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GOLIFE CONCEPTS HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

VERY SUBSTANTIAL DISPOSAL AND RESUMPTION OF TRADING

VERY SUBSTANTIAL DISPOSAL

On 8 August 2009, the Vendor entered into the Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Properties for the Consideration of RMB750 million, which shall be satisfied in the manner as detailed in the section headed "Consideration" below in this announcement.

The Agreement constitutes a very substantial disposal on the part of the Company under the GEM Listing Rules and is therefore subject to the Shareholders' approval at the SGM.

A circular containing further details of the Disposal together with the notice of the SGM will be despatched to the Shareholders as soon as possible and in accordance with the GEM Listing Rules.

RESUMPTION OF TRADING

Trading in the issued Shares on GEM was suspended from 9:30 a.m. on 10 August 2009 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the issued Shares with effect from 9:30 a.m. on 20 August 2009.

THE AGREEMENT

Date: 8 August 2009

- Parties: (1) Vendor : 北京莎瑪房地產開發有限公司(Beijing Suoma Real Estate Development Company Limited**), which is indirectly owned as to 96.7% by the Company and directly owned as to 3.3% by Shanghai Shengping.
- (2) Purchaser : 北京銀座興業房地產經紀有限公司(Beijing Yinzuo Xingye Real Estate Agency Company Limited**)

To the best knowledge, information and belief of the Directors, the scope of business of the Purchaser includes property agency, property information consultancy, organisation of exhibitions, advertising design and production. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of and not connected with the Company and any of its connected persons (as defined under the GEM Listing Rules).

Shanghai Shengping is owned by two PRC citizens who have undertaken to World East to transfer their respective interests in the registered capital of Shanghai Shengping to World East at a price with reference to valuation of such registered capital when the laws of the PRC allow foreign investors to own more than 51% in the registered capital of Shanghai Shengping. Although the owners of the registered capital of Shanghai Shengping are not nominee shareholders for the Group, the Group has full power to govern the financial and operation policies of Shanghai Shengping including investment decisions and business strategy and has the benefits from Shanghai Shengping's business activities. The Group has regarded itself to have control over Shanghai Shengping and Shanghai Shengping's results are fully consolidated into that of the Group.

Assets to be disposed

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Properties, comprising the 193 residential units (of which 65 residential units are subject to existing tenancies) and the 186 car parking spaces located at No.9 Gongyuan Xijie, Dongcheng District, Beijing, the PRC. The Vendor is the registered and beneficial owner of the Properties.

The Properties are part of the investment properties acquired by the Company pursuant to a sale and purchase agreement dated 26 November 2008 for a total consideration of HK\$211,466,310, details of which have been set out in the circular of the Company dated 23 January 2009. The investment properties are high-end serviced apartments for rental purpose and have commenced operation in late June 2008. As at the date of the Agreement, the carrying value of the Properties amounted to approximately RMB711.69 million (or approximately HK\$808.74 million). For the period from 8 April 2009 (which being the completion date of the original acquisition of the investment properties

by the Group) to 30 June 2009, the rental income and net estimated loss attributable to the Properties amounted to HK\$3.37 million and HK\$7.77 million, respectively.

Consideration

The Consideration of RMB750 million shall be satisfied in the following manner:

- (a) the Purchaser shall pay RMB50 million in cash as refundable deposit (the “**First Deposit**”) to the Vendor within seven days upon signing of the Agreement. The Vendor has agreed that the Purchaser can commence basic promotion and marketing activities for the sale of the Properties upon signing of the Agreement;
- (b) the Purchaser shall pay RMB250 million in cash as non-refundable deposit (the “**Second Deposit**”) to the Vendor (or the Bank) in accordance with the terms of the Bank Loan Settlement Agreement within three days upon fulfilment of item (c) of the Conditions below.

In the event that the Purchaser fails to settle the Second Deposit in accordance with the Agreement, the Vendor shall be entitled to retain and forfeit the First Deposit. In the event that item (c) of the Conditions is not fulfilled, the Vendor shall (i) return the First Deposit (without interest) to the Purchaser; and (ii) Mr. Heung shall compensate the Purchaser with the expenses actually and reasonably incurred from the basic promotion and marketing activities for the sale of the Properties, provided that such compensation shall not be more than RMB50 million; and

- (c) upon payment of the First Deposit and Second Deposit and fulfilment of the Conditions, the Purchaser can commence sale of the Properties (the “**Sale Commencement**”) to third parties. The sale proceeds from the sale of the Properties (the “**Sale Proceeds**”) shall be deposited in a designated account operated by the Vendor (the “**Designated Account**”). The Sale Proceeds shall be utilised in the following manner:
 - (i) the Vendor shall be entitled to withdraw the Sale Proceeds from the Designated Account for settlement of the remaining balance of the Consideration of RMB450 million from time to time; and
 - (ii) upon the settlement of the remaining balance of the Consideration of RMB450 million, the remaining Sale Proceeds, after retaining the taxation charges incurred for the Sale Proceeds above RMB750 million which shall be borne by the Purchaser under the terms of the Agreement (the “**Remaining Sale Proceeds**”) shall be transferred to the account designated by the Purchaser from time to time as requested by the Purchaser.

