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

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**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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

The Stock Exchange 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.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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**Golife Concepts Holdings Limited**

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

**(Stock Code: 8172)**

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;  
(2) ISSUE OF CONVERTIBLE BONDS;  
(3) RE-ELECTION OF DIRECTORS;  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**
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A letter from the Board is set out on pages 9 to 34 of this circular.

A notice convening the EGM (as defined herein) to be held at the conference room located at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong on Monday, 19 January 2009 at 4:30 p.m. is set out on pages 35 to 37 of this circular. Whether or not you are able to attend and/or vote at the EGM (as defined herein) 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 Shops 1712-1716, 17/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 (as defined herein) 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 (as defined herein) or any adjournment thereof (as the case may be) should you so wish. This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Circular" page for at least seven days from the date of its posting.

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. 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.**

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless otherwise specified:*

“Acquisition”	the proposed acquisition of the Sale Shares and Sale Loans in accordance with the Sale and Purchase Agreement
“Acquisition Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loans in accordance with the terms and conditions of the Sale and Purchase Agreement
“Announcement”	the announcement dated 8 December 2008 in respect of among others, the Acquisition, the Proposed Increase in Authorised Share Capital, the issue of securities to a connected person, the provision of financial assistance to a connected person and the issue of convertible bonds
“Articles”	the articles of association adopted by the Company, and “Article” shall mean a article of the Articles
“BA Convertible Bonds”	the zero coupon convertible bonds in maximum aggregate principal amount of HK\$100 million to be issued by the Company to the Subscriber in five tranches of HK\$20 million each due on the tenth anniversary of the date of issue for such tranche of the Subscription pursuant to the Subscription Agreement during the Subscription Period
“BA Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the BA Convertible Bonds
“Beijing Jianguo (BVI)”	Beijing Jianguo Real Estate Development Co., Ltd., a company incorporated in the BVI and a wholly-owned subsidiary of Shinhan-Golden
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands

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## DEFINITIONS

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“China Star”	China Star Investment Holdings Limited, a company incorporated in Bermuda and the issued shares of which are listed on the Main Board of the Stock Exchange
“CJV Partner”	上海昇平文化發展有限公司, a company organised and existing under the laws of the PRC.
“CJV Partner’s Corporate Guarantee”	the corporate guarantee to be executed by the Company in favour of Riche in respect of the CJV Partner’s Loan
“CJV Partner’s Loan”	the debt in a principal sum of HK\$374,677,812 owed by the CJV Partner to Riche as at the date of the Sale and Purchase Agreement
“Codes”	The Codes on Takeovers and Mergers
“Company”	Golife Concepts Holdings Limited, a company incorporated in Cayman Island with limited liability whose issued Shares are listed on GEM
“Consideration”	the consideration of HK\$211,466,310 payable by the Purchaser to Riche for the Acquisition and to be satisfied in the manner as described in the Announcement
“CS Consideration Shares”	117,691,940 new Shares to be allotted and issued to Riche at an issue price of HK\$0.05 per Share and credited as fully paid subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement
“CS Convertible Bond”	a convertible bond in the principal amount of HK\$100 million to be issued by the Company in favour of Riche pursuant to the Sale and Purchase Agreement
“CSE”	China Star Entertainment Limited, a company incorporated in Bermuda and the issued shares of which are listed on the Main Board of the Stock Exchange
“CSE Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the CSE Convertible Bonds

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## DEFINITIONS

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“CSE Convertible Bonds”	the zero coupon convertible bonds in maximum aggregate principal amount of HK\$60 million to be issued by the Company to CSE in five tranches of HK\$12 million each due on the tenth anniversary of the date of issue for such tranche of the CSE Subscription pursuant to the CSE Subscription Agreement during the CSE Subscription Period
“CSE Subscription”	the subscription of the CSE Convertible Bonds by CSE by five tranches pursuant to the terms of the CSE Subscription Agreement
“CSE Subscription Agreement”	the subscription agreement dated 26 November 2008 and entered into between the Company and CSE in relation to the subscription and issue of the CSE Convertible Bonds
“CSE Subscription Completion”	completion of the CSE Subscription Agreement
“CSE Subscription Completion Date”	the date as specified in the CSE Subscription Completion Notice for each tranche of the CSE Subscription which in any event shall not be later than (i) seven days after the date the CSE Subscription Completion Notice or (ii) the date falling on the last day of the CSE Subscription Period (whichever is the earlier)
“CSE Subscription Completion Notice”	a notice to be given by the Company to CSE pursuant to the CSE Subscription Agreement for each tranche of CSE Subscription
“CSE Subscription Period”	the period of five years commencing from the date of the EGM, being the period for subscription of the CSE Convertible Bonds
“Directors”	the directors of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Proposed Increase in Authorised Share Capital, the issue of BA Convertible Bonds and the BA Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the BA Convertible Bonds, the issue of CSE Convertible Bonds and CSE Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the CSE Convertible Bonds and the re-election of the Directors
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	北京莎瑪房地產開發有限公司 (formerly known as 北京建國房地產開發有限公司), a company organized and existing under the laws of the PRC
“Last Trading Day”	18 November 2008, being the last trading day immediately prior to the suspension of trading in the Shares
“Latest Practicable Date”	18 December 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Open Offer”	the proposed open offer on the terms set out in the announcement of the Company dated 28 November 2008

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## DEFINITIONS

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“Other Convertible Bonds”	collectively (i) the convertible bond of HK\$3,200,000 conferring rights to convert a total of 33,684,210 Shares on the basis of an adjusted conversion price of HK\$0.095 per Share (subject to adjustment); (ii) the convertible bonds in an aggregate principal amount of HK\$35,000,000 conferring rights to convert a total of 280,000,000 Shares on the basis of an initial conversion price of HK\$0.125 per Share (subject to adjustment); and (iii) the convertible bond of HK\$7,000,000 conferring rights to convert a total of 56,000,000 Shares on the basis of an adjusted conversion price of HK\$0.125 per Share (subject to adjustment)
“Placing”	placing of 53,000,000 new Shares pursuant to the terms of the conditional placing agreement entered into between the Company and Kingston Securities Limited dated 19 November 2008, details of which has been disclosed in the announcement of the Company dated 28 November 2008 and which was completed on 10 December 2008
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note to be issued by the Company for a principal sum of HK\$100,000,000 for the purpose of settling part of the Consideration
“Proposed Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$100,000,000 divided into 2,000,000,000 Shares to HK\$1,500,000,000, divided into 30,000,000,000 Shares by the creation of 28,000,000,000 new Shares
“Purchaser”	Mega Shell Services Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Riche”	Riche (BVI) Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of China Star



