Golife Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investor should be aware of the potential risk 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.

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

The Board of Directors (the “Board”) of Golife Concepts Holdings Limited (the “Company”) is pleased to present the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2007.

FINANCIAL HIGHLIGHTS

1) Turnover: HK$60,598,000
2) LBITDA before impairment: HK$7,177,000
3) Loss attributable to shareholders: HK$92,240,000
4) One-time write-off of goodwill and intangible assets of HK$75,552,000 and HK$4,047,000 respectively
5) Start-up loss of HK$2,641,000 in relation to new brand Life of Circle
6) Increased administrative and professional expenses as a result of corporate transactions and newly setup operations

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	**Year ended 31/12/2007 HK$'000**	Period from 1/4/2006 to 31/12/2006 HK$'000
Turnover	*4*		
Continuing operations		**60,536**	18,342
Discontinued operation		**62**	543
		60,598	18,885
Cost of sales		**(22,830)**	(7,385)
Gross profit		**37,768**	11,500
Other revenues and gains	*4*	**6,212**	5,357
Selling and distribution costs		**(3,600)**	(994)
Administrative expenses		**(55,264)**	(12,240)
Finance costs	*5*	**(1,800)**	(1,799)
Share of loss of jointly controlled entities		**(4)**	–
Impairment of goodwill		**(75,552)**	–
PROFIT/(LOSS) BEFORE TAX	*6*		
Continuing operations		**(92,580)**	486
Discontinued operation	*8*	**340**	1,338
		(92,240)	1,824
Tax	*7*		
Continuing operations		**–**	(676)
Discontinued operation	*8*	**–**	–
		–	(676)
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS			
Continuing operations		**(92,580)**	(190)
Discontinued operation	*8*	**340**	1,338
		(92,240)	1,148
Earnings/(loss) per share	*10*		
From continuing and discontinued operations			
– basic (cents)		**(8.69)**	0.32
– diluted (cents)		**N/A**	N/A
From continuing operations	*10*		
– basic (cents)		**(8.72)**	(0.05)
– diluted (cents)		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**6,712**	2,955
Goodwill		**–**	75,552
Intangible assets		**–**	4,720
Investments in jointly controlled entities		**–**	–
Investment in an associate		**–**	–
Total non-current assets		**6,712**	83,227
CURRENT ASSETS			
Inventories		**8,992**	2,643
Trade receivables	*11*	**4,195**	2,209
Deposits, prepayments and other receivables		**13,914**	4,598
Financial assets at fair value through profit or loss		**966**	6,190
Derivative financial instruments		**840**	92
Amounts due from jointly controlled entities		**562**	–
Pledged deposits		**5,949**	–
Cash and bank balances		**3,587**	3,426
Total current assets		**39,005**	19,158
CURRENT LIABILITIES			
Trade and bills payables	*12*	**2,593**	3,116
Other payables and accruals		**15,114**	3,212
Derivative financial instruments		**459**	–
Interest-bearing bank and other borrowings		**13,563**	12,460
Amount due to a jointly controlled entity		**675**	–
Tax payable		**755**	1,076
Total current liabilities		**33,159**	19,864
Net current assets/(liabilities)		**5,846**	(706)
Total assets less current liabilities		**12,558**	82,521
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**805**	2,785
Convertible notes		**–**	48,188
Total non-current liabilities		**805**	50,973
Net assets		**11,753**	31,548
EQUITY			
Issued capital		**12,470**	5,268
Equity component of convertible notes		**–**	11,316
Reserves		**(717)**	14,964
Total equity		**11,753**	31,548