In the event that upon expiry of the six-month period commencing from the Sale Commencement, the Sale Proceeds deposited in the Designated Account is less than RMB450 million, the Vendor would offer for sale the residential units and car parking spaces in the Properties which have not been sold (the “**Unsold Properties**”) through public auctions. The net proceeds from the sale of the Unsold Properties through public auctions, after deducting

the shortfall against the remaining balance of the Consideration of RMB450 million and the expenses incurred from the public auctions, shall be paid to the Purchaser. In addition, the Purchaser shall pay a penalty fee of 0.05% per day for the shortfall against the remaining balance of the Consideration of RMB450 million.

It is agreed that Mr. Heung shall provide a personal guarantee in respect of the First Deposit, the Second Deposit and the Remaining Sale Proceeds in favour of the Purchaser and the Vendor shall procure the execution of the guarantee contract by Mr. Heung on the date of signing of the Agreement for a period of one year. Such guarantee contract shall take effect upon receipt of the First Deposit by the Vendor.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations by reference to the recent valuation on the Properties. The Consideration represents a premium of 2.67% over the market value of the Properties of approximately RMB730.50 million (or approximately HK\$830.11 million) as at 31 July 2009 prepared by Grant Sherman Appraisal Limited, an independent professional valuer, on an open market basis. The Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the sale and purchase of the Properties shall be conditional on and subject to the fulfillment of the following Conditions:

- (a) the Vendor having confirmed the statements made and all documents and approval certificates provided in relation to the transfer of the Properties are true and valid and agreed that such confirmation constitutes the conditions and basis for the Purchaser entering into the Agreement;
- (b) the approval by the board of directors and the shareholders of the Vendor;
- (c) the passing by the Shareholders at the SGM of the requisite ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder; and
- (d) the obtaining of all such necessary consents, authorisations, releases and discharges by the Bank in respect of the Agreement and the transactions contemplated thereunder.

If the Conditions have not been satisfied and/or waived on or before 4:00 p.m. on 7 October 2009 (or such later date as agreed in writing by the parties to the Agreement), the Agreement shall cease and determine in accordance with the terms thereof, and thereafter neither party shall have any obligations and liabilities towards each other, save for any antecedent breaches of the terms thereof.

Of the First Deposit and Second Deposit in the aggregate of RMB300 million, it was agreed between the Vendor and the Purchaser that approximately RMB266.29 million shall be designated for repaying the Bank Loan.

REASONS FOR THE DISPOSAL

The Group is principally engaged in property investment, the provision of artists management services, and investment in jointly controlled entity which is principally engaged in distribution of high-end apparel and accessories.

In view of the recent boom in the PRC's real estates driven by the PRC's "loose" credit policy, the Directors consider that the Disposal represents an opportunity for the Group to realise part of its investment properties in Beijing for reducing its bank borrowings and for investment return with immediate cash inflow.

The terms of the Agreement are determined after arm's length negotiations and the Consideration is agreed at RMB750 million (or approximately HK\$852 million) by reference to the recent valuation on the Properties. The Consideration represents a premium of 2.67% over the market value of the Properties of RMB730.50 million (or approximately HK\$830.11 million) as at 31 July 2009 prepared by Grant Sherman Appraisal Limited, an independent professional valuer, on an open market basis. The Directors (including the independent non-executive Directors) consider that the Agreement is on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Disposal, parts of the investment properties acquired by the Company in April 2009 will be disposed of by the Group. The remaining parts of the investment properties will be retained by the Group for rental purpose. As disclosed in the results announcement of the Company for the six month ended 30 June 2009 dated 13 August 2009, the Group recorded an unaudited consolidated turnover of approximately HK\$11.8 million for the six months ended 30 June 2009 and the net assets of the Group amounted to approximately HK\$150.4 million as at 30 June 2009.

To diversify its revenue and earnings base, the Group acquired an artists management business on 31 July 2009, the financial results of the artists management business will be accounted for by the Group commencing from 1 August 2009.

Upon completion of the Disposal, the remaining principal activities of the Group will comprise, namely, (i) artists management; (ii) properties investment; and (iii) investment in jointly controlled entity which is principally engaged in distribution of high-end apparel and accessories. For the six months ended 30 June 2009, the unaudited revenue and loss attributed to the distribution of high-end apparel and accessories business were HK\$8,200,000 and HK\$9,293,000 respectively. As from 10 July 2009, the interest of the Group in the high-end apparel and accessories has reduced to 50% and such jointly controlled entity will be proportionally accounted for in the accounts of the Group in future. For the six months ended 30 June 2009, the unaudited revenue and loss attributed to the property investment business excluding the Properties were HK\$247,000 and HK\$569,000 respectively. For the six months ended 30 June 2009, the unaudited revenue and loss of the artists management business were HK\$2,378,000 and HK\$1,382,000 respectively.

