

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

This circular is for information purposes only and does not constitute an invitation or offer to acquire or subscribe for securities.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Golife Concepts Holdings Limited (the “Company”) you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**GOLIFE CONCEPTS HOLDINGS LIMITED**

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

(Stock Code: 8172)

**PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE;  
AND  
PROPOSED ISSUE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

Financial adviser



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

**Independent financial adviser to the Independent Board Committee  
and the Independent Shareholders**



**Hantec Capital Limited**

---

A letter from the Board is set out on pages 5 to 19 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 12 August 2008 at 11:00 a.m. is set out on page 38 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 Room 1806-7, 18/F., 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.

28 July 2008

---

## CHARACTERISTICS OF GEM

---

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.

---

## CONTENTS

---

|  | <i>Page</i> |
|--|-------------|
| <b>Definitions</b> .....                                 | 1           |
| <b>Letter from the Board</b> .....                       | 5           |
| <b>Letter from the Independent Board Committee</b> ..... | 20          |
| <b>Letter from Independent Financial Adviser</b> .....   | 21          |
| <b>Appendix – General information</b> .....              | 33          |
| <b>Notice of EGM</b> .....                               | 38          |

---

## DEFINITIONS

---

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

|                         |   |
|-------------------------|---|
| “Announcement”          | the announcement of the Company dated 9 July 2008 in relation to, among other things, the Share Consolidation and the Subscription Agreement  |
| “Announcement Date”     | 9 July 2008, being the date of the Announcement   |
| “associate(s)”          | has the same meaning ascribed to it in the GEM Listing Rules  |
| “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 banks in Hong Kong are open for business   |
| “CCASS”                 | the Central Clearing and Settlement System established and operated by HKSCC  |
| “Company”               | Golife Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the GEM  |
| “Consolidated Share(s)” | share(s) of HK\$0.05 each in the share capital of the Company after the Share Consolidation becoming effective  |
| “Conversion Price”      | conversion price of the Convertible Bonds, being HK\$0.125 per Consolidated Share, subject to adjustment  |
| “Conversion Share(s)”   | the Consolidated Shares falling to be issued by the Company under the Convertible Bonds (upon exercise of the conversion right attached thereof by a Bondholder pursuant to the Subscription Agreement) |
| “Convertible Bonds”     | the convertible bonds in the principle amount of HK\$35,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement  |
| “Directors”             | the directors of the Company  |
| “EGM”                   | the extraordinary general meeting of the Company to be convened to approve the Share Consolidation, the Subscription Agreement and the transactions contemplated thereunder                             |

---

## DEFINITIONS

---

|   |  |
|---|--|
| “Far East”  | Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange. It is interested in 11.26% of the issued share capital of the Company as at the Latest Practicable Date |
| “Far East Conversion Share(s)”                            | the Shares falling to be issued by the Company under the Far East Convertible Bonds (upon exercise of the conversion right attached thereof by a Bondholder pursuant to the Far East Subscription Agreement)   |
| “Far East Convertible Bonds”                              | the convertible bonds in principal amount of HK\$7,000,000 with 2% coupon for a period of three years issued by the Company to Far East pursuant to the Far East Subscription Agreement  |
| “Far East Subscription Agreement”                         | the subscription agreement dated 30 May 2008 entered into by the Company and Far East in relation to the Far East Convertible Bonds in the principal amount of HK\$7,000,000 issued by the Company   |
| “General Rules of CCASS and CCASS Operational Procedures” | the guides provide investors with the basic information and operational highlights about the CCASS services  |
| “GEM”   | Growth Enterprise Market of the Stock Exchange   |
| “GEM Listing Committee”                                   | the Listing Committee of the GEM   |
| “GEM Listing Rules”                                       | the Rules Governing the Listing of Securities on the GEM   |
| “Group”   | the Company and its subsidiaries   |
| “HKSCC”   | Hong Kong Securities Clearing Company Limited  |
| “Hong Kong”   | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Board Committee”                             | the independent committee of the board, comprising Mr. LUM Pak Sum, Mr. SUM Chun Ho and Mr. WAN Kwok Pan, formed to advise the Independent Shareholders in respect of the terms of the Subscription Agreement  |
| “Independent Shareholders”                                | Shareholders other than the Subscriber and its associates  |
| “JL Investments”  | JL Investments Capital Limited   |

---

## DEFINITIONS

---

|                                     |   |
|-------------------------------------|---|
| “Latest Practicable Date”           | 24 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular  |
| “Loan”                              | the loan made by the Subscriber to the Group on February 2008, with no fixed term of repayment, non-interest bearing and not secured by any assets of the Group to the Company for general working capital purposes. The outstanding amount of the loan is approximately HK\$10.6 million as at the Latest Practicable Date |
| “Maturity Date”                     | the third anniversary of the date of the issue of the Convertible Bonds   |
| “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 Consolidation”               | the proposed consolidation of every five (5) Shares in the issued and unissued share capital of the Company into one (1) Consolidated Share in the issued and unissued share capital of the Company   |
| “Stock Exchange”                    | the Stock Exchange of Hong Kong Limited   |
| “Subscriber”                        | Goldig Properties Limited, being the controlling shareholder of the Company   |
| “Subscriber Conversion Share(s)”    | the Shares falling to be issued by the Company under the Subscriber Convertible Bonds (upon exercise of the conversion right attached thereof by a Bondholder pursuant to the Subscriber Subscription Agreement)  |
| “Subscriber Convertible Bonds”      | the convertible bonds in principal amount of HK\$6,200,000 with 2% coupon for a period of one year issued by the Company to JL Investments pursuant to the Subscriber Subscription Agreement  |
| “Subscriber Subscription Agreement” | the subscription agreement dated 30 May 2008 entered into by the Company and JL Investments in relation to the Subscriber Convertible Bonds in the principal amount of HK\$6,200,000 issued by the Company  |

---

## DEFINITIONS

---

|                          |  |
|--------------------------|--|
| “Subscription”           | The subscription of the Convertible Bonds by the Subscriber under Subscription Agreement   |
| “Subscription Agreement” | the subscription agreement dated 9 July 2008 entered into by the Company and the Subscriber in relation to the Convertible Bonds in the principle amount of HK\$35,000,000 to be issued by the Company |
| “subsidiary”             | has the meaning ascribed to it under the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong)  |
| “Takeovers Code”         | The Hong Kong Codes on Takeovers and Mergers   |
| “HK\$”                   | Hong Kong dollar(s), the lawful currency of Hong Kong  |
| “%”                      | per cent.  |

---

**LETTER FROM THE BOARD**

---



**GOLIFE CONCEPTS HOLDINGS LIMITED**

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

(Stock Code: 8172)

*Executive Directors:*

Ms. GOUW San Bo Elizabeth  
Mr. Richard YEN

*Non-executive Directors:*

Mr. Duncan CHIU  
Mr. LO Mun Lam, Raymond

*Independent non-executive Directors:*

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

*Registered office:*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

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

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

28 July 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE;  
AND  
PROPOSED ISSUE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

Reference is made to the Announcement.

As disclosed in the Announcement, the Company proposes to implement the Share Consolidation pursuant to which every five (5) issued Shares be consolidated into one (1) Consolidated Share. The Directors also propose to change the board lot size for trading in the Shares of the Company from 30,000 Shares to 20,000 Shares with effect from the date on which the Share Consolidation becoming effective. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation taking effect. Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on GEM, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



---

## LETTER FROM THE BOARD

---

On 9 July 2008, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe for the Convertible Bonds in the principal amount of HK\$35,000,000 to be issued by the Company, for a term of 3 years, subject to the Share Consolidation becoming effective. The Convertible Bonds will entitle the Bondholder(s) to a right to convert the Convertible Bonds into the Conversion Shares at the initial Conversion Price of HK\$0.125 per Conversion Share (subject to adjustment).

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.125 per Conversion Share, the Convertible Bonds will be converted into 280,000,000 fully-paid Conversion Shares, representing i) approximately 105.50% of the issued share capital of the Company; and ii) 51.34% of the enlarged issued share capital of the Company upon issuance of the Conversion Shares immediately after completion of the Share Consolidation. An application will be made to the GEM Listing Committee for the listing of and the permission to deal in the Conversion Shares.