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## DEFINITIONS

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“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 26 November 2008 entered into among the Purchaser, Riche and the Company in relation to the sale and purchase of the Sale Shares and the Sale Loans
“Sale Loans”	collectively, the Shinhan-Golden Sale Loan and WE Sale Loan
“Sale Shares”	collectively, the Shinhan-Golden Sale Shares and WE Sale Share
“Settlement Convertible Bond”	the ten years 3% coupon convertible bond with a face value of such sum as equivalent to the then outstanding CJV Partner’s Loan (translated into Hong Kong dollars at the prevailing exchange rate between Hong Kong dollar and RMB as quoted by the Hongkong and Shanghai Banking Corporation) to be issued by the Company pursuant to the Sale and Purchase Agreement, which shall be convertible into Settlement CB Conversion Shares at the Settlement CB Conversion Price
“Share(s)”	existing share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shinhan-Golden”	Shinhan-Golden Faith International Development Limited, a company incorporated in BVI with limited liability, a wholly-owned subsidiary of Riche
“Shinhan-Golden Sale Loan”	all obligations, liabilities and debts owing or incurred by Shinhan-Golden to Riche on or at any time prior to Acquisition Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Acquisition Completion. As at 31 October 2008, Shinhan-Golden is indebted to Riche in the sum of HK\$45,933,722
“Shinhan-Golden Sale Shares”	9,500,000 issued shares of par value of US\$1.00 in the capital of Shinhan-Golden, representing the entire issued share capital of Shinhan-Golden

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Brilliant Arts Multi-Media Holding Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Subscription”	the subscription of the BA Convertible Bonds by the Subscriber by five tranches pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 November 2008 and entered into between the Company and the Subscriber in relation to the subscription and issue of the BA Convertible Bonds
“Subscription Completion”	completion of the Subscription Agreement
“Subscription Completion Date”	the date as specified in the Subscription Completion Notice for each tranche of the Subscription which in any event shall not be later than (i) seven days after the date the Subscription Completion Notice or (ii) the date falling on the last day of the Subscription Period (whichever is the earlier)
“Subscription Completion Notice”	a notice to be given by the Company to the Subscriber pursuant to the Subscription Agreement for each tranche of Subscription
“Subscription Period”	the period of five years commencing from the date of the EGM, being the period for subscription of the BA Convertible Bonds
“World East”	World East Investments Limited, a company incorporated in BVI with limited liability
“WE Sale Loan”	all obligations, liabilities and debts owing or incurred by World East to Riche on or at any time prior to Acquisition Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Acquisition Completion. As at 31 October 2008, World East is indebted to Riche in the sum of HK\$744,776

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## DEFINITIONS

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“WE Sale Share”	one issued share of par value of US\$1.00 in the capital of World East, representing the entire issued share capital of World East
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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## LETTER FROM THE BOARD

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### **Golife Concepts Holdings Limited**

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

**(Stock Code: 8172)**

*Executive Directors:*

Ms. Gouw San Bo Elizabeth

Mr. Lai Hok Lim

Mr. Lee Chan Wah

*Non-executive Directors:*

Mr. Duncan Chiu

*Independent non-executive Directors:*

Mr. Lum Pak Sum

Mr. Yip Tai Him

Mr. Law Yiu Sang, Jacky

*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

23 December 2008

*To the Shareholders*

Dear Sirs or Madams,

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;  
(2) ISSUE OF CONVERTIBLE BONDS;  
(3) RE-ELECTION OF DIRECTORS;  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **INTRODUCTION**

The Board announced that on 8 December 2008, the Company proposed to increase the authorised share capital of the Company from HK\$100,000,000, divided into 2,000,000,000 Shares to HK\$1,500,000,000, divided into 30,000,000,000 Shares by the creation of 28,000,000,000 new Shares. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000, divided into 2,000,000,000 Shares, of which 328,926,613 Shares are in issue.

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## LETTER FROM THE BOARD

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On 26 November 2008, the Company and the Subscriber entered into the Subscription Agreement in respect of the issue of the BA Convertible Bonds in an aggregate principal amount of HK\$100 million in five tranches of HK\$20 million each due on the date falling on the tenth anniversary of the date of issue of such tranche of the BA Convertible Bonds. Subscription Completion is subject to the conditions as set out in the paragraph headed “Conditions precedent” in the section headed “Subscription Agreement dated 26 November 2008” below. Principal terms of the BA Convertible Bonds are set out in the paragraph headed “Principal terms of the BA Convertible Bonds” in the section headed “Subscription Agreement dated 26 November 2008” below.

On 26 November 2008, the Company and CSE entered into the CSE Subscription Agreement in respect of the issue of the CSE Convertible Bonds in an aggregate principal amount of HK\$60 million in five tranches of HK\$12 million each due on the date falling on the tenth anniversary of the date of issue of such tranche of the CSE Convertible Bonds. CSE Subscription Completion is subject to the conditions as set out in the paragraph headed “Conditions precedent” in the section headed “CSE Subscription Agreement dated 26 November 2008” below. Principal terms of the CSE Convertible Bonds are set out in the paragraph headed “Principal terms of the CSE Convertible Bonds” in the section headed “CSE Subscription Agreement dated 26 November 2008” below.

On 26 November 2008, the Company and the Purchaser entered into the Sale and Purchase Agreement with Riche pursuant to which the Purchaser has conditionally agreed to acquire and Riche has conditionally agreed to sell the Sale Shares and the Sale Loans for a total consideration of HK\$211,466,310 subject to adjustment.

The aggregate consideration for the Sale Shares and the Sale Loans shall be settled at Acquisition Completion by the Purchaser as to (a) HK\$5,884,597 by procuring the Company to allot and issue 117,691,940 CS Consideration Shares credited as fully paid to Riche; (b) HK\$100 million by procuring the Company to issue the CS Convertible Bond to Riche; (c) subject to the adjustment as provided in the Sale and Purchase Agreement, HK\$5,581,713 shall be payable in cash by the Purchaser to Riche; and (d) HK\$100 million by procuring the Company to issue the Promissory Note.

Under the Sale and Purchase Agreement, for the purpose of repayment of the CJV Partner’s Loan, the Purchaser has agreed and undertaken with Riche that the Purchaser shall procure the Company to issue the Settlement Convertible Bond to Riche if any part of the CJV Partner’s Loan has not been settled. Riche has agreed that upon the issue of the Settlement Convertible Bond to Riche, the CJV Partner’s Loan then remaining outstanding shall be deemed to have been repaid and satisfied in full by the CJV Partner.

Reference is also made to the announcement of the Company dated 12 December 2008 in relation to, among other things, the appointment of Mr. Yip Tai Him and Mr. Law Yiu Sang, Jacky as independent non-executive Directors which are subject to re-election at general meeting of the Shareholders (the “**Re-election of Director**”).

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## LETTER FROM THE BOARD

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The circular containing further information regarding, among other things, the Acquisition and the transaction contemplated thereunder including the allotment and issue of CS Consideration Shares, the issue of CS Convertible Bond, the issue of the Promissory Note, the issue of the Settlement Convertible Bond, the provision of CJV Partner's Corporate Guarantee and the proposed annual caps for each of the three financial years ending 31 December 2011 in respect of the CJV Partner's Corporate Guarantee will be disclosed under a separate circular which will be despatched to the Shareholders as soon as possible in accordance to the GEM Listing Rules.

The purpose of this circular is to provide you with further details on, among other things the Proposed Increase in Authorised Share Capital, the Subscription Agreement, the CSE Subscription Agreement, the Re-election of Directors and the notice of the EGM.