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2007

	Issued capital	Share premium	Equity component of convertible notes	Exchange reserve	Share-based payments reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	65,850	34,698	–	(15)	–	(106,359)	(5,826)
Capital reorganisation	(64,533)	–	–	–	–	64,533	–
Issue of shares on open offer	3,951	21,730	–	–	–	–	25,681
Share issuance costs	–	(786)	–	–	–	–	(786)
Issue of convertible notes	–	–	11,999	–	–	–	11,999
Redemption of convertible notes	–	–	(683)	–	–	–	(683)
Reserve realized upon disposal of subsidiaries	–	–	–	15	–	–	15
Net profit for the period	–	–	–	–	–	1,148	1,148
At 31 December 2006 and 1 January 2007	**5,268**	**55,642**	**11,316**	**–**	**–**	**(40,678)**	**31,548**
Redemption of convertible notes	**–**	**–**	**(195)**	**–**	**–**	**–**	**(195)**
Conversion of convertible notes	**5,702**	**53,546**	**(11,121)**	**–**	**–**	**–**	**48,127**
Placing of new shares	**1,500**	**23,250**	**–**	**–**	**–**	**–**	**24,750**
Cost of placing of new shares	**–**	**(335)**	**–**	**–**	**–**	**–**	**(335)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**98**	**–**	**98**
Net loss for the year	**–**	**–**	**–**	**–**	**–**	**(92,240)**	**(92,240)**
At 31 December 2007	**12,470**	**132,103**	**–**	**–**	**98**	**(132,918)**	**11,753**

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. They have been prepared under the historical cost convention, except for certain financial assets, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, the following new standards, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial statements beginning on or after 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

(i) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the year ended 31 December 2007 and the period from 1 April 2006 to 31 December 2006.

For management purposes, the Group is organized into two operating divisions – design, development and sales of location-based technology devices and applications, and distribution of high-end apparel and accessories. These divisions are the basis on which the Group reports its primary segment information. In September 2007, the Group ceased the business of design, development and sales of location-based technology devices and application.

Segment information about these businesses is presented below.

	Continuing operation		Discontinued operation			
	Distribution of high-end apparel and accessories		Design, development and sales of location-based technology devices and applications		Consolidated	
	Year ended 31/12/2007	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover:						
External turnover	**60,536**	18,342	**62**	543	**60,598**	18,885
Results:						
Segment results	**(91,264)**	363	**340**	1,338	**(90,924)**	1,701
Unallocated revenue					**5,014**	3,412
Unallocated expenses					**(4,530)**	(1,490)
Finance costs					**(1,800)**	(1,799)
Profit/(loss) before tax					**(92,240)**	1,824
Tax					**–**	(676)
Profit/(loss) for the year/period					**(92,240)**	1,148

	Continuing operation		Discontinued operation			
	Distribution of high-end apparel and accessories		Design, development and sales of location-based technology devices and applications		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets:						
Segment assets	**35,262**	94,395	**–**	1	**35,262**	94,396
Unallocated corporate assets					**10,455**	7,989
Total assets					**45,717**	102,385
Liabilities:						
Segment liabilities	**27,456**	21,547	**–**	417	**27,456**	21,964
Unallocated corporate liabilities					**6,508**	48,873
Total liabilities					**33,964**	70,837

	Continuing operation		Discontinued operation			
	Distribution of high-end apparel and accessories		**Design, development and sales of location-based technology devices and applications**		**Consolidated**	
	Year ended 31/12/2007	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:						
Capital expenditure	**7,249**	1,741	**–**	–	**7,249**	1,741
Depreciation	**2,991**	732	**–**	–	**2,991**	732
Amortisation	**673**	280	**–**	–	**673**	280
Impairment loss	**80,089**	–	**–**	4	**80,089**	4

(ii) Geographical segments

The following tables present revenue, assets and capital expenditures for the Group's geographical segments for the year ended 31 December 2007 and the period from 1 April 2006 to 31 December 2006.