Upon full conversion of the Convertible Bonds into the Conversion Shares, the shareholding of the Subscriber and its associates in the Company will be increased from 21.68% to 61.89%. The Subscriber undertakes not to convert any Convertible Bonds into the Conversion Shares if 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 Consolidated Shares in issue following such conversion unless the Subscriber is willing to make a general offer to all Shareholders pursuant to the Takeovers Code.

The Subscriber and its associates own approximately 21.68% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Subscriber is a connected person of the Company. The proposed issuance of the Convertible Bonds to the Subscriber, the entering into of the Subscription Agreement and the transaction contemplated thereunder constitute connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is therefore subject to, among other things, the requirements of reporting, announcement and approval of the Independent Shareholders by way of poll at the EGM where the Subscriber and his associates will be required to abstain from voting.

An Independent Board Committee comprising all the independent non-executive Directors has been established to consider the terms of the Subscription Agreement and transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Subscription Agreement and transactions contemplated thereunder.

The purpose of this circular is to provide you with further details on, among other things, the Share Consolidation, the Subscription Agreement, a letter of recommendation from the Independent Board Committee, a letter of advice from the independent financial adviser and the notice of the EGM.

---

## LETTER FROM THE BOARD

---

**Shareholders should note that as completion of the Subscription Agreement is conditional upon satisfaction of all the conditions precedent set out in the Subscription Agreement and accordingly may or may not proceed. Shareholders and the investing public should exercise caution when dealing in the Shares of the Company, and if they are in any doubt of their position, they should consult their professional adviser.**

### **(1) SHARE CONSOLIDATION**

#### **Background**

The Company proposes to put forward for approval by the Shareholders the Share Consolidation pursuant to which every five (5) issued Shares be consolidated into one (1) Consolidated Share. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 comprising 10,000,000,000 Shares of HK\$0.01 each, of which 1,327,001,488 Shares have been issued and fully paid. Upon the Share Consolidation taking effect and on the basis that the Company does not allot and issue any further Shares prior to the Share Consolidation taking effect, the authorised share capital of the Company will remain at HK\$100,000,000 but will comprise 2,000,000,000 Consolidated Shares of HK\$0.05 each of which the issue share capital of the Company will be HK\$13,270,015 divided into 265,400,298 Consolidated Shares. Fractional Consolidated Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefits of the Company.

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. The Company does not have any outstanding warrants or other convertible securities in issue, save for the Far East Convertible Bonds and the Subscriber Convertible Bonds as announced by the Company on 4 June 2008; and 2,970,000 Shares under share options, which are convertible into the Shares as at the Latest Practicable Date.

#### **Effects of the Share Consolidation**

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save that the Shareholders who are holding odd lots of Shares will not have any entitlement to fractions of the Consolidated Shares. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

---

## LETTER FROM THE BOARD

---

### **Condition Precedent**

The Share Consolidation is conditional upon the approval of the Shareholders at the EGM.

### **Arrangements on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed CIMB-GK Securities (HK) Limited to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from 27 August 2008 to 17 September 2008 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top-up to a full board lot may contact Mr. Bobby Ho of CIMB-GK Securities (HK) Limited at 25/F., Central Tower, 28 Queen's Road Central, Hong Kong (Tel: 2532 1131) during the aforesaid period. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

### **Trading arrangements for the Consolidated Shares**

Subject to the Share Consolidation becoming unconditional, the arrangements proposed for dealings in the Consolidated Shares are expected to be as follows:

- (i) From 9:30 a.m., 13 August 2008, the original counter for trading in existing Shares in board lots of 30,000 existing Shares will be temporarily closed and a temporary counter for trading in the Consolidated Shares in board lots of 6,000 Consolidated Shares will be set up.
- (ii) With effect from 9:30 a.m., 27 August 2008, the original counter for trading in the Consolidated Shares will be reopened for trading Consolidated Shares in board lots of 20,000 Consolidated Shares.
- (iii) During 9:30 a.m., 27 August 2008 to 4:10 p.m., 17 September 2008 (both dates inclusive), there will be parallel trading at the above two counters.
- (iv) The temporary counter for trading in the Consolidated Shares in board lots of 6,000 Consolidated Shares will be removed after the close of trading on 17 September 2008. Thereafter, trading will be in board lots of 20,000 Consolidated Shares only and the existing certificates for the existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain effective as documents of title on the basis of five existing Shares for one Consolidated Share.

---

## LETTER FROM THE BOARD

---

### Free exchange of share certificates

Shareholders may exchange their share certificates for the existing Shares for new certificates for the Consolidated Shares from 13 August 2008. This may be done free of charge by delivering the certificates for the existing Shares to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops No. 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, during the period from 13 August 2008 to 22 September 2008 (both dates inclusive). Thereafter, certificates for the existing Shares will be accepted for exchange for certificates for the Consolidated Shares only on payment of a fee of HK\$2.5 (or such higher amount as may be stipulated in the GEM Listing Rules from time to time) for each new certificate to be issued or each old certificate submitted, whichever number of certificates is higher.

New certificates for the Consolidated Shares will be green in colour in order to distinguish them from certificates for the existing Shares which are blue in colour.

It is expected that new certificates for the Consolidated Shares will be available for collection on or after the 10th Business Day from the date of submission of the certificates of existing Shares to the Company's share registrar in Hong Kong at the above address for exchange. Unless otherwise instructed, new certificates for the Consolidated Shares will be issued in board lots of 20,000 Consolidated Shares.

### Expected effective date of the Share Consolidation

Subject to the above conditions being fulfilled, the Share Consolidation is expected to become effective on 13 August 2008.

### Expected timetable

The expected timetable for the Share Consolidation set out below is indicative. The expected timetable is subject to change, and any such changes will be announced in a separate announcement by the Company as and when appropriate.

**2008**

|  |                      |
|--|----------------------|
| Expected date of EGM . . . . .   | 12 August            |
| Effective date of the Share Consolidation . . . . .  | 13 August            |
| Effective date for change in board lot size . . . . .  | 13 August            |
| Commencement of dealings in Consolidated Shares . . . . .  | 13 August            |
| Original counter for trading in existing Shares in board<br>lots 30,000 existing Shares temporarily closes . . . . . | 9:30 a.m., 13 August |

---

## LETTER FROM THE BOARD

---

Temporary counter for trading in Consolidated Shares  
(represented by existing certificates for the Shares)  
in board lots of 6,000 Consolidated Shares opens . . . . . 9:30 a.m., 13 August

Free exchange of existing share certificates  
for new share certificates commences . . . . . 13 August

Original counter for trading in Consolidated Shares  
(represented by new certificates for the  
Consolidated Shares) in board lots of  
20,000 Consolidated Shares re-opens . . . . . 9:30 a.m., 27 August

Parallel trading in Consolidated Shares  
(in form of new and existing certificate) commences . . . . . 9:30 a.m., 27 August

Temporary counter for trading in the Consolidated Shares  
(represented by existing certificates for the Shares)  
in board lots of 6,000 Consolidated Shares closes . . . . . 4:10 p.m., 17 September

Parallel trading in Consolidated Shares  
(represented by both new and existing certificate) ends . . . . 4:10 p.m., 17 September

Free exchange of existing share certificates  
for new share certificates ends . . . . . 22 September

### **Change in board lot size**

The Directors also propose to change the board lot size for trading in the Shares of the Company from 30,000 Shares to 20,000 Shares with effect from the date on which the Share Consolidation become effective.

The reason for the change in the board lot size is to reduce the fees per board lot of Consolidated Shares to be payable by the Shareholders.