**Shareholders should note that as completion of the Subscription Agreement and CSE Subscription Agreement are conditional upon satisfaction of all the conditions precedent set out in the Subscription Agreement and CSE Subscription Agreement. Accordingly, the Subscription Agreement and the CSE Subscription Agreement 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.**

### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company is HK\$100,000,000, divided into 2,000,000,000 Shares, of which 328,926,613 Shares are in issue as at the Latest Practicable Date. The Board proposes to increase the authorised share capital of the Company from HK\$100,000,000, divided into 2,000,000,000 Shares to HK\$1,500,000,000, divided into 30,000,000,000 Shares by the creation of 28,000,000,000 new Shares.

The Proposed Increase in Authorised Share Capital shall be subject to Shareholders' approval at the EGM.

### **SUBSCRIPTION AGREEMENT DATED 26 NOVEMBER 2008**

#### **(1) Parties**

Issuer:                   the Company

Subscriber:             the Subscriber

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, save that (1) Mr. Lai Hok Lim, an executive Director, was an independent non-executive director of the Subscriber until his resignation on 10 November 2008; and (2) Ms. Chan Mei Sau Teresina, the spouse of an executive director of the Subscriber, Mr. Cheung Kwok Wai, Elton, holds convertible bonds of the Company in an

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## LETTER FROM THE BOARD

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aggregate amount of HK\$38.2 million, full conversion of which will amount to 313,684,210 new Shares, representing approximately 95.37% of the existing issued share capital of the Company, each of the Subscriber and its beneficial owners is independent of and not connected with the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates or its connected persons and is not a connected person of the Company. The Subscriber and its subsidiaries are principally engaged in the provision of film production services, production of television movies, investment in film productions and worldwide film distribution and property investment.

### (2) Principal terms of the BA Convertible Bonds

**Principal amount:** In a maximum aggregate sum of HK\$100 million which will be issued by the Company in five tranches of HK\$20 million each at the aggregate price of HK\$100 million, being 100% of the face value of the BA Convertible Bonds.

**Interest rate:** The BA Convertible Bonds shall not carry any interest.

**Maturity date:** Unless previously redeemed, repurchased and cancelled or converted, any outstanding BA Convertible Bonds shall be redeemed on the date falling on the tenth anniversary of the date of issue of relevant tranche of the BA Convertible Bonds.

**Ranking:** The BA Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company.

**Early redemption:** The Company may at any time upon the date of issue and before the maturity date of the BA Convertible Bonds, by serving at least seven days' prior written notice to the bondholder(s) with the total amount proposed to be redeemed from the bondholder(s) specified therein, redeem the BA Convertible Bonds at par.

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## LETTER FROM THE BOARD

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- Conversion: Provided that any conversion of the BA Convertible Bonds (i) does not trigger off a mandatory offer under rule 26 of the Codes on the part of the Subscriber and its party(ies) acting in concert as defined under the Codes; and (ii) will not cause the public float of the Company unable to meet the requirement under the GEM Listing Rules, the Subscriber will have the right to convert the whole or part of the principal amount of the BA Convertible Bonds into the BA Conversion Shares at any time and from time to time, from the date of issue of the BA Convertible Bonds in amounts of not less than a whole multiple of HK\$1 million on each conversion.
- Conversion price: The conversion price is initially HK\$0.05 per BA Conversion Share, subject to adjustment for, among other matters, subdivision or consolidation of Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events (which are the standard anti-dilution adjustment) (i) from the date of the EGM to the date immediately before the issue date of the BA Convertible Bonds; and (ii) from the date of issue of the BA Convertible Bonds. The initial conversion price represents:
- (i) a discount of 18.03% to the closing price of HK\$0.061 per Share as quoted on GEM on the Last Trading Day;
  - (ii) a discount of approximately 43.82% to the average of the closing prices of HK\$0.089 per Share for the last five trading days up to and including the Lasting Trading Day;
  - (iii) a discount of approximately 53.23% to the average of the closing prices of HK\$0.1069 per Share for the last ten trading days up to and including the Lasting Trading Day; and
  - (iv) the closing price of HK\$0.05 per Share as quoted on GEM on the Latest Practicable Date.
- Voting: The Subscriber will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the BA Convertible Bonds.



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## LETTER FROM THE BOARD

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Transfer: The bondholder(s) may only assign or transfer the BA Convertible Bonds to the transferee subject to the consent of the Company.

The Company has undertaken to the Stock Exchange that it will promptly notify the Stock Exchange upon becoming aware of any dealings in the BA Convertible Bonds by any connected person of the Company.

Based on the conversion price of HK\$0.05 per BA Conversion Share, a maximum number of 2,000,000,000 BA Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the BA Convertible Bonds in full, which represent: (i) approximately 724.83% of the issued share capital of the Company as at the date of the Announcement; (ii) approximately 608.04% of the issue share capital of the Company as at the Latest Practicable Date; and (iii) approximately 85.88% of the issued share capital of the Company as enlarged by the allotment and issue of the BA Conversion Shares upon the exercise in full of the conversion rights attaching to the BA Convertible Bonds.

The BA Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the BA Conversion Shares.

No application will be made for listing of, or permission to deal in, the BA Convertible Bonds on GEM or any other stock exchange. Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the BA Conversion Shares.

### **(3) Conditions precedent**

Completion is conditional upon the fulfillment of the following conditions precedent:

- (a) the GEM Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Subscriber have no reasonable objection) listing of and permission to deal in the BA Conversion Shares;
- (b) if necessary, the Shareholders having approved at the EGM the transactions contemplated in the Subscription Agreement and the issue of the BA Convertible Bonds and the allotment and issue of the BA Conversion Shares upon the exercise of the conversion rights or otherwise pursuant to the conditions of the BA Convertible Bonds;
- (c) if necessary, the shareholders of the Subscriber having approved at an extraordinary general meeting of the shareholders of the Subscriber the transactions contemplated in the Subscription Agreement and the subscription of the BA Convertible Bonds;

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## LETTER FROM THE BOARD

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- (d) there being no event existing or having occurred and no condition being in existence which would be (after the issue of the BA Convertible Bonds) an event of default under the BA Convertible Bonds and no event or act having occurred which, with the giving of notices, or the lapse of time, or both, would (after the issue of the BA Convertible Bonds), constitute such an event of default;
- (e) the Subscriber being satisfied in its absolute discretion with the results of the due diligence review to be conducted on the assets, liabilities, affairs and operations of the Group;
- (f) the representations and warranties given by the Company to the Subscriber under the Subscription Agreement remaining true, accurate and complete in all material respects; and
- (g) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereby having been obtained.

If any of the above conditions are not fulfilled on or before the date falling 180 days from the date of the Subscription Agreement or such other date as the Company and the Subscriber may agree, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

As at the Latest Practicable Date, none of the above condition has been fulfilled.

#### **(4) Completion**

Subscription Completion shall take place on the date as specified in the Subscription Completion Notice for each tranche of the Subscription which in any event shall not be later than (i) seven days after the date the Subscription Completion Notice or (ii) the date falling on the last day of the Subscription Period (whichever is the earlier).