	Hong Kong		**Taiwan**		**Consolidated**	
	Year ended 31/12/2007	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006	**Year ended 31/12/2007**	Period from 1/4/2006 to 31/12/2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover:						
Continuing operations	**47,108**	13,255	**13,428**	5,087	**60,536**	18,342
Discontinued operation	**62**	543	**–**	–	**62**	543
External turnover	**47,170**	13,798	**13,428**	5,087	**60,598**	18,885
Assets:						
Segment assets	**38,407**	19,392	**7,310**	2,721	**45,717**	22,113
Unallocated corporate assets					**–**	80,272
Total assets					**45,717**	102,385
Other segment information:						
Capital expenditure	4,475	1,741	**2,774**	–	**7,249**	1,741

4. TURNOVER, OTHER REVENUES AND GAINS

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts and the value of services rendered.

An analysis of the Group's turnover, other revenues and gains is as follows:

	Year ended 31/12/2007 *HK$'000*	Period from 1/4/2006 to 31/12/2006 *HK$'000*
TURNOVER		
CONTINUING OPERATIONS		
Distribution of high-end apparel and accessories	**60,536**	18,342
DISCONTINUED OPERATION		
Design, development and sales of location-based technology devices and applications	**62**	543
	60,598	18,885
OTHER REVENUES AND GAINS		
Bank interest income	**247**	9
Consultancy fee income	**–**	72
Fair value gain on financial assets at fair value through profit or loss	**4**	2,014
Fair value gain on derivative financial instruments	**381**	92
Gain on disposal of subsidiaries	**385**	1,698
Gain on disposal of financial assets at fair value through profit or loss	**4,813**	398
Management services income	**340**	–
Reversal of impairment of trade receivables	**–**	3
Sundry income	**42**	71
Waiver of other loan	**–**	1,000
	6,212	5,357

5. FINANCE COSTS

	Year ended 31/12/2007 *HK$'000*	Period from 1/4/2006 to 31/12/2006 *HK$'000*
Interest on convertible notes	**744**	1,484
Interest on bank loans and overdrafts wholly repayable within five years	**1,004**	289
Interest on finance leases	**52**	26
	1,800	1,799

6. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging:

	Year ended 31/12/2007 *HK$'000*	Period from 1/4/2006 to 31/12/2006 *HK$'000*
Cost of inventories sold	**22,830**	7,323
Cost of services rendered	**–**	62
Auditor's remuneration	**360**	295
Amortisation of intangible assets	**673**	280
Depreciation of property, plant and equipment	**2,991**	732
Loss on disposal of property, plant and equipment	**501**	–
Exchange losses, net	**378**	76
Minimum lease payments under operating leases on land and buildings	**15,202**	3,962
Impairment of investment in an associate	**–**	4
Impairment of trade receivables	**490**	–
Impairment of intangible assets	**4,047**	–
Staff costs (excluding directors' remuneration)		
Salaries and allowances	**11,778**	3,119
Equity-settled share option expenses	**32**	–
Pension scheme contributions	**364**	128
	12,174	3,247

7. TAX

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the year. In prior year, Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year/period at the rates of tax prevailing in the countries in which the Group operates.

	Year ended 31/12/2007 *HK$'000*	Period from 1/4/2006 to 31/12/2006 *HK$'000*
Current provision:		
– Hong Kong	**–**	575
– Overseas	**–**	101
	–	676
Attributable to:		
Continuing operations	**–**	676
Discontinued operation – note 8	**–**	–
	–	676

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rate for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rate, are as follows:

	Year ended 31/12/2007 *HK$'000*	*%*	Period from 1/4/2006 to 31/12/2006 *HK$'000*	*%*
Profit/(loss) before tax	**(92,240)**		1,824	
Tax at the domestic income tax rate	**(16,142)**	**(17.5)**	319	17.5
Effect of different tax rates in other jurisdictions	**(74)**	**(0.1)**	(24)	(1.3)
Income not subject to tax	**(70)**	**(0.1)**	(471)	(25.8)
Expenses not deductible for tax	**15,708**	**17.0**	336	18.4
Deductible temporary differences not recognised	**30**	**0.1**	–	–
Tax losses not recognized	**548**	**0.6**	516	28.3
Tax charge at effective rate	**–**	**–**	676	37.1

8. DISCONTINUED OPERATION

On 20 September 2007, the Group decided to cease its business of design, development and sales of location-based technology devices and application. On 27 September 2007, the Company disposed of Satellite Devices (BVI) Limited, which held a subsidiary called Satellite Devices Limited. Satellite Devices (BVI) Limited engaged in investment holding and Satellite Devices Limited engaged in design, development and sales of location-based technology devices and application and was a separate business segment that was part of Hong Kong operations.