---

## LETTER FROM THE BOARD

---

### (2) THE SUBSCRIPTION AGREEMENT

Date: 9 July 2008 after trading hours

Parties: The Company as the issuer, and the Subscriber

#### **Principal Terms of the Convertible Bonds:**

Coupon rate: The Convertible Bonds are not interest bearing

Total principal amount: HK\$35,000,000

Maturity date: 3 years from the date of issue of the Convertible Bonds

Conversion rights: The Bondholder(s) will have the right to convert the Convertible Bonds, at a minimum trench of HK\$100,000 into the Conversion Shares at any time after the date of issue of the Convertible Bonds but before the Maturity Date

Initial Conversion Price: HK\$0.125 per Conversion Share, subject to adjustment for, among other things, anti-dilution as stated below

Number of Conversion Shares to be issued upon conversion: Upon full conversion of the Convertible Bonds, a maximum of 280,000,000 Conversion Shares (subject to adjustment) will be issued, representing approximately 105.50% of the issued share capital of the Company and approximately 51.34% of the issued share capital of the Company as enlarged by the issuance of the Conversion Shares immediately after the completion of the Share Consolidation. Upon conversion of the Convertible Bonds by the Subscriber in full, the Subscriber and his associates shareholding in the Company will be increased from 21.68% to 61.89%

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

Anti-dilution: The initial Conversion Price is subject to adjustments in the case of customary anti-dilution events, including, among others, (i) free distribution of shares, subdivisions, consolidations or reclassification of shares, (ii) stock

---

## LETTER FROM THE BOARD

---

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) 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 the prior written consent of the Company, which consent may not be unreasonably withheld   |
| Voting right:                 | The Bondholder(s) will not have voting rights at any meetings of the Company by reason only of being Bondholder(s)   |
| 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 GEM 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: | Upon issuance, the Conversion Shares will rank pari passu in all respects with other Consolidated Shares in issue as at the date of conversion   |

Subject to completion of the Subscription Agreement, the Company will make a monthly announcement (the "Monthly Announcement") on the website of the Stock Exchange for so long as any Convertible Bonds are outstanding. Such Monthly Announcement will be made on or before the fifth business day following the end of each calendar month and will include the following information in table form:

- (i) whether there has been any conversion of the Convertible Bonds during the relevant month. If yes, the relevant Monthly Announcement will set out details of the conversion(s), including the conversion date, number of new Conversion Shares issued and the conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect will be made;
- (ii) the outstanding principal amount of the Convertible Bonds after the conversion, if any;
- (iii) the total number of Consolidated Shares issued pursuant to other transactions during the relevant month, including Consolidated Shares issued pursuant to the exercise of options under any share option scheme(s) of the Company; and

---

## LETTER FROM THE BOARD

---

- (iv) the total issued share capital of the Company as at the commencement of the relevant month and as at the last day of the relevant month.

In addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as stated in the immediately preceding Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will as soon as practicable, but in any event no later than the fifth business day thereafter, issue an announcement on the website of the Stock Exchange which will set out the information stated in (i) to (iv) above for the period commencing from the date of the immediately preceding Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) up to the date of the conversion triggering such announcement.

Further, if the Company forms the view that the issuance of any Consolidated Shares pursuant to a conversion of the Convertible Bonds will trigger a disclosure requirement under Rule 17.10 of the GEM Listing Rules, the Company shall, notwithstanding the above, issue an announcement accordingly.

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

- (i) represents a discount of approximately 37.5% to the closing price of HK\$0.2 per Consolidated Share (based on the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Announcement Date and adjusted for the effect of the Share Consolidation);
- (ii) represents a discount of approximately 42.9% to the average of the closing prices of HK\$0.219 per Consolidated Share (based on the average closing price of HK\$0.0438 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Announcement Date and adjusted for the effect of the Share Consolidation);
- (iii) represents a premium of approximately 177.8% over the net asset value of the Company of HK\$0.045 per Consolidated Share (based on the Company's audited consolidated financial statements as at the 31 December 2007 and adjusted for the effect of the Share Consolidation); and
- (iv) represents a discount of approximately 26.5% to the closing price of HK\$0.17 per Consolidated Share (based on the closing price of HK\$0.034 per Share as quoted on the Stock Exchange as at the Latest Practicable Date and adjusted for the effect of the Share Consolidation).

The Conversion Price was negotiated between the Company and the Subscriber on an arm's length basis and was determined with reference to the initial conversion price for the Subscriber Convertible Bonds, issued by the Company contemplated under the Subscriber Subscription Agreement (details of which refer to the Company's announcement date 4 June 2008), to JL Investments Capital Ltd., which is an independent third party to the Company.



---

## LETTER FROM THE BOARD

---

In addition, as the liquidity of the Shares, for most of the time is relatively low, the Directors are in the view that it is fair and reasonable to the Company and the Shareholders as a whole to place such a discount to the prevailing market price of the Shares to determine the initial Conversion Price of the Convertible Bonds.

### **Conditions precedent of the Subscription Agreement**

Completion of the Subscription Agreement is conditional upon:

- (i) the passing of a resolution by the Shareholders at the EGM to approve the Share Consolidation as contained in the notice of EGM;
- (ii) the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares;
- (iii) no event having occurred or occurring which would constitute an event of default or a potential event of default pursuant to the Subscription Agreement;
- (iv) the Independent Shareholders passing the relevant resolutions to approve the Subscription Agreement and the transactions contemplated hereunder, including the issue of the Convertible Bonds at the EGM;
- (v) 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 hereunder (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object and the fulfilment of such conditions);
- (vi) 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; and

If any of the above conditions is not fulfilled on or before 30 September 2008 (or such other date as may be agreed between the Company and the Subscriber), the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations thereunder, save the liabilities for any antecedent breaches of the Subscription Agreement.

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

As at the Latest Practicable Date, the existing authorized share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 1,327,001,488 Shares are in issue.

---

## LETTER FROM THE BOARD

---

### **Adjustments to the conversion price of the Subscriber Convertible Bonds**

On 30 May 2008, the Company entered into the Subscriber Subscription Agreement with JL Investments for the issuance of the Subscriber Convertible Bonds with a conversion price of HK\$0.025 per Share. In accordance with the terms as set out in the Subscriber Subscription Agreement, the conversion price of the Subscriber Convertible Bonds is subject to adjustments in the case of customary antidilution events, including issuance of convertible securities and consolidation of shares; therefore, as a result of the issue of the Convertible Bonds, the conversion price of the Subscriber Convertible Bonds has been adjusted from HK\$0.025 per Share to HK\$0.019 per Share, effective from 8 July 2008, based on the prescribed formula and terms as provided in the Subscriber Subscription Agreement.

Assuming no further dilution events as set out in the Subscriber Subscription Agreement will take place prior to 13 August 2008, being the effective date of the Share Consolidation, the conversion prices of the Subscriber Convertible Bonds will be further adjusted from HK\$0.019 per Share to HK\$0.095 per Consolidated Share, in accordance to the terms as set out in the Subscriber Subscription Agreement, effective from the close of business in Hong Kong on the day immediately preceding the date on which the Share Consolidation becomes effective.

### **Adjustment to the conversion price of the Far East Convertible Bonds**

On 30 May 2008, the Company entered into the Far East Subscription Agreement with Far East for the issue of the Far East Convertible Bonds with a conversion price of HK\$0.025 per Share. In accordance with the terms as set out in the Far East Subscription Agreement, the conversion price of the Far East Convertible Bonds is subject to adjustments in the case of customary antidilution events, including issuance of convertible securities and consolidation of shares.

Assuming no further dilution events as set out in the Far East Subscription Agreement will take place prior to 13 August 2008, being the effective date of the Share Consolidation, the conversion prices of the Far East Convertible Bonds will be adjusted from HK\$0.025 per Share to HK\$0.125 per Consolidated Share, in accordance to the terms as set out in the Far East Subscription Agreement, effective from the close of business in Hong Kong on the day immediately preceding the date on which the Share Consolidation becomes effective. As the Far East Convertible Bonds were issued after the announcement for the issue of the Convertible Bonds was made, its conversion price will not be not affected by the issue of the Convertible Bonds.

