 and 4</i> )	1,148,923,348	92.13
Goldig Properties Limited ( <i>Notes 2, 4 and 5</i> )	444,456,000	35.64
Far East Holdings International Limited ( <i>Note 6</i> )	359,991,788	28.87
Deutsche Bank Aktiengesellschaft	75,740,000	6.07
Galaxy China Opportunities Fund	78,740,000	6.31

*Notes:*

- GOUW Hiap Kian is the beneficial owner of 40,800,000 Shares. Adding the 990,000 Shares under the Share Option, 32,640,000 right shares and the 1,148,923,348 Shares that he is deemed to be interested through Chung Chiu Limited and Goldig Properties Limited set out in Note 2 below, he is interested in a total of 1,223,353,348 Shares. Being the spouse of GOUW Hiap Kian, NG Choy Yue Mary is deemed to be interested in the 1,223,353,348 Shares pursuant to the SFO.

2. Goldig Properties Limited is a wholly-owned subsidiary of Chung Chiu Limited, which in turn is wholly-owned by a discretionary trust. The founder of the discretionary trust is Gouw Hiap Kian, and the trustee of the discretionary trust is HSBC International Trustee Limited. In these circumstances, under the Securities and Futures Ordinance (Cap 571) (“SFO”), Gouw Hiap Kian and Chung Chiu Limited and HSBC International Trustee Limited are deemed to be interested in the 444,456,000 Shares which Goldig Properties Limited is interested in.
3. Chung Chiu Limited has underwritten 133,038,777 rights shares of the Company. Chung Chiu Limited entered into a subscription agreement to subscribe HK\$40 million convertible bonds at a convertible price of HK\$0.07 which amounts to 571,428,571 Shares upon conversion in full.
4. Goldig Properties Limited has agreed to accept or procure the acceptance of 197,536,000 rights shares pursuant to an irrevocable Undertaking.
5. Ms. Gouw San Bo Elizabeth, an executive Director, is also a director of Chung Chiu Limited and Goldig Properties Limited respectively.
6. Mr. Duncan Chiu, a non-executive Director, is also the managing director and the chief executive officer of Far East Holdings International Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company or under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register maintained by the Company pursuant to section 336 of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital.

#### **4. NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading of the Group since 31 December 2006 (being the date to which the latest published audited financial statements of the Group were made up).

#### **5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or any of their respective associates have any interests in any business which may compete with the business of the Group.

#### **6. EXPERTS AND CONSENTS**

The following are the qualifications of the experts whose statements have been included in this circular:

Ample Capital Limited	a licensed corporation to carry on Types 4, 6 and 9 (advising on securities, advising on corporate finance and asset management respectively) regulated activity for the purpose of the SFO
GF Capital (Hong Kong) Limited	a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity for the purpose of the SFO



Ample Capital Limited and GF Capital (Hong Kong) Limited have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letters or reports or references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of Ample Capital Limited and GF Capital (Hong Kong) Limited had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

None of Ample Capital Limited and GF Capital (Hong Kong) Limited have any direct or indirect interests in any assets which have been, since 31 December 2006 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of Ample Capital Limited and GF Capital (Hong Kong) Limited were materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

## **7. SERVICE CONTRACTS**

Mr. Richard Yen entered into a service contract with the Company for an initial term of one year commencing 17 September 2007 and shall continue thereafter unless terminated by either party serving on the other not less than three months' notice. Mr. Richard Yen will be subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Richard Yen has accepted the appointment as the Chief Operations Officer, as announced in the Company's announcement of 4 February 2008.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed Directors has entered into any existing or proposed service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of any compensation other than statutory compensation).

## **8. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the businesses of the Group.

None of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, being the date to which the latest published audited consolidated accounts of the Group were made up.

None of the Directors was or will be given any compensation for loss of office or otherwise in connection with the Subscription Agreement.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong from the date of this circular up to and including 31 March 2008:

- (i) the Subscription Agreement;
- (ii) this circular;
- (iii) the service contracts referred to in the section headed “Service contracts” in this appendix;
- (iv) the letter from the Independent Board Committee, the text of which is set out on page 15 of this circular;
- (v) the letter from the Joint Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 26 of this circular;
- (vi) the written consents referred to in the section headed “Experts and consents” in this appendix;



**GOLIFE CONCEPTS HOLDINGS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8172)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“Meeting”) of Golife Concepts Holdings Limited (“Company”) will be held at 11:30 a.m., on 31 March 2008 at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong for the purpose of considering and, if thought fit, passing/with or without modifying the following resolution which will be proposed as Ordinary Resolution of the Company:

**ORDINARY RESOLUTION**

**“THAT**

- (a) the subscription agreement dated 18 February 2008 (as amended by a supplemental agreement dated 7 March 2008) (collectively the “Subscription Agreement”) (a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose) entered into between the Company and Chung Chiu Limited pursuant to which Chung Chiu Limited agreed to subscribe or procure its wholly-owned subsidiary (the “Convertible Bonds Holder”) to subscribe for the convertible bonds in principal amount of HK\$40,000,000 to be issued by the Company (the “Convertible Bonds”) which entitled the holder to convert the principal amount outstanding into shares of the Company (the “Conversion Shares”) be and is hereby approved, ratified and confirmed;
- (b) the allotment and issue of the Conversion Shares and the issue of the Convertible Bonds pursuant to the terms of the Subscription Agreement and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (c) any one director, or any one director and the secretary or any two directors of the Company if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Subscription Agreement, the issue of the Convertible Bonds and completion thereof as he/she/they may consider necessary, desirable or expedient.”

By order of the Board  
**Golife Concepts Holdings Limited**  
**Lo Mun Lam, Raymond**  
*Executive Director*

Hong Kong, 12 March 2008

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## NOTICE OF EGM

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*Principal place of business and head office in Hong Kong:*

Suite A, 15/F., Wyndham place,  
40-44 Wyndham Street,  
Central, Hong Kong

*Notes:*

1. The ordinary resolutions to be considered at the extraordinary general meeting will be decided by a poll. On voting by poll, each member shall have one vote for each share hold in the Company.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. A form of proxy for use at the extraordinary general meeting is enclosed herewith.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney, duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
5. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) 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 Company's share registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no less than 48 hours before the time for holding the extraordinary general meeting.
6. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing the proxy shall be deemed to be revoked.
7. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above 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. 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.