The operating result associated with the business of design, development and sales of location-based technology devices and application for the year/period and gain on disposal of subsidiaries related to the discontinued operation are presented below:

	Notes	Year ended 31/12/2007 HK$'000	Period from 1/4/2006 to 31/12/2006 HK$'000
Turnover	4	**62**	543
Cost of sales		**–**	(62)
Other revenue and gains		**–**	74
Selling and distribution costs		**–**	(5)
Administrative expenses		**(107)**	(910)
Loss before tax and gain on disposal of subsidiaries		**(45)**	(360)
Gain on disposal of subsidiaries		**385**	1,698
Profit before tax from the discontinued operation		**340**	1,338
Tax	7	**–**	–
Profit attributable to shareholders from the discontinued operation		**340**	1,338

The net cash flows incurred by the disposed group are as follows:

	Year ended 31/12/2007 HK$'000	Period from 1/4/2006 to 31/12/2006 HK$'000
Operating activities	**(1)**	(89)
Investing activities	**50**	–
Financing activities	**–**	–
Net cash inflow/(outflow)	**49**	(89)

9. DIVIDEND

The directors of the Company do not recommend the payment of a dividend for the year (period ended 31 December 2006: nil).

10. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Year ended 31/12/2007 ***HK$'000***	Period from 1/4/2006 to 31/12/2006 *HK$'000*
For continuing and discontinued operations		
Profit/(loss) attributable to shareholders	**(92,240)**	1,148
For continuing operations		
Loss attributable to shareholders	**(92,580)**	(190)
	Number of shares	
Weighted average number of ordinary shares in issue during the year	**1,061,242,585**	361,577,386

Diluted earnings/(loss) per share is not presented as the convertible notes and share options had anti-dilutive effects on the basic earnings/(loss) per share.

11. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

	2007 ***HK$'000***	2006 *HK$'000*
0 – 30 days	**2,430**	1,710
31 – 60 days	**1,503**	499
61 – 90 days	**24**	–
Over 90 days	**728**	–
	4,685	2,209
Less: impairment	**(490)**	–
	4,195	2,209

12. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

	2007	2006
	HK$'000	*HK$'000*
0 – 30 days	**1,707**	2,433
31 – 60 days	**178**	367
61 – 90 days	**13**	16
Over 90 days	**695**	300
	2,593	3,116

13. POST BALANCE SHEET EVENTS

The following events have occurred subsequent to 31 December 2007:

(a) On 4 February 2008, the Board announced that the Company proposes to raise funds ranging from approximately HK$56.86 million to approximately HK$57.00 million, before expenses, by way of the Rights Issue of not less than 997,601,190 Rights Shares and not more than 999,977,190 Rights Shares at the Subscription Price of HK$0.057 per Rights Share. The basis of the Rights Issue is four Rights Shares for every five existing ordinary shares of the Company held on 12 March 2008. Further details of the transaction are also set out in a prospectus, circular and an announcement of the Company dated 14 March 2008, 25 February 2008 and 4 February 2008, respectively.

(b) On 18 February 2008, Better Point Limited ("Better Point"), a directly wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Austen Limited to purchase its entire interests in CR Hong Kong Limited ("CR Hong Kong") which is a jointly controlled entity of Better Point. Upon the completion of the acquisition, CR Hong Kong becomes an indirectly wholly owned subsidiary of the Company.