### **SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE SHARE CONSOLIDATION AND CONVERSION OF THE CONVERTIBLE BONDS**

Set out below is a table showing the shareholding structure of the Group i) as at the Latest Practicable Date; ii) immediately after completion of the Share Consolidation; iii) immediately after completion of the Share Consolidation and conversion of the Convertible Bonds to the extent that the Subscriber and the parties acting in concert with it will be interested in less than 30% of the issued share capital of the Company; iv) immediately after completion of the Share Consolidation and full conversion of the Convertible Bonds; and v) immediately after completion of the Share Consolidation

## LETTER FROM THE BOARD

and full conversion of the Convertible Bonds, the Far East Convertible Bonds and the Subscriber Convertible Bonds:

| Name of Shareholder/<br>Beneficial owner  | Existing<br>shareholding as<br>at the Latest<br>Practicable Date |               | Immediately<br>after completion<br>of the Share<br>Consolidation |               | Immediately after<br>completion of the<br>Share Consolidation<br>becomes effective<br>and conversion of the<br>Convertible Bonds to<br>the extent that<br>the Subscriber<br>and parties acting<br>in concert with it<br>will be interested<br>in less than<br>30% of the issued<br>share capital of<br>the Company (Note 2) |               | (For illustrative<br>purpose only)<br>Immediately<br>after completion<br>of the Share<br>Consolidation<br>and full<br>conversion of the<br>Convertible Bonds |               | (For illustrative<br>purpose only)<br>Immediately after<br>completion<br>of the Share<br>Consolidation,<br>full conversion<br>of the Convertible<br>Bonds, Far East<br>Convertible Bonds<br>and the Subscriber<br>Convertible Bonds |               |
|---|--|---------------|--|---------------|---|---------------|--|---------------|---|---------------|
|   | Shares   | %             | Shares   | %             | Shares  | %             | Shares   | %             | Shares  | %             |
| Mr. Gouw Hiap Kian<br>(Notes 1 and 2)   | 40,800,000   | 3.07          | 8,160,000  | 3.07          | 8,160,000   | 2.75          | 8,160,000  | 1.50          | 8,160,000   | 1.26          |
| Subscriber<br>(Notes 1 and 2)   | 246,920,000  | 18.61         | 49,384,000   | 18.61         | 80,883,356  | 27.24         | 329,384,000  | 60.39         | 329,384,000   | 51.02         |
| <b>Sub-total of Shares<br/>in which the Subscriber<br/>and its associates is<br/>deemed to be<br/>interested in</b> | <b>287,720,000</b>   | <b>21.68</b>  | <b>57,544,000</b>  | <b>21.68</b>  | <b>89,043,356</b>   | <b>29.99</b>  | <b>337,544,000</b>   | <b>61.89</b>  | <b>337,544,000</b>  | <b>52.28</b>  |
| Far East (Note 3)   | 149,373,600  | 11.26         | 29,874,720   | 11.26         | 29,874,720  | 10.06         | 29,874,720   | 5.48          | 85,874,720  | 13.30         |
| Public:<br>JL Investments (Note 3)  | -  | 0.00          | -  | 0.00          | -   | 0.00          | -  | 0.00          | 44,210,526<br>(Note 4)  | 6.85          |
| Other public  | 889,907,888  | 67.06         | 177,981,578  | 67.06         | 177,981,578   | 59.95         | 177,981,578  | 32.63         | 177,981,578   | 27.57         |
| <b>Total:</b>   | <b>1,327,001,488</b>   | <b>100.00</b> | <b>265,400,298</b>   | <b>100.00</b> | <b>296,899,654</b>  | <b>100.00</b> | <b>545,400,298</b>   | <b>100.00</b> | <b>645,610,824</b>  | <b>100.00</b> |

*Notes:*

- The Subscriber 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, Mr. Gouw Hiap Kian is deemed to be interested in the 246,920,000 Shares held by Goldig Properties Limited.
- The Subscriber has undertaken not to convert any Convertible Bonds into Conversion Shares if such conversion will cause its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with it in the Company, 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.
- As disclosed in the sections headed “Adjustment to the conversion price of the Subscriber Convertible Bonds” and “Adjustment to the conversion price of the Far East Convertible Bonds”, the conversion prices of the Subscriber Convertible Bonds and Far East Convertible Bonds will be adjusted to HK\$0.095 and HK\$0.125, respectively, effective from the close of business in Hong Kong on the day immediately preceding the date on which the Share Consolidation becomes effective.

---

## LETTER FROM THE BOARD

---

4. On 30 May 2008, the Company entered into the Subscriber Subscription Agreement with JL Investments for the issuance of the Subscriber Convertible Bonds with a principle amount of HK\$6,200,000. As at the Latest Practicable Date, the outstanding principal amount under the Subscriber Convertible Bonds was HK\$4,200,000. Immediately after completion of the Share Consolidation and full conversion of the Subscriber Convertible Bonds, JL investments will hold 44,210,526 Consolidated Shares of the Company.

### LISTING RULES IMPLICATIONS

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective; a separate application will also be made to the GEM Listing Committee for the listing of and the permission to deal in the Conversion Shares.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on GEM, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Subscriber and its associates own approximately 21.68% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Subscriber is a connected person of the Company. The proposed issuance of the Convertible Bonds to the Subscriber, the entering into of the Subscription Agreement and the transaction contemplated thereunder constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules and is therefore subject to, among other things, the requirements of reporting, announcement and approval of the Independent Shareholders by way of poll at the EGM where the Subscriber and its associates will be required to abstain from voting.

### REASONS AND BENEFITS FOR THE SHARE CONSOLIDATION AND ENTERING INTO THE SUBSCRIPTION AGREEMENT

The proposed Share Consolidation will increase the nominal value of the Shares and their trading price per board lot, and therefore reduce the overall transaction costs for dealings in the Consolidated Shares, and is required for compliance with the requirements under Rule 17.76 of the GEM Listing Rules. The Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

The Directors considered that entering into of the Subscription Agreement will provide an opportunity for the Company to raise additional funds for the Group's general working capital; and the issuance of the Convertible Bonds will immediately enrich the amount of cash held by the Company and the conversion of the Convertible Bonds will further broaden the capital base of the Company.

---

## LETTER FROM THE BOARD

---

Besides entering into the Subscription Agreement, the Company has considered other fund raising methods, such as by way of rights issue or bank borrowings. Given the Group's current financial position and recent market sentiment, the Directors considered that entering into the Subscription Agreement is the most appropriate fund raising method for the Company and its Shareholders. As other alternative equity financing exercise, such as placement of new shares of similar size to the Convertible Bonds will cause an immediated dilution effect on the shareholding interests to the existing Shareholders, the Directors took the view that the current financing mechanism is in the interest of the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors who will give their opinion after considering the advice from the independent financial adviser to be engaged by the Company to advise the Independent Board Committee and the Independent Shareholders) consider that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### USE OF PROCEEDS

On February 2008, the Subscriber provided the Loan to the Company, with no fixed term of repayment, non-interest bearing and not secured by any assets of the Group to the Company for general working capital purposes. As at the Latest Practicable Date, the outstanding principal amount of the Loan was approximately HK\$10.6 million.

Based on the estimated expenses of approximately HK\$500,000, the estimated net proceeds of the issuance of the Convertible Bonds will be approximately HK\$34.5 million, out of which approximately HK\$10.6 million will be utilized for the repayment of the Loan, and the remaining HK\$23.9 million will be utilized for general working capital purposes.

### 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 | Intended use of proceeds   | Actual use of proceeds   |
|----------------------|---|---------------------|--|--|
| 4 June 2008          | Issue of convertible bonds to JL Investments in the principal amount of HK\$6.2 million contemplated under the Subscriber Subscription Agreement as announced by the Company on 4 June 2008 | HK\$6.13 million    | All of the net proceeds will be used for general working capital purposes of the Group | As at the Latest Practicable Date, all of the net proceeds has been fully utilized for general working capital purposes of the Group   |
| 4 June 2008          | Issue of convertible bonds to Far East in the principal amount of HK\$7.0 million contemplated under the Far East Subscription Agreement as announced by the Company on 4 June 2008         | HK\$6.62 million    | All of the net proceeds will be used for general working capital purposes of the Group | As at the Latest Practicable Date, all of the net proceeds has been utilized, of which HK\$3.42 million has been utilized for general working capital and HK\$3.2 million has been utilized for repayment of the Loan. |

---

## LETTER FROM THE BOARD

---

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

### EGM

The EGM will be convened to approve the Share Consolidation by the Shareholders and the Subscription Agreement and the transactions contemplated thereunder by the Independent Shareholders. The Subscriber and its associates, which held 21.68% of the issued share capital of the Company as at the Latest Practicable Date and are entitled to exercise control over the voting rights of such shares, will abstain from voting in respect of the relevant resolution approving the Subscription Agreement and the transactions contemplated thereunder.

### RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee as set out on page 20 of this circular which contains its recommendation to the Independent Shareholders in respect of the resolution to approve the Subscription Agreement and the transaction contemplated thereunder.

The advice of Hantec Capital Limited to the Independent Board Committee and to the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder are set out on pages 21 to 32 of this circular.

### PROCEDURES TO DEMAND A POLL AT GENERAL MEETING

Pursuant to Article 66 of the articles of association of the Company, at any general meeting of the Company, 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 INFORMATIONS

Your attention is drawn to the information set out in the appendix in this circular.

By Order of the Board  
**Ms. GOUW San Bo Elizabeth**  
*Chief Executive Officer and Executive Director*

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---



**GOLIFE CONCEPTS HOLDINGS LIMITED**

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

(Stock Code: 8172)

28 July 2008

*To the Independent Shareholders*

Dear Sir or Madam,

**PROPOSED ISSUE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

We refer to the circular of the Company dated 28 July 2008 (the “Circular”) of which this letter forms part. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise specified.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board in the Circular.

Having taken into account of the advice of Hantec Capital Limited, the independent financial adviser, we consider that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder.

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*

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

*The following is the full text of the letter of advice from Hantec Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement.*



### **Hantec Capital Limited**

45th Floor, COSCO Tower  
183 Queen's Road Central  
Hong Kong

28 July 2008

*To the Independent Board Committee and  
the Independent Shareholders  
of Golife Concepts Holdings Limited*

Dear Sirs,

## **PROPOSED ISSUE AND SUBSCRIPTION OF CONVERTIBLE BONDS**

### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to the Subscription Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 28 July 2008, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

On 9 July 2008, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber agreed to subscribe for the Convertible Bonds in the principal amount of HK\$35,000,000 to be issued by the Company for a term of 3 years with zero coupon rate, subject to the Share Consolidation becoming effective. The Convertible Bonds will entitle the Bondholder(s) to a right to convert the Convertible Bonds into Conversion Shares at the initial Conversion Price of HK\$0.125 per Share (subject to adjustment).



---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

The Subscriber (the controlling Shareholder) and its associates owned approximately 21.68% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Subscriber is a connected person of the Company. The proposed issuance of the Convertible Bonds to the Subscriber, the entering into of the Subscription Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules and is therefore subject to, among other things, the requirements of reporting, and approval of the Independent Shareholders by way of poll at the EGM on which the Subscriber and its associates will be required to abstain from voting.

The 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 advise the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder. We have been appointed by the Company to provide an independent opinion and recommendation to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### **BASIS OF OUR ADVICE**

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Subscriber and the Group.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### PRINCIPAL FACTORS TAKEN INTO ACCOUNT

The principal factors and reasons that we have taken into consideration in assessing the terms of the Subscription Agreement and the transactions contemplated thereunder are set out below:

#### 1. Background and Reasons for the Subscription Agreement

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.

Based on the estimated expenses of approximately HK\$500,000, the estimated net proceeds of the issuance of the Convertible Bonds will be approximately HK\$34.5 million, of which approximately HK\$10.6 million will be utilized for the repayment of the Loan, and the remaining HK\$23.9 million will be utilized for general working capital purposes.

The Directors considered that entering into of the Subscription Agreement will provide an opportunity for the Company to raise additional funds for the Group's general working capital; and the issuance of the Convertible Bonds will immediately enrich the amount of cash held by the Company and the conversion of the Convertible Bonds will further strengthen the Group's financial position, and broaden the capital base of the Company.

As stated in the annual report of the Group for the year ended 31 December 2007, the Group's audited net assets amounted to approximately HK\$11.8 million as at 31 December 2007 with cash and bank balances and net current assets amounted to approximately HK\$3.6 million and HK\$5.8 million respectively. The Group recorded an audited net loss of approximately HK\$92.2 million for the year ended 31 December 2007 which decreased from a net profit of approximately HK\$1.1 million in 2006. The loss was mainly attributable to an one time write off of goodwill of approximately HK\$75.6 million in relation to the acquisition of Golife (Hong Kong) Limited (formerly known as "Hip Kin Retailing Limited") in 2006 as set out in the annual report for the year 2007. Apart from the annual report for the year 2007, we have also reviewed the first quarterly report of the Company for the three months ended 31 March 2008. We noted that the Group recorded an unaudited net loss of approximately HK\$20.5 million for the three months ended 31 March 2008. Taking into account the prevailing working capital of the Group and the net loss incurred for the year ended 31 December 2007 and the three months ended 31 March 2008, we consider that the Company has financial need to raise funds for financing the business operations of the Group and strengthening its financial position.

Taking into account that (i) the financial need of the Group to raise funds for financing its business operations and strengthening its financial position; (ii) the issuance of the Convertible Bonds will provide an additional funds for the working capital of the Group; (iii) unlike an equity issue, the issuance of the Convertible Bonds will not create an immediate dilution effect on the shareholding interest; and (iv) the flexibility of the Convertible Bonds to be redeemed by the Company at its sole discretion, we are of the view that the entering into of the Subscription Agreement is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### 2. Terms of the Subscription Agreement

#### *Initial Conversion Price*

The initial Conversion Price of HK\$0.125 per Conversion Share represents:

- (i) a discount of approximately 37.5% to the closing price of HK\$0.2 per Consolidated Share (based on the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Announcement Date and adjusted for the effect of the Share Consolidation);
- (ii) a discount of approximately 42.9% to the average of the closing prices of HK\$0.219 per Consolidated Share (based on the average closing price of HK\$0.0438 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Announcement Date and adjusted for the effect of the Share Consolidation);
- (iii) a premium of approximately 177.8% over the net asset value of the Company of HK\$0.045 per Consolidated Share (based on the Company's audited consolidated financial statements as at the 31 December 2007 and adjusted for the effect of the Share Consolidation); and
- (iv) a discount of approximately 26.5% to the closing price of HK\$0.17 per Consolidated Share (based on the closing price of HK\$0.034 per Share as quoted on the Stock Exchange as at the Latest Practicable Date and adjusted for the effect of the Share Consolidation).

The Conversion Price was negotiated between the Company and the Subscriber on an arm's length basis and was determined with reference to the initial conversion price for the Subscriber Convertible Bonds, issued by the Company pursuant to the Subscriber Subscription Agreement (details of which refer to the Company's announcement date 4 June 2008), to the JL Investments Capital Ltd., an independent third party to the Company.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### *Liquidity of the Shares*

The following table illustrates the average daily trading volume of the Shares, its percentage to the total number of issued Shares as at the Announcement Date of 1,327,001,488 Shares (prior to the effective of the Share Consolidation) (the “**Total Issued Shares**”) for the period from 1 July 2007 to the Announcement Date (the “**Review Period**”).

|           | <b>Average daily trading volume</b><br><i>Shares per day</i> | <b>Percentage to the Total Issued Shares</b><br><i>(%)</i> |
|-----------|--|--|
| 2007      |  |  |
| July      | 28,969,619   | 2.18   |
| August    | 8,365,713  | 0.63   |
| September | 4,925,848  | 0.37   |
| October   | 5,955,333  | 0.45   |
| November  | 2,439,545  | 0.18   |
| December  | 3,426,316  | 0.26   |
| 2008      |  |  |
| January   | 2,114,073  | 0.16   |
| February  | 2,086,417  | 0.16   |
| March     | 7,605,374  | 0.57   |
| April     | 10,849,390   | 0.82   |
| May       | 6,456,000  | 0.49   |
| June      | 42,752,396   | 3.22   |
| July*     | 26,405,000   | 1.99   |

\* *Up to the Announcement Date*

*Source: <http://www.hkex.com.hk>*

As illustrated in the table above, during the Review Period, the average daily trading volume of each month was very thin with the range from the lowest of 2,086,417 Shares in February 2008 to the highest of 42,752,396 Shares in June 2008, representing approximately 0.16% to 3.22% of the Total Issued Shares respectively. We also note that during the Review Period, only the average daily trading volume in July 2007, June 2008 and July 2008 are more than 1% of the Total Issued Shares. Based on the above, we consider the liquidity of the Shares during the Review Period was, for most of the time, relatively low. We consider that it is fair and reasonable to place a discount to the prevailing market price of the Shares to determine the Conversion Price.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