Subject to the fulfillment of the conditions precedent set out in the sub-section headed “Conditions precedent” under the section headed “Subscription Agreement dated 26 November 2008”, Subscription may be demanded by the Company by serving the Subscriber a Subscription Completion Notice for the relevant tranche of the Subscription at any time during the Subscription Period. The Subscription Completion Notice shall specify the completion date of such tranche of Subscription, which, once given, may not be withdrawn without the prior written consent of the Subscriber.

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## LETTER FROM THE BOARD

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Subscription Completion Notices for all five tranches of the Subscription shall be served by the Company to the Subscriber on or before the expiry of the Subscription Period. Should there be a failure on the part of the Company to fulfill the aforementioned obligation, the Subscription shall be terminated and the Subscription for the remaining portion of the BA Convertible Bonds will not proceed and all obligations and liabilities of the parties under the Subscription Agreement shall forthwith cease and determine and party thereto shall not have any claim against the others (save for any antecedent breaches thereof).

### **(5) Termination**

The Subscription Agreement may, as agreed in writing by the parties thereto, be terminated at any time prior to the payment in full of the maximum aggregated subscription price of HK\$100 million to the Company, and the Subscription for the remaining portion of the BA Convertible Bonds shall not proceed and all obligations and liabilities of the parties thereunder shall forthwith cease and determine and neither party shall have any claim against the others (save for any antecedent breaches thereof and the obligations and liabilities of the parties thereto under any BA Convertible Bonds issued prior to such termination).

Without prejudice to the said termination, the Subscriber may, by notice to the Company given at any time prior to payment of the subscription price for the BA Convertible Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

In the absolute opinion of the Subscriber, the success of the Subscription would be materially and adversely affected by:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Subscription; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Subscription; or

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- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Subscriber is likely to materially or adversely affect the success of the Subscription or otherwise makes it inexpedient or inadvisable to proceed with the Subscription; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of securities generally or the Company's securities on GEM for a period of more than 15 consecutive Business Days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the Subscription; or
- (vi) any material breach of any of the representations, warranties or undertakings contained in the Subscription Agreement comes to the knowledge of the Subscriber.

In the event that the Subscriber terminates the Subscription Agreement, the obligations of all parties under the Subscription Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

### **CSE SUBSCRIPTION AGREEMENT DATED 26 NOVEMBER 2008**

#### **(1) Parties**

Issuer:                   the Company

Subscriber:            CSE

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of CSE and its beneficial owners is independent of and not connected with the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates or its connected persons and is not a connected person of the Company. CSE is an investment holding company and its subsidiaries are principally engaged in film production, distribution of film and television drama series, and the provision of post-production services, investing in operations which receive the profit streams from the gaming promotion business and property and hotel investment.

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## LETTER FROM THE BOARD

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### (2) Principal terms of the CSE Convertible Bonds

- Principal amount: In a maximum aggregate sum of HK\$60 million which will be issued by the Company in the maximum of five tranches of HK\$12 million each at the aggregate price of HK\$60 million, being 100% of the face value of the CSE Convertible Bonds.
- Interest rate: The CSE Convertible Bonds shall not carry any interest.
- Maturity date: Unless previously redeemed, repurchased and cancelled or converted, any outstanding CSE Convertible Bonds shall be redeemed on the date falling on the tenth anniversary of the date of issue of relevant tranche of the CSE Convertible Bonds.
- Ranking: The CSE Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company.
- Early redemption: The Company may at any time upon the date of issue and before the maturity date of the CSE Convertible Bonds, by serving at least seven days' prior written notice on the bondholder(s) with the total amount proposed to be redeemed from the bondholder(s) specified therein, redeem the CSE Convertible Bonds at par.
- Conversion: Provided that any conversion of the CSE Convertible Bonds (i) does not trigger off a mandatory offer under rule 26 of the Codes on the part of CSE and its party(ies) acting in concert as defined under the Codes; and (ii) will not cause the public float of the Company unable to meet the requirement under the GEM Listing Rules, CSE will have the right to convert the whole or part of the principal amount of the CSE Convertible Bonds into the CSE Conversion Shares at any time and from time to time, from the date of issue of the CSE Convertible Bonds in amounts of not less than a whole multiple of HK\$1 million on each conversion.

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## LETTER FROM THE BOARD

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- Conversion price: The conversion price is initially HK\$0.05 per CSE Conversion Share, subject to adjustment for, among other matters, subdivision or consolidation of Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events (which are the standard anti-dilution adjustment) (i) from the date of the EGM to the date immediately before the issue date of the CSE Convertible Bonds; and (ii) from the date of issue of the CSE Convertible Bonds. The initial conversion price represents:
- (i) a discount of 18.03% to the closing price of HK\$0.061 per Share as quoted on GEM on the Last Trading Day;
  - (ii) a discount of approximately 43.82% to the average of the closing prices of HK\$0.089 per Share as quoted on GEM for the last five trading days up to and including the Last Trading Day;
  - (iii) a discount of approximately 53.23% to the average of the closing prices of HK\$0.1069 per Share for the last ten trading days up to and including the Last Trading Day; and
  - (iv) the closing price of HK\$0.05 per Share as quoted on GEM on the Latest Practicable Date.
- Voting: CSE will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the CSE Convertible Bonds.
- Transfer: The bondholder(s) may only assign or transfer the CSE Convertible Bonds to the transferee subject to the consent of the Company.
- The Company has undertaken to the Stock Exchange that it will promptly notify the Stock Exchange upon becoming aware of any dealings in the CSE Convertible Bonds by any connected person of the Company.

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Based on the conversion price of HK\$0.05 per CSE Conversion Share, a maximum number of 1,200,000,000 CSE Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the CSE Convertible Bonds in full, which represent: (i) approximately 434.90% of the issued share capital of the Company as at the date of the Announcement; (ii) approximately 364.82% of the issued share capital of the Company as the Latest Practicable Date; and (iii) approximately 78.49% of the issued share capital of the Company as enlarged by the allotment and issue of the CSE Conversion Shares upon the exercise in full of the conversion rights attaching to the CSE Convertible Bonds.

The CSE Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the CSE Conversion Shares.

No application will be made for listing of, or permission to deal in, the CSE Convertible Bonds on GEM or any other stock exchange. Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CSE Conversion Shares.

### **(3) Conditions precedent**

Completion is conditional upon the fulfillment of the following conditions precedent:

- (a) the GEM Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and CSE have no reasonable objection) listing of and permission to deal in the CSE Conversion Shares;
- (b) if necessary, the Shareholders having approved at the EGM the transactions contemplated in the CSE Subscription Agreement and the issue of the CSE Convertible Bonds and the allotment and issue of the CSE Conversion Shares upon the exercise of the conversion rights or otherwise pursuant to the conditions of the CSE Convertible Bonds;
- (c) if necessary, the shareholders of CSE having approved at a special general meeting of the shareholders of CSE the transactions contemplated in the CSE Subscription Agreement and the subscription of the CSE Convertible Bonds;
- (d) there being no event existing or having occurred and no condition being in existence which would be (after the issue of the CSE Convertible Bonds) an event of default under the CSE Convertible Bonds and no event or act having occurred which, with the giving of notices, or the lapse of time, or both, would (after the issue of the CSE Convertible Bonds), constitute such an event of default;

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## LETTER FROM THE BOARD

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- (e) CSE being satisfied in its absolute discretion with the results of the due diligence review to be conducted on the assets, liabilities, affairs and operations of the Group;
- (f) the representations and warranties given by the Company to CSE under the CSE Subscription Agreement remaining true, accurate and complete in all material respects; and
- (g) all necessary consents and approvals required to be obtained on the part of the Company and CSE in respect of the CSE Subscription Agreement and the transactions contemplated thereby having been obtained.