(c) On 18 February 2008, the Company entered into a subscription agreement (as amended by a supplemental agreement dated 7 March 2008) with Chung Chiu Limited ("Chung Chiu") whereby Chung Chiu agreed to subscribe for the convertible bonds in the principal amount of HK$40,000,000 to be issued by the Company for a term of 3 years with a coupon rate of 2% per annum. Further details of the transaction are also set out in a circular and an announcement of the Company dated 12 March 2008 and 20 February 2008, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Financial year 2007 was a significant and challenging year for the Group. It saw rapid development of brands represented by the Group and growth of the Group's distribution business. Significant financial and human resources were deployed in strengthening and re-structuring the management team and operational units to ensure the Group is able to meet the anticipated expansion of demand in 2008.

Turnover of the Group was approximately HK$60,598,000 for the year, representing an increase of 221% compared with the period from 1 April 2006 to 31 December 2006. Gross profit was HK$37,768,000, representing approximately 62% of turnover. Loss attributable to shareholders after tax was HK$92,240,000. In accordance with Hong Kong Accounting Standard 36, the Group recognised a one-time write-off of goodwill of HK$75,552,000; such goodwill was attributable to the acquisition of Golife (Hong Kong) Limited (formerly known as "Hip Kin Retailing Limited") in 2006. An impairment of intangible assets of HK$4,047,000 was also recognised.

During the year, the Group added two new brands, Cynthia Rowley and Life of Circle, to its distribution business and commenced product design and development for both brands. As a result, certain one-off pre-opening expenses were incurred, which contributed negatively to the financial performance that would have been achieved otherwise.

Distribution Business

Distribution business for two luxury brands, Anya Hindmarch and Paule Ka, continued to grow steadily. British accessory brand Anya Hindmarch remained the Group's main revenue contributor accounting for 72% of the Group's turnover. Turnover from Anya Hindmarch was HK$43,831,000, of which 69% was derived in Hong Kong and the remaining 31% from Taiwan. Turnover from the Paris-based women's wear brand Paule Ka was HK$12,931,000.

In March 2007, designer jewellery and accessory brand, Life of Circle, was added to the Group's distribution portfolio. Two points of sale ("POS") of the brand commenced operation during the year in Hong Kong, with the third one scheduled to open in April 2008. During the year, distribution business for Life of Circle achieved a turnover of HK$3,774,000 and reported a loss of HK$2,641,000. The Group believes the Life of Circle brand has enormous long-term potential, and it is only a matter of time for the brand to reach the critical mass.

In September 2007, the Group became the licensee and distributor of New York-designer brand Cynthia Rowley in Hong Kong and mainland China. The Group had secured two premises in Hong Kong and one in Beijing for setting up POS of the brand, the first of which will open in May 2008. Under the licensing agreement, the Group plans to open up to 20 POS for the brand by 2013, some of which will be opened in second-tier cities in mainland China to be operated by individual franchisees.

During the year, the Group strengthened its management by recruiting managers for its distribution and marketing departments to ensure that the manpower of these departments are sufficient to support the expansion of the Group's distribution business in the Greater China region. With a number of new POS to open in 2008, the Directors believe the Group will be able to achieve greater economies of scale and brace the performance of the distribution business and operating margins in 2008.

Product Development

Life of Circle Limited, which was formed in February 2007, and in which the Group had a 50% interest is responsible for the design, sourcing, merchandise planning and wholesale of conceptual jewellery and accessories carrying the Life of Circle trademark.

The new Life of Circle operation, which gave the Group indirect interest of the trademark, has transformed the Group from a pure distribution company into also a brand development and management company. The Group now works closely with Life of Circle Limited to ensure marketability and profitability of Life of Circle products. The Group plans to double the number of new jewellery products and introduce a new line of corporate gifts in 2008 to meet market demand.

CR Hong Kong Limited, a company in which the Group had a 50% interest as at 31 December 2007, was granted the licensing rights to design, manufacture and distribute products carrying the Cynthia Rowley trademark in Hong Kong and mainland China. It handles the design