*Comparison with other transactions involving the issue of convertible bonds/notes*

To evaluate the fairness and reasonableness of the terms of the Convertible Bonds, we have identified and reviewed, on a best effort basis, a number of transactions involving the issue of convertible bonds/notes by companies listed on the Stock Exchange from 1 April 2008 to the Announcement Date (the “**Comparable Issues**”), being the three month period prior to the Announcement Date, as summarized below:

| Company                                      | Stock Code | Date of Announcement | Maturity Year | Interest rate % | Premium/ (discount) of conversion price to the closing price as at the last trading day % | Premium/ (discount) of conversion price to the average closing price for the last five trading days % |
|--|------------|----------------------|---------------|-----------------|---|---|
| Benefun International Holdings Limited       | 1130       | 4-Jul-08             | 3             | 0               | (24.71)   | (24.88)   |
| China Sci-Tech Holdings Limited              | 985        | 2-Jul-08             | 3             | 0               | 47.06   | 41.24   |
| Beijing Enterprises Water Group Limited      | 371        | 12-Jun-08            | 5             | 0               | (81.10)   | (80.90)   |
| Gay Giano International Group Limited        | 686        | 10-Jun-08            | 3             | 2               | (23.31)   | (8.41)  |
| Fulbond Holdings Limited                     | 1041       | 3-Jun-08             | 5             | 6               | 7.50  | 6.20  |
| Shen Nong China (Group) Limited              | 8175       | 3-Jun-08             | 3             | 1               | 38.46   | 38.46   |
| China Conservational Power Holdings Limited  | 290        | 30-May-08            | 3             | 0               | (67.21)   | (67.85)   |
| Info Communication Holdings Limited          | 8082       | 27-May-08            | 5             | 8               | (55.71)   | (54.01)   |
| Kai Yuan Holdings Limited                    | 1215       | 27-May-08            | 2             | 3.5             | 1.72  | 0.00  |
| Karce International Holdings Company Limited | 1159       | 22-May-08            | 5             | 0               | 0.00  | (1.23)  |
| Emcom International Limited                  | 8220       | 21-May-08            | 3             | 0               | (88.60)   | (87.70)   |
| Willie International Holdings Limited        | 273        | 21-May-08            | 3             | 0               | 0.00  | (2.31)  |
| Intelli - Media Group (Holdings) Limited     | 8173       | 19-May-08            | 10            | 0               | (22.20)   | (14.60)   |
| Maxx Bioscience Holdings Limited             | 512        | 9-May-08             | 2             | 5               | (18.92)   | (14.04)   |

---

**LETTER FROM INDEPENDENT FINANCIAL ADVISER**

---

| Company   | Stock Code | Date of Announcement | Maturity Year | Interest rate % | Premium/ (discount) of conversion price to the closing price as at the last trading day % | Premium/ (discount) of conversion price to the average closing price for the last five trading days % |
|---|------------|----------------------|---------------|-----------------|---|---|
| Shen Nong China (Group) Limited                               | 8175       | 6-May-08             | 3             | 1               | 38.46   | 38.04   |
| GFT Holdings Limited  | 1003       | 6-May-08             | 3             | 2               | 25.00   | 25.00   |
| China High Speed Transmission Equipment Group Company Limited | 658        | 24-Apr-08            | 3             | 0               | 30.00   | 44.46   |
| Xian Yuen Titanium Resources Holdings Limited                 | 353        | 18-Apr-08            | 5             | 0               | (1.96)  | 0.40  |
| Global Solution Engineering Limited                           | 8192       | 10-Apr-08            | 5             | 0               | (13.80)   | (3.80)  |
| Shougang Concord Technology Holdings Limited                  | 521        | 3-Apr-08             | 3             | 3               | 15.80   | 23.30   |
| <b>Maximum</b>  |            |                      | <b>10</b>     | <b>8</b>        | <b>47.06</b>  | <b>44.46</b>  |
| <b>Minimum</b>  |            |                      | <b>2</b>      | <b>0</b>        | <b>(88.60)</b>  | <b>(87.70)</b>  |
| <b>Average</b>  |            |                      | <b>3.85</b>   | <b>1.58</b>     | <b>(9.68)</b>   | <b>(7.13)</b>   |
| The Company   |            | 9-Jul-08             | 3             | 0               | (37.5)  | (42.9)  |

Source: <http://www.hkex.com.hk>

We note from the table above that the conversion price of the Comparable Issues ranged from a discount of approximately 88.60% to a premium of approximately 47.06% to the respective closing price as at the last trading day prior to the release of the relevant announcements with an average of a discount of approximately 9.68%. On the other hand, the conversion price of the Comparable Issues ranged from a discount of approximately 87.70% to a premium of approximately 44.46% to the respective average closing price for the last five trading days prior to the release of the relevant announcements with an average of a discount of approximately 7.13%. The respective discount of approximately 37.5% and 42.9% in relation to the Conversion Price falls within the said market ranges of the Comparable Issues but higher than the average discounts of the Comparable Issues.

Having taken into account (i) the deteriorated financial performance of the Group for the financial year ended 31 December 2007 and the three months ended 31 March 2008 as discussed above; and (ii) the low liquidity of the Shares, we consider the higher discounts are acceptable to increase the attractiveness of the Subscription, and the discounts are in line with normal market practice given the discounts falls within the said market ranges of the Comparable Issues. In view of the above comparison, we consider that the Conversion Price is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

The Convertible Bonds have a maturity of three years whereas the terms to maturity of the Comparable Issues ranged from 2 year to 10 years with an average term to maturity of approximately 3.85 years. The term to the maturity of the Convertible Bonds of 3 years falls within the said market range and we are of the view that it is in line with the normal market practice.

The interest rates of the Comparable Issues ranged from 0 to 8% per annum, with an average of approximately 1.58%. Taken into account the Convertible Bonds carry a zero coupon rate, we are of the view that the interest rate of the Convertible Bonds fall within the market range and is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

The Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

According to the analysis as stated above, we concur with the Directors' view that the terms of the Convertible Bonds are fair and reasonable so far as the Independent Shareholders are concerned, and are on normal commercial terms.

### **3. Use of proceeds**

As at the Latest Practicable Date, the outstanding principal amount of the Loan was approximately HK\$10.6 million. As set out in the Letter from the Board, based on the estimated expenses of approximately HK\$500,000, the estimated net proceeds of the issuance of the Convertible Bonds will be approximately HK\$34.5 million, of which approximately HK\$10.6 million will be utilized for the repayment of the Loan, and the remaining HK\$23.9 million will be utilized for general working capital purposes.

In view of the deteriorated financial position of the Group, we consider it is reasonable to use part of the proceed from the issuance of the Convertible Bonds for repayment of the Loan owed by the Group to the Subscriber, as such arrangement avoid the Group to draw on existing cash resources for repayment of the Loan.

We have discussed with the management of the Company regarding the business plans of the Company and reasons for this fund raising by issue of Convertible Bonds, we are given to understand that (i) the Group will continue to look for unique international accessory and apparel brands with character, market potential and longevity to form distribution, product development and equity partnerships as disclosed in the first quarterly report of the Company for the three months ended 31 March 2008, but no specific brand was identified at this moment, and (ii) the Company has considered the necessity of this fund raising activity as well as other fund raising methods, such as by way of rights issue or bank borrowings. Taken into account of the Group's current financial position and recent market sentiment, we concur with the Directors that this fund raising activity is justified and the entering into the Subscription Agreement is an appropriate fund raising method for the Company.

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

### 4. Dilution of the shareholding interests in the Company

On the basis that the Convertible Bonds are fully converted into the Conversion Shares at the initial Conversion Price of HK\$0.125 per Conversion Share by the Bondholder(s), a maximum of 280,000,000 Conversion Shares will be issued, representing approximately (i) 105.50% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 51.34% of the issued share capital of the Company as enlarged by the issuance of the Conversion Shares after completion of the Share Consolidation.