If any of the above conditions are not fulfilled on or before the date falling 180 days from the date of the CSE Subscription Agreement or such other date as the Company and CSE may agree, the CSE Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

#### **(4) Completion**

CSE Subscription Completion shall take place on the date as specified in the CSE Subscription Completion Notice for each tranche of the CSE Subscription which in any event shall not be later than (i) seven days after the date the CSE Subscription Completion Notice or (ii) the date falling on the last day of the CSE Subscription Period (whichever is the earlier).

Subject to the fulfillment of the conditions precedent set out in the sub-section headed “Conditions precedent” under the section headed “CSE Subscription Agreement dated 26 November 2008”, CSE Subscription may be demanded by the Company by serving on CSE a CSE Subscription Completion Notice for the relevant tranche of the CSE Subscription at any time during the CSE Subscription Period. The CSE Subscription Completion Notice shall specify the completion date of such tranche of CSE Subscription, which, once given, may not be withdrawn without the prior written consent of CSE.

CSE Subscription Completion Notices for all five tranches of the CSE Subscription shall be served by the Company to CSE on or before the expiry of the CSE Subscription Period. Should there be a failure on the part of the Company to fulfill the aforementioned obligation, the CSE Subscription shall be terminated and the CSE Subscription for the remaining portion of the CSE Convertible Bonds will not proceed and all obligations and liabilities of the parties under the CSE Subscription Agreement shall forthwith cease and determine and party thereto shall not have any claim against the others (save for any antecedent breaches thereof).



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## LETTER FROM THE BOARD

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### (5) Termination

The CSE Subscription Agreement may, as agreed in writing by the parties thereto, be terminated at any time prior to the payment in full of the maximum aggregated subscription price of HK\$60 million to the Company, and the CSE Subscription for the remaining portion of the CSE Convertible Bonds shall not proceed and all obligations and liabilities of the parties thereunder shall forthwith cease and determine and neither party shall have any claim against the others (save for any antecedent breaches thereof and the obligations and liabilities of the parties thereto under any CSE Convertible Bonds issued prior to such termination).

Without prejudice to the said termination, CSE may, by notice to the Company given at any time prior to payment of the subscription price for the CSE Convertible Bonds to the Company, terminate the CSE Subscription Agreement in any of the following circumstances:

In the absolute opinion of CSE, the success of the CSE Subscription would be materially and adversely affected by:

- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of CSE materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the CSE Subscription; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of CSE materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the CSE Subscription; or
- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of CSE is likely to materially or adversely affect the success of the CSE Subscription or otherwise makes it inexpedient or inadvisable to proceed with the CSE Subscription; or

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- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of securities generally or the Company's securities on GEM for a period of more than 15 consecutive Business Days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the CSE Subscription; or
- (vi) any material breach of any of the representations, warranties or undertakings contained in the CSE Subscription Agreement comes to the knowledge of CSE.

In the event that CSE terminates the CSE Subscription Agreement, the obligations of all parties under the CSE Subscription Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

The issue of the BA Convertible Bonds and the issue of CSE Convertible Bonds are conditional upon the Proposed Increase in Authorised Share Capital while the issue of the BA Convertible Bonds and the issue of the CSE Convertible Bonds are not inter-conditional and both the issue of the BA Convertible Bonds and the CSE Convertible Bonds are not inter-conditional upon the Acquisition, the issue of the Settlement Convertible Bond to Riche and the entering into of the CJV Partner's Corporate Guarantee.

### **REASON FOR THE ISSUE OF BA CONVERTIBLE BONDS AND CSE CONVERTIBLE BONDS AND USE OF PROCEEDS**

The Directors consider the BA Convertible Bonds and the CSE Convertible Bonds represent standby credit facilities to the Company, which allow the Company to raise additional funds for its general working capital and/or to repay its borrowings as and when need. In addition, the Directors consider that the issue of the BA Convertible Bonds and/or the issue of the CSE Convertible Bonds are appropriate means of raising additional funds for the Company since they will not have an immediate dilution effect on the shareholding of the existing Shareholders. The net proceeds from the issue of the BA Convertible Bonds and the CSE Convertible Bonds in full amount to approximately HK\$100 million and HK\$60 million respectively.

The Directors consider that the terms of the Subscription Agreement and CSE Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber and CSE, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Board is of the opinion that the conversion prices of the BA Convertible Bonds and the CSE Convertible Bonds are fair and reasonable as the BA Convertible Bonds and the CSE Convertible Bonds do not carry any interest and the discounts on the conversion prices represent the interest components of the respective bonds.

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## LETTER FROM THE BOARD

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### DILUTION EFFECT ON SHAREHOLDING

In view of the future dilution to existing Shareholders on the exercise of the conversion rights attached to the CS Convertible Bond, the Settlement Convertible Bond, the BA Convertible Bonds and the CSE Convertible Bonds, the Company will keep Shareholders informed of the level of dilution and details of conversion as follows:

- (a) the Company will make a monthly announcement (the “**Monthly Announcement**”) on the GEM website. Such announcement will be made on or before the fifth Business Day following the end of each calendar month and will include the following details in a table form:
  - (i) whether there is any conversion of such bond(s) during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
  - (ii) the outstanding principal amount of such bond(s) after the conversion, if any;
  - (iii) the total number of new Shares issued pursuant to other transactions during the relevant month, including new Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
  - (iv) the total issued share capital of the Company as at the commencement and the last day of the relevant month;
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the such bond(s) reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of such bond(s) (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the GEM website including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of such bond(s) (as the case may be), up to the date on which the total amount of Shares issued pursuant to the conversion amounts to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of such bond(s) (as the case may be); and
- (c) if the Company forms the view that any issue of conversion shares will trigger the disclosure requirements under Rule 17.10 of the GEM Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to such bond(s) as mentioned in (a) and (b) above.

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With effect from 1 January 2009, the Company will comply with the GEM Listing Rules and in particular Rule 17.27A and 17.27B of the GEM Listing Rules in relation to the conversion of such bonds in substitution for the Monthly Announcement as referred to in (a) and (b) above.