The nature of the principal business of the Group will remain unchanged after the completion of the Disposal. Based on the above, the Directors are of the view that the Group will have sufficient level of operations as required under Rule 17.26 of the GEM Listing Rules.

FINANCIAL EFFECT OF THE DISPOSAL

As at the date of the Agreement, the carrying value of the Properties amounted to approximately RMB711.69 million (or approximately HK\$808.74 million). The Group is expected to recognise an estimated loss (after business tax, land appreciation tax and stamp duties) of approximately RMB29.19 million (or approximately HK\$33.17 million) from the Disposal.

The net proceeds of the Disposal of approximately RMB682.50 million (or approximately HK\$775.57 million) is intended to be used as to approximately RMB266.39 million (or approximately HK\$302.60 million) for repayment of the Bank Loan and the remaining balance of approximately RMB416.11 (or approximately HK\$472.85 million) for financing the acquisition of possible diversified investments of the Group, repaying the borrowings or indebtedness of the Group. The Board has also been keeping track on the local properties market and has considered of investing in local residential or commercial properties from time to time. If there arises investment properties in the local properties market which the Board considers having a good commercial prospect upon the completion of the Disposal, the Board plans to utilise part of the net proceeds from the Disposal for such investment purpose. If no such suitable investment opportunity arises upon the completion of the Disposal, the Board intends to use the remaining net proceeds from the Disposal to pay down the Group's borrowing and indebtedness in the aggregate amount of HK\$516 million. As at the date of this announcement, the Board has not identified specific properties project for investment purpose.

GENERAL

The Agreement constitutes a very substantial disposal on the part of the Company under the GEM Listing Rules and is therefore subject to the Shareholders' approval at the SGM. To the best knowledge of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Disposal. Accordingly, no Shareholder is required to abstain from voting on the resolution to approve the Agreement and the transactions contemplated thereunder at the SGM.

A circular containing further details of the Disposal together with the notice of the SGM will be despatched to the Shareholders as soon as possible and in accordance with the GEM Listing Rules.

RESUMPTION OF TRADING

Trading in the issued Shares on GEM was suspended from 9:30 a.m. on 10 August 2009 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the issued Shares with effect from 9:30 a.m. on 20 August 2009.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“Agreement”	the conditional sale and purchase agreement dated 8 August 2009 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties
“Bank”	Hang Seng Bank Limited, Fuzhou Branch
“Bank Loan”	the outstanding bank loan, with the sum of RMB266,288,388.75 as at the date of the Agreement, advanced by the Bank to the Vendor
“Bank Loan Settlement Agreement”	the tri-parties agreement to be entered into among the Vendor, the Purchaser and the Bank in respect of the settlement of the Bank Loan and release of the charges in relation to the Properties
“Board”	the board of Directors
“Company”	Golife Concepts Holdings Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability whose issued Shares are listed on GEM
“Conditions”	the conditions precedent to be fulfilled prior to the completion of the sale and purchase of the Properties in accordance with the Agreement, particulars of which are set out under the section headed “Conditions precedent” of this announcement
“Consideration”	the aggregate consideration of RMB750 million for the Disposal pursuant to the Agreement
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the Properties pursuant to the Agreement
“GEM”	Growth Enterprise Market operated by 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 PRC

“Mr. Heung”	Mr. Heung Wah Keung, an executive Director
“PRC”	the People’s Republic of China
“Properties”	the 193 residential units and the 186 car parking spaces located at No.9 Gongyuan Xijie, Dongcheng District, Beijing, the PRC
“Purchaser”	北京銀座興業房地產經紀有限公司(Beijing Yinzuo Xingye Real Estate Agency Company Limited**), a company organised and existing under the laws of the PRC
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Shanghai Shengping”	上海昇平文化發展有限公司(Shanghai Shengping Culture Development Company Limited**), a company organised and existing under the laws of the PRC, and controlled by the Group and its results are fully consolidated into that of the Group and is therefore deemed to be a subsidiary of the Group. The registered owners of Shanghai Shengping are Ms. Chen Peng and Mr. Liao Miao-yuan, who are third parties independent of and not connected with any connected persons (as defined under the GEM Listing Rules) of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	北京莎瑪房地產開發有限公司(Beijing Suoma Real Estate Development Company Limited**) (formerly known as 北京建國房地產開發有限公司(Beijing Jianguo Real Estate Development Company Limited)), a company organised and existing under the laws of the PRC
“World East”	World East Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

By Order of the Board
Golife Concepts Holdings Limited
Lai Hok Lim
Chairman

Hong Kong, 19 August 2009

As at the date of this announcement, the executive Directors are Mr. Lai Hok Lim, Mr. Lee Chan Wah and Mr. Heung Wah Keung, 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 Group. 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 website of the Company at www.golife.com.hk.

* For identification purpose only

** English translation only