Set out below is the shareholding structure of the Company i) as at the Latest Practicable Date; ii) immediately after completion of the Share Consolidation; iii) immediately after completion of the Share Consolidation and conversion of the Convertible Bonds to the extent that the Subscriber and the parties acting in concert with it will be interested in less than 30% of the issued share capital of the Company; iv) immediately after completion of the Share Consolidation and full conversion of the Convertible Bonds; and v) immediately after completion of the Share Consolidation and full conversion of the Convertible Bonds, the Far East Convertible Bonds and the Subscriber Convertible Bonds:

| Name of Shareholder/<br>Beneficial owner   | Existing shareholding<br>as at the<br>Latest Practicable Date |               | Immediately after<br>completion of the<br>Share Consolidation |               | Immediately after<br>completion of the Share<br>Consolidation becomes<br>effective and conversion<br>of the Convertible Bonds<br>to the extent<br>that the Subscriber<br>and parties acting<br>in concert with<br>it will be interested<br>in less than 30% of the<br>issued share capital of<br>the Company (Note 2) |               | (For illustrative<br>purpose only)<br>Immediately after<br>completion of the<br>Share Consolidation<br>and full conversion of<br>the Convertible Bonds |               | (For illustrative<br>purpose only)<br>Immediately<br>after completion<br>of the Share<br>Consolidation, full<br>conversion of the<br>Convertible Bonds,<br>Far East<br>Convertible Bonds<br>and the Subscriber<br>Convertible Bonds |               |
|--|---|---------------|---|---------------|---|---------------|--|---------------|---|---------------|
|  | Shares  | %             | Shares  | %             | Shares  | %             | Shares   | %             | Shares  | %             |
| Mr. Gouw Hiap Kian<br>(Notes 1 and 2)  | 40,800,000  | 3.07          | 8,160,000   | 3.07          | 8,160,000   | 2.75          | 8,160,000  | 1.50          | 8,160,000   | 1.26          |
| Subscriber<br>(Notes 1 and 2)  | 246,920,000   | 18.61         | 49,384,000  | 18.61         | 80,883,356  | 27.24         | 329,384,000  | 60.39         | 329,384,000   | 51.02         |
| Sub-total of Shares<br>in which the Subscriber<br>and its associates<br>is deemed to<br>be interested in | 287,720,000   | 21.68         | 57,544,000  | 21.68         | 89,043,356  | 29.99         | 337,544,000  | 61.89         | 337,544,000   | 52.28         |
| Far East (Note 3)  | 149,373,600   | 11.26         | 29,874,720  | 11.26         | 29,874,720  | 10.06         | 29,874,720   | 5.48          | 85,874,720  | 13.30         |
| Public:<br>JL Investments (Note 3)   | 0   | 0.00          | 0   | 0.00          | 0   | 0.00          | 0  | 0.00          | 44,210,526  | 6.85          |
| Other public   | 889,907,888   | 67.06         | 177,981,578   | 67.06         | 177,981,578   | 59.95         | 177,981,578  | 32.63         | 177,981,578   | 27.57         |
| Sub-total of public<br>Shareholder   | 889,907,888   | 67.06         | 177,981,578   | 67.06         | 177,981,578   | 59.95         | 177,981,578  | 32.63         | 222,192,104   | 34.42         |
| <b>Total:</b>  | <b>1,327,001,488</b>  | <b>100.00</b> | <b>265,400,298</b>  | <b>100.00</b> | <b>296,899,654</b>  | <b>100.00</b> | <b>545,400,298</b>   | <b>100.00</b> | <b>645,610,824</b>  | <b>100.00</b> |



---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

1. The Subscriber 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, Mr. Gouw Hiap Kian is deemed to be interested in the 246,920,000 Shares held by Goldig Properties Limited.
2. The Subscriber has undertaken not to convert any Convertible Bonds into Conversion Shares if such conversion will cause its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with it in the Company, 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.
3. As disclosed in the section headed "Adjustments to the conversion price of the Subscriber Convertible Bonds" and "Adjustment to the conversion price of the Far East Convertible Bonds" in the Letter from the Board, the conversion prices of the Subscriber Convertible Bonds and Far East Convertible Bonds will be adjusted to HK\$0.095 and HK\$0.125, respectively, effective from the close of business in Hong Kong on the date immediately preceding the date on which the Share Consolidation becomes effective.
4. On 30 May 2008, the Company entered into the Subscriber Subscription Agreement with JL Investments for the issuance of the Subscriber Convertible Bonds with a principal amount of HK\$6,200,000. As at the Latest Practicable Date, the outstanding principal amount under the Subscriber Convertible Bonds was HK\$4,200,000. Immediately after completion of the Share Consolidation and full conversion of the Subscriber Convertible Bonds, JL Investments will hold 44,210,526 Consolidated Shares of the Company.

As shown in the above table, the shareholding interests of existing public Shareholders in the Company will be diluted from approximately 67.06% as at the Latest Practicable Date to approximately 34.42% after completion of the Share Consolidation, full conversion of the Convertible Bonds, Far East Convertible Bonds and the Subscriber Convertible Bonds, representing a decrease of approximately 32.64%. The Independent Shareholders should note that the dilution effect on shareholding of the existing public Shareholders is also possible for other alternative equity financing exercises such as placement of new shares of similar size of the issuance of the Convertible Bonds.

Although the shareholding interests of the Subscriber would be increased from approximately 18.61% as at the Latest Practicable Date to approximately 51.02% upon completion of the Share Consolidation, full conversion of the Convertible Bonds, Far East Convertible Bonds and the Subscriber Convertible Bonds, having taken into account that:

- (i) the financial need of the Group under the deteriorated financial performance of the Group for the financial year ended 31 December 2007 and the three months ended 31 March 2008, the issue of the Convertible Bonds will provide an additional working capital and eases the working capital position of the Group as discussed above;
- (ii) part of the proceeds from the issuance of the Convertible Bonds will be utilized for repayment of the Loan owed by the Group to the Subscriber, which avoid the Group to draw on existing cash resources for repayment of the Loan;
- (iii) the issue of the Convertible Bonds will immediately enrich the amount of cash held by the Company and the conversion of the Convertible Bonds will further strengthen the Group's financial position, and broaden the capital base of the Company;

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

- (iv) the terms of the Subscription Agreement were fairly and reasonably set, in which the initial Conversion Price of HK\$0.125 per Conversion Share represents a premium of approximately 177.78% over the net asset value of the Company of HK\$0.045 per Consolidated Share (based on the Company's audited consolidated financial statements as at the 31 December 2007 and adjusted for the effect of the Share Consolidation);
- (v) there is no immediate dilution effect to the Shareholders till the conversion of the Convertible Bonds by the Subscriber; and
- (vi) the Subscriber has undertaken not to convert any Convertible Bonds into Conversion Shares if such conversion will cause its shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with it in the Company, 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,

we consider that the benefits of the Subscription Agreement (including the issue of the Convertible Bonds) as disclosed in paragraphs (i) to (v) above could outweigh the dilution effect on the shareholding held by the public Shareholders in the Company as a result of the full exercise of the conversion rights attaching to the Convertible Bonds. In light of above factors, we consider that the dilution effect to the public Shareholders is acceptable so far as the Independent Shareholders are concerned and the terms of the Subscription Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **5. Financial effect on the Group**

As set out in the Letter from the Board, based on estimated expenses of approximately HK\$500,000, the estimated net proceeds of the issuance of the Convertible Bonds will be approximately HK\$34.5 million, of which approximately HK\$10.6 million from the net proceeds will be utilized for the repayment of the Loan, and the remaining HK\$23.9 million will be utilized for general working capital purposes.

#### *Net asset value*

As at 31 December 2007, the audited consolidated net asset value of the Group was approximately HK\$11.8 million. Upon completion of the issuance of the Convertible Bonds and repayment of the Loan, approximately HK\$23.9 million will be credited as liabilities of the Company (the entire amount of the Convertible Bonds less the amount of the Loan to be repaid to the Subscriber) and the net asset value of the Company will be decreased by approximately HK\$500,000 (being the estimated expenses incurred for the issuance of the Convertible Bonds) immediately upon completion of the issuance of the Convertible Bonds.