### RELATIONSHIP AMONG CHINA STAR, THE SUBSCRIBER AND CSE

As at the Latest Practicable Date:

1. Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany (the spouse of Mr. Heung Wah Keung) and Mr. Ho Wai Chi, Paul are directors of CSE and China Star;
2. Classical Statue Limited is holding:
  - a. 58,360,612 shares in China Star, representing approximately 29.9% of the issued share capital of China Star; and
  - b. 10,909,090 shares in the Subscriber, representing approximately 8.68% of the issued share capital of the Subscriber, and a convertible bond in an outstanding principal amount of HK\$1,000,000 conferring rights to convert a total of 518,134 shares in the Subscriber on the basis of an adjusted conversion price of HK\$1.93 per a share in the Subscriber;

Classical Statue Limited is wholly owned by Glenstone Investments Limited, which in turn is owned as to 60% by Porterstone Limited and as to 40% by Mr. Heung Wah Keung. Porterstone Limited is wholly owned by Ms. Chen Ming Yin, Tiffany;

3. Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany together with their respective associates are collectively interested in 112,866,911 shares in CSE, representing approximately 25.41% of the issued share capital of CSE;
4. on 21 December 2007, a service agreement was entered into between Creative Formula Limited, a wholly-owned subsidiary of the Subscriber, and China Star HK Entertainment Co. Ltd. ("**China Star HK**"), a wholly-owned subsidiary of CSE, and pursuant to which China Star HK shall provide certain services, including the provision of the lead actor for the motion picture to be created by Creative Formula Limited and the procurement to provide professional services in relation to post-production of the film to Creative Formula Limited, for a total consideration of HK\$4,500,000 (details of which have been announced in an announcement of the Subscriber dated 28 December 2007); and
5. on 1 August 2007, Legend Rich Limited, a wholly-owned subsidiary of China Star, CSE and China Star entered into a conditional sale and purchase agreement in relation to a proposed acquisition of a 100% interest in Exceptional Gain Profits Limited and a sale loan from CSE at a consideration of HK\$447,000,000 satisfied by the issue of a convertible

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note by China Star. The major asset of Exceptional Gain Profits Limited is its 50% equity interest in Kingsway Hotel (details of which have been announced in an announcement of China Star dated 8 August 2007). As at the Latest Practicable Date, the proposed acquisition by Legend Rich Limited has not yet been completed.

### SHAREHOLDING STRUCTURE

As at the date of the Announcement, the Company had 275,926,613 Shares in issue. Upon completion of the Placing on 10 December 2008 and as at the Latest Practicable Date, the Company had 328,926,613 Shares in issue.

The shareholding structure of the Company (1) as at the Latest Practicable Date; (2) after completion of the Open Offer; (3) after completion of the Open Offer and the allotment and issue of CS Consideration Shares; (4) after completion of the Open Offer, the allotment and issue of CS Consideration Shares and full conversion of the CS Convertible Bond; (5) after completion of the Open Offer, allotment and issue of CS Consideration Shares and conversion of CS Convertible Bond, which does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; (6) after completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of the CS Convertible Bond and full conversion of the BA Convertible Bonds; (7) assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond and conversion of BA Convertible Bonds such that conversion of respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; (8) after completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of the CS Convertible Bond, full conversion of the BA Convertible Bonds and full conversion of Settlement Convertible Bond; (9) assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds and conversion of Settlement Convertible Bond such that conversion of the respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; (10) assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of CS Convertible Bond, full conversion of BA Convertible Bonds, full conversion of Settlement Convertible Bond and full conversion of CSE Convertible Bonds; (11) assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds, conversion of Settlement Convertible Bond and conversion of CSE Convertible Bonds such that conversion of respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; (12) assuming completion of the Open Offer, allotment and issue of CS Consideration Shares, full conversion of CS Convertible Bond, full conversion of BA Convertible Bonds, full conversion of Settlement Convertible Bond, full conversion of CSE Convertible Bonds and full conversion of Other Convertible Bonds;

## LETTER FROM THE BOARD

and (13) assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds, conversion of Settlement Convertible Bond, conversion of CSE Convertible Bonds and conversion of Other Convertible Bonds such that the public float of the Company maintains a minimum of 25% of the issued share capital of the Company are as follows:

Shareholder	As at the Latest Practicable Date		After completion of the Open Offer		After completion of the Open Offer and the allotment and issue of CS Consideration Shares		After completion of the Open Offer, the allotment and issue of CS Consideration Shares and full conversion of CS Convertible Bond (Note 1) (For illustrative purpose only)		After completion of the Open Offer, the allotment and issue of CS Consideration Shares and conversion of CS Convertible Bond, which does not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of CS Convertible Bond and full conversion of BA Convertible Bonds (Note 1) (For illustrative purpose only)	
	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate	No. of Shares	Approximate
		percentage		percentage		percentage		percentage		percentage		percentage
Subscriber	—	—	—	—	—	—	—	—	—	—	2,000,000,000	43.69%
											(Note 1)	(Note 1)
CSE	—	—	—	—	—	—	—	—	—	—	—	—
Riche	—	—	—	—	117,691,940	20.36%	2,117,691,940	82.14%	197,262,002	29.99%	2,117,691,940	46.26%
Chan Mei Sau, Teresina (Note 2)	—	—	—	—	—	—	—	—	—	—	—	—
Win Win Fortune Limited (Note 5)	—	—	—	—	—	—	—	—	—	—	—	—
Cheung Pui Kay (Note 6)	—	—	—	—	—	—	—	—	—	—	—	—
Public	328,926,613	100.00%	460,497,258	100.00%	460,497,258	79.64%	460,497,258	17.86%	460,497,258	70.01%	460,497,258	10.05%
Total	<u>328,926,613</u>	<u>100%</u>	<u>460,497,258</u>	<u>100%</u>	<u>578,189,198</u>	<u>100%</u>	<u>2,578,189,198</u>	<u>100%</u>	<u>657,759,260</u>	<u>100%</u>	<u>4,578,189,198</u>	<u>100%</u>

# LETTER FROM THE BOARD

Shareholder	Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond and conversion of BA Convertible Bonds such that conversion of respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties (for illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of CS Convertible Bond and full conversion of Settlement Bond (Note 1) (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds and conversion of Settlement Convertible Bond such that conversion of the respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, full conversion of CS Convertible Bond, full conversion of BA Convertible Bonds, full conversion of Settlement Convertible Bond and full conversion of CSE Convertible Bonds (Note 1) (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds, conversion of Settlement Convertible Bond and conversion of CSE Convertible Bonds such that conversion of respective bonds do not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds, conversion of Settlement Convertible Bond, full conversion of CSE Convertible Bonds and full conversion of Other Convertible Bonds (Note 1) (For illustrative purpose only)		Assuming completion of the Open Offer, the allotment and issue of CS Consideration Shares, conversion of CS Convertible Bond, conversion of BA Convertible Bonds, conversion of Settlement Convertible Bond, conversion of CSE Convertible Bonds and conversion of Other Convertible Bonds such that the public float of the Company maintains a minimum of 25% of the issued share capital of the Company	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
	Subscriber	276,107,808	29.99% (Note 3)	2,000,000,000	16.57%	184,061,183	19.99% (Note 4)	2,000,000,000	15.07%	306,538,135	19.99%	2,000,000,000	14.66%	257,693,088
CSE	—	—	—	—	—	—	1,200,000,000	9.04%	459,883,874	29.99%	1,200,000,000	8.80%	257,693,088	13.99%
Riche	184,061,183	19.99% (Note 3)	9,611,248,180	79.62%	276,107,808	29.99% (Note 4)	9,611,248,180	72.42%	306,538,135	19.99%	9,611,248,180	70.46%	552,412,510	29.99%
Chan Mei Sau, Teresina (Note 2)	—	—	—	—	—	—	—	—	—	—	313,684,210	2.30%	257,693,088	13.99%
Win Win Fortune Limited (Note 5)	—	—	—	—	—	—	—	—	—	—	32,000,000	0.23%	32,000,000	1.73%
Cheung Pui Kay (Note 6)	—	—	—	—	—	—	—	—	—	—	24,000,000	0.18%	24,000,000	1.31%
Public	460,497,258	50.02%	460,497,258	3.81%	460,497,258	50.02%	460,497,258	3.47%	460,497,258	30.03%	460,497,258	3.37%	460,497,258	25.00%
<b>Total</b>	<b>920,666,249</b>	<b>100%</b>	<b>12,071,745,438</b>	<b>100%</b>	<b>920,666,249</b>	<b>100%</b>	<b>13,271,745,438</b>	<b>100%</b>	<b>1,533,457,402</b>	<b>100%</b>	<b>13,641,429,648</b>	<b>100%</b>	<b>1,841,989,032</b>	<b>100%</b>