Upon full exercise of the conversion right attached to the Convertible Bonds by the Bondholder(s), the liabilities of the Company will be decreased by HK\$35 million. The share capital and the net asset value of the Company will then be increased by the same amount.

---

## LETTER FROM INDEPENDENT FINANCIAL ADVISER

---

### *Working capital*

The Group had audited bank balances and cash on hand of approximately HK\$3.6 million as at 31 December 2007. Upon completion of the issuance of the Convertible Bonds and repayment of the Loan, the cash and bank balances on hand would be increased by approximately HK\$23.9 million.

There will not be any effect on the cash and bank balances upon fully exercise of the conversion right attached to the Convertible Bonds by the Bondholder(s).

### *Gearing position*

Based on the annual report of the Company for the financial year ended 31 December 2007, the gearing ratio of the Company (calculated as total borrowings divided by the total of borrowings and equity) was 55.01%. Upon completion of the issuance of the Convertible Bonds and repayment of the Loan, the total borrowings will be increased by HK\$23.9 million (the entire amount of the Convertible Bonds of HK\$35 million less the amount of the Loan of HK\$10.6 million) and the net asset value of the Company will be decreased by approximately HK\$500,000. Accordingly, the gearing ratio will be increased.

Upon full exercise of the conversion right attached to the Convertible Bonds by the Bondholder(s), the total borrowings of the Company will be decreased by HK\$35 million and the gearing ratio will be decreased.

## RECOMMENDATION

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the terms of the Subscription Agreement are fair and reasonable so far as the Independent Shareholders are concerned and on normal commercial term. We also consider that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Company. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Subscription Agreement and transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Hantec Capital Limited**

**Kinson Li**                      **Annie Ho**  
*Director*                      *Associate Director*

## 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 for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

1. the information contained in this circular 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 circular misleading; and
3. 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<br>(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   | 0.07   |
| Duncan Chiu       | 3 July 2007   | \$0.219                  | 990,000                                   | 990,000   | 0.07   |

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/<br>underlying shares<br>interested or deemed<br>to be interested | Approximate<br>percentage of the<br>Company's issued<br>share capital<br>(%) |
|---|--|--|
| Gouw Hiap Kian ( <i>Note 1</i> )                                    | 1,688,710,000  | 127.26   |
| Ng Choy Yue Mary ( <i>Note 1</i> )                                  | 1,688,710,000  | 127.26   |
| Chung Chiu Limited ( <i>Notes 2 and 3</i> )                         | 1,646,920,000  | 124.11   |
| HSBC International Trustee Limited<br>( <i>Notes 2 and 3</i> )      | 1,646,920,000  | 124.11   |
| Goldig Properties Limited ( <i>Notes 2 and 3</i> )                  | 1,646,920,000  | 124.11   |
| Far East Holdings International Limited<br>( <i>Notes 4 and 5</i> ) | 429,373,600  | 32.36  |
| Deutsche Bank Aktiengesellschaft                                    | 72,740,000   | 5.48   |
| JL Investments Capital Limited ( <i>Note 6</i> )                    | 221,052,632  | 16.66  |

*Notes:*

- Mr. Gouw Hiap Kian is the beneficial owner of 40,800,000 Shares. Adding the 990,000 Shares under the Share Options in which he is interested and the 1,646,920,000 Shares that he is deemed to be interested through Goldig Properties Limited, he is interested in a total of 1,688,710,000 Shares of the Company. Being the spouse of Mr. Gouw Hiap Kian, Ms. Ng Choy Yue Mary is deemed to be interested in the same 1,688,710,000 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 SFO, Mr. Guow Hiap Kian, Chung Chiu Limited and HSBC International Trustee Limited are deemed to be interested in the 246,920,000 Shares held by Goldig Properties Limited and 1,400,000,000 Shares (solely calculated for the purposes of determining the extent of interest of Goldig Properties Limited under the SFO, and assuming the 280,000,000 Consolidated Shares to be issued under the Convertible Bonds were issued before the Share Consolidation becoming effective) which it is interested in.
3. Ms. Gouw San Bo Elizabeth, is also a director of Chung Chiu Limited and Goldig Properties Limited.
4. Mr. Duncan Chiu, a non-executive Director, is also the managing director and the chief executive officer of Far East Holdings International Limited.
5. Far East has a deemed interest in 280,000,000 Shares upon signing of the Far East Subscription Agreement with the Company on 30 May 2008. Adding the 149,373,600 Shares it beneficially owns, Far East is deemed to be interests in an aggregate of 429,373,600 Shares.
6. JL Investments Capital Limited has a deemed interest in 248,000,000 Shares upon signing of the Subscriber Subscription Agreement with the Company on 30 May 2008. After disposal of 80,000,000 conversion shares and adjustment of conversion price to HK\$0.019 per share, JL Investments Capital Limited has a deemed interest of 221,052,632 Shares in the Company.

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, save for incurring of a break-up fee of approximately HK\$12 million and professional fees of approximately HK\$7 million attributable to the termination of the acquisition of 96.57% interest in Financiere Solola as reported in the Company's 2008 first quarterly results announcement published on 8 May 2008, the Directors confirmed that there was no material adverse change in the financial or trading of the Group since 31 December 2007 (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. EXPERT AND CONSENT

The following are the qualifications of the expert whose statements or opinion have been included in this circular:

| <b>Name</b>            | <b>Qualification</b>  |
|------------------------|---|
| Hantec Capital Limited | a licensed corporation to carry on Types 1 and 6 (dealing in securities and advising on corporate finance respectively) regulated activity for the purpose of the SFO |

Hantec Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its reports and/or letters or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Hantec Capital Limited did not have 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.

Hantec Capital Limited did not have any direct or indirect interests in any assets which have been, since 31 December 2007 (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, Hantec Capital Limited was not 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.

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 2007, 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 12 August 2008:

- (a) the Subscription Agreement;
- (b) the service contracts referred to in the section headed "Service contacts" in this appendix;
- (c) the written consent referred to in paragraph headed "Expert and consent" in this appendix;
- (d) this circular;
- (e) the letter of recommendation from the Independent Board Committee as set out on page 20 of this circular;
- (f) the letter from Hantec Capital Limited as set out on pages 21 to 32 of this circular.



---

## NOTICE OF EGM

---



### **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 a.m., on 12 August 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 resolutions which will be proposed as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) with effect from the first business day immediately following the date on which this resolution is passed:
  - (A) every five (5) issued and unissued shares of HK\$0.01 each be consolidated into one (1) share of HK\$0.05 each (the “**Consolidated Share**”) in the share capital of the Company and the Consolidated Shares in issue shall rank pari passu in all respects with each other;
  - (B) all fractional Consolidated Shares be aggregated and, if possible, sold for the benefits of the Company;
  - (C) any director of the Company be and is hereby authorised to do all things and acts and sign all documents which he considers desirable or expedient to implement and/or give effect to the above arrangements; and
  - (D) in this resolution, the term “**business day**” shall mean a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in the trading in the shares of the Company on that day.”
  
2. **“THAT**
  - (A) the subscription agreement dated 9 July 2008 (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 Goldig Properties Limited pursuant to which Goldig Properties Limited agreed to subscribe or procure its wholly-owned subsidiary to subscribe for the convertible bonds in the principal amount of HK\$35,000,000 to be issued by the Company

---

## NOTICE OF EGM

---

(the “Convertible Bonds”) which entitle the holder thereof to convert the principal amount outstanding into shares of the Company (the “Conversion Shares”) be and is hereby approved, ratified and confirmed;

- (B) the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares 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 of the Company (“Director”), or any one Director and the secretary of the Company or any two Directors if the affixation of the common seal of the Company is necessary, be and is/are hereby authorized 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**  
**Ms. Gouw San Bo Elizabeth**  
*Chief Executive Officer and Executive Director*

Hong Kong, 28 July 2008

*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. Ordinary resolution no. 1 will be voted by a show of hands while ordinary resolution no. 2 will be voted by 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 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 Room 1806-7, 18/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no less than 48 hours before the time for holding the extraordinary general meeting.

---

## NOTICE OF EGM

---

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.
8. The register of members of the Company will be closed from 8 August 2008 to 11 August 2008, both day inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 August 2008.