**Notes:**

- (1) For illustrative purpose only, such scenario shall never occur. Pursuant to the terms of the CS Convertible Bond, the BA Convertible Bonds, the CSE Convertible Bonds and the Settlement Convertible Bond, conversion of the CS Convertible Bond, the BA Convertible Bonds, the CSE Convertible Bonds, or as the case may be, the Settlement Convertible Bond is restricted that any conversion of the CS Convertible Bond, the BA Convertible Bonds, the CSE Convertible Bonds, or as the case may be, the Settlement Convertible Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; and (ii) will not cause the public float of the Company unable to meet the requirement under the GEM Listing Rules .

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## LETTER FROM THE BOARD

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- (2) Ms. Chan Mei Sau, Teresina has undertaken not to exercise the conversion rights attaching to the convertible bonds in an aggregate principal amount of HK\$38,200,000 if such conversion will cause her shareholding interest in the Company, together with the shareholding interest of the parties acting in concert with her in the Company, equal to or exceed 30% of the Shares in issue following such conversion unless Ms. Chan Mei Sau, Teresina is willing to make a general offer to all Shareholders pursuant to the Codes.
- (3) This is to illustrate the effect of the conversion of BA Convertible Bonds to the largest extent while such conversion is subject to the restriction that any conversion of the BA Convertible Bonds (i) does not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; and (ii) will not cause the public float of the Company unable to meet the requirement under the GEM Listing Rules.
- (4) This is to illustrate the effect of the conversion of Settlement Convertible Bond to the largest extent while such conversion is subject to the restriction that any conversion of the Settlement Convertible Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Codes on the part of the bondholder(s) which exercised the conversion right and their respective concert parties; and (ii) will not cause the public float of the Company unable to meet the requirement under the GEM Listing Rules.
- (5) As at the Latest Practicable Date, Win Win Fortune Limited is deemed to be interested in 32,000,000 Shares through its interest in the convertible bonds in the principal amount of HK\$4,000,000 issued by the Company.
- (6) As at the Latest Practicable Date, Mr. Cheung Pui Kay is deemed to be interested in 24,000,000 Shares through his interest in the convertible bonds in the principal amount of HK\$3,000,000 issued by the Company.

### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
4 June 2008	Issue of convertible bonds to JL Investments Capital Ltd. in the principal amount of HK\$6.2 million	HK\$ 6.13 million	All of the net proceeds will be used for general working capital purposes of the Group	All of the net proceeds has been fully utilised for general working capital purposes of the Group



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## LETTER FROM THE BOARD

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<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
4 June 2008	Issue of convertible bonds to Far East Holdings International Ltd. in the principal amount of HK\$7 million	HK\$6.62 million	All of the net proceeds will be used for general working capital purposes of the Group	All of the net proceeds has been used for general working capital purposes of the Group
9 July 2008	Issue of convertible bonds to Goldig Properties Limited in the principal amount of HK\$35 million	HK\$34.5 million	HK\$14.3 million will be utilised for the repayment of loan, and the remaining HK\$20.2 million will be utilised for general working capital purposes	HK\$14.3 million has been utilised for the repayment of loan and approximately HK\$19.2 million has been utilised for general working capital purposes
28 November 2008	The Placing	HK\$3.86 million	To finance the Acquisition	Not yet utilised

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of the Announcement.

### RE-ELECTION OF DIRECTORS

As announced by the Board on 12 December 2008, Mr. Yip Tai Him and Mr. Law Yiu Sang, Jacky were appointed as independent non-executive Directors and members of remuneration committee and audit committee of the Company to fill the vacancy on the Board arising from the resignation of Mr. Sum Chun Ho and Mr. Wan Kwok Pan as independent non-executive Directors and members of remuneration committee and audit committee of the Company with effect from 13 December 2008.

Pursuant to Article 86(3) of the Articles, any Director appointed by the Board to fill the casual vacancy shall hold the office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Yip and Mr. Law shall offer themselves for re-election as independent non-executive Directors at the EGM.

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## LETTER FROM THE BOARD

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Particulars of Mr. Yip Tai Him and Mr. Law Yiu Sang, Jacky are set out below:

### **Mr. Yip Tai Him**

Mr. Yip, aged 38, has over 15 years of experience in auditing, accounting and corporate finance. He is a member of the Institute of Chartered Accountants in England and Wales, and Hong Kong Institute of Certified Public Accountants. Mr. Yip is experienced with internal controls and is well versed with the skills and techniques in preparing, auditing, reviewing and analysing comparable and complicated financial statements. Mr. Yip is currently: (i) an independent non-executive director of Wing Lee Holdings Limited (stock code: 876), a company which is listed on the Main Board of the Stock Exchange, since February 2001; (ii) an independent non-executive director of China Cyber Port (International) Company Limited (stock code: 8206), a company which is listed on GEM, since October 2002; (iii) an independent non-executive director of Global Solution Engineering Limited (stock code: 8192), a company which is listed on GEM, since March 2008; and (iv) an independent non-executive director of Vinco Financial Group Limited (stock code: 8340), a company which is listed on GEM, since May 2008. Mr. Yip was: (i) an executive director of Brilliant Arts Multi-Media Holding Limited (stock code: 8130), a company which is listed on GEM, from July 2007 to August 2008; and (ii) an independent non-executive director of S&D International Development Group Limited (stock code: 8148), a company which is listed on GEM, from March 2007 to July 2008.

Mr. Yip has not entered into a service contract with the Company. In accordance with the Articles, Mr. Yip is subject to retirement by rotation and re-election at the Company's general meetings. Mr. Yip will receive a Director's fee of HK\$120,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. The Director's fee for Mr. Yip will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

Mr. Yip does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance).

Mr. Yip does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders, management Shareholders or controlling Shareholders (as defined in the GEM Listing Rules).

Save as disclosed above, Mr. Yip does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

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## LETTER FROM THE BOARD

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There is no information relating to Mr. Yip that is required to be disclosed pursuant to Rules 17.50(2)(h) to (o) and (q) to (v) of the GEM Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Yip that needs to be brought to the attention of the Shareholders.

### **Mr. Law Yiu Sang, Jacky**

Mr. Law, aged 44, holds a bachelor of laws degree from Manchester Metropolitan University. He is a member of the Hong Kong Institute of Arbitrators. From 2006 to 2007, Mr. Law was a member of The Chartered Institute of Arbitrator. Mr. Law has previously worked in a number of different law firms and has over 18 years experience in assisting in management and legal documentation.

Mr. Law has not entered into a service contract with the Company. In accordance with the Articles, Mr. Law is subject to retirement by rotation and re-election at the Company's general meetings. Mr. Law will receive a Director's fee of HK\$120,000 per annum which is determined with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. The Director's fee for Mr. Law will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

Mr. Law does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance).

Mr. Law does not have any relationship with any existing Directors, senior management of the Company, substantial Shareholders, management Shareholders or controlling Shareholders (as defined in the GEM Listing Rules).

Mr. Law does not hold any other position in the Company or any subsidiaries of the Company nor any other directorship in listed public companies in the last three years.

There is no information relating to Mr. Law that is required to be disclosed pursuant to Rules 17.50(2)(h) to (o) and (q) to (v) of the GEM Listing Rules.

Save as disclosed above, there is no other matter in relation to the appointment of Mr. Law that needs to be brought to the attention of the Shareholders.

### **GEM LISTING RULES IMPLICATIONS**

As the closing price of Share on the Last Trading Day is HK\$0.061 and the initial conversion price of each of the CS Convertible Bond, the Settlement Convertible Bond, the BA Convertible Bonds and the CSE Convertible Bonds is HK\$0.05, under Rule 17.16 of the GEM Listing Rules,

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## LETTER FROM THE BOARD

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the Stock Exchange reserves its right to require the Company to either change its trading method or to proceed with a consolidation of its Shares when the market price of its Shares approaches the extremities of HK\$0.01 and the Stock Exchange will not grant any further approval to the Company if the Shares are trading toward the extremities. In such case, the Company will have to consider to change its trading method or to consolidate its Shares in order to comply with Rule 17.16 of the GEM Listing Rules.

To the best of the Directors' knowledge, there is no Shareholder with material interest in the Subscription and the CSE Subscription and therefore no Shareholder will be required to abstain from voting on the resolutions to approve the Subscription Agreement and the CSE Subscription Agreement and transactions contemplated thereunder at the EGM.

### **EGM**

The EGM will be convened to approve (i) the Proposed Increase in Authorised Share Capital; (ii) the Subscription Agreement and the transaction contemplated thereunder including the issue of the BA Convertible Bonds, the allotment and issue of the BA Conversion Shares upon exercise of the conversion rights attaching to the BA Convertible Bonds; (iii) the CSE Subscription Agreement and the transaction contemplated thereunder including the issue of the CSE Convertible Bonds, the allotment and issue of the CSE Conversion Shares upon exercise of the conversion rights attaching to the CSE Convertible Bonds; and (iv) the Re-election of Directors.

A form of proxy for use by the Shareholders at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch registrars in Hong Kong Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

### **PROCEDURES TO DEMAND A POLL AT GENERAL MEETING**

Pursuant to Article 66 of the Articles, 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) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting;

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## LETTER FROM THE BOARD

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- (c) any member or members present in person (or in the case of a member being a corporation, by its authorised 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 authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up 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 rules of the designated stock exchange, by 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 at such meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

### RESPONSIBILITY STATEMENT

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

### GENERAL

The circular containing further information regarding, among other things, (i) the Acquisition and the transaction contemplated thereunder including the allotment and issue of the CS Consideration Shares, the issue of the CS Convertible Bond, the issue of the Promissory Note, the issue of the Settlement Convertible Bond, the provision of the CJV Partner's Corporate Guarantee and the proposed annual caps for each of the three financial years ending 31 December 2011 in respect of the CJV Partner's Corporate Guarantee will be disclosed under a separate circular which will be despatched to the Shareholders as soon as possible in accordance to the GEM Listing Rules.

Yours faithfully

By Order of the Board

**Golife Concepts Holdings Limited**

**Ms. Gouw San Bo Elizabeth**

*Chief Executive Officer and Executive Director*

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## NOTICE OF EGM

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### **Golife Concepts Holdings Limited**

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

**(Stock Code: 8172)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of Golife Concepts Holdings Limited (the “**Company**”) will be held at the conference room located at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong on Monday, 19 January 2009 at 4:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

1. “**THAT** the authorised share capital of the Company be and is hereby increased from HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each (“**Shares**”) in the share capital of the Company to HK\$1,500,000,000 divided into 30,000,000,000 Shares by the creation of an additional 28,000,000,000 Shares.”
  
2. “**THAT:**
  - (a) the subscription agreement (the “**Subscription Agreement**”) entered into between the Company and Brilliant Arts Multi-Media Holding Limited (the “**Subscriber**”) dated 26 November 2008 in relation to the subscription of convertible bonds (the “**BA Convertible Bonds**”) in the maximum aggregate principal amount of HK\$100,000,000 in five tranches of HK\$20,000,000 each of the Company, a copy of the Subscription Agreement having been produced to the Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
  
  - (b) the allotment and issue of the Shares (the “**BA Conversion Shares**”) upon exercise of the conversion rights attaching to the BA Convertible Bonds be and is hereby approved and the directors (the “**Directors**”) of the Company be and are hereby authorised to allot and issue the BA Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the BA Convertible Bonds; and

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## NOTICE OF EGM

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- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the BA Convertible Bonds to the Subscriber and the allotment and issue of the BA Conversion Shares upon exercise of the conversion rights attaching to the BA Convertible Bonds.”
3. **“THAT:**
- (a) the subscription agreement (the **“CSE Subscription Agreement”**) entered into between the Company and China Star Entertainment Limited (**“CSE”**) dated 26 November 2008 in relation to the subscription of convertible bonds (the **“CSE Convertible Bonds”**) in the maximum aggregate principal amount of HK\$60,000,000 in five tranches of HK\$12,000,000 each of the Company, a copy of the CSE Subscription Agreement having been produced to the Meeting marked **“B”** and initialled by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue of the Shares (the **“CSE Conversion Shares”**) upon exercise of the conversion rights attaching to the CSE Convertible Bonds be and is hereby approved and the Directors be and are hereby authorised to allot and issue the CSE Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the CSE Convertible Bonds; and
- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the CSE Convertible Bonds to CSE and the allotment and issue of the CSE Conversion Shares upon exercise of the conversion rights attaching to the CSE Convertible Bonds.”
4. **“THAT** Mr. Yip Tai Him be and is hereby re-elected as an independent non-executive Director with immediate effect.”
5. **“THAT** Mr. Law Yiu Sang, Jacky be and is hereby re-elected as an independent non-executive Director with immediate effect.”

By Order of the Board  
**Golife Concepts Holdings Limited**  
**Ms. Gouw San Bo Elizabeth**  
*Chief Executive Officer and Executive Director*

Hong Kong, 23 December 2008

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## NOTICE OF EGM

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*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

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy can vote on a poll. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, at the offices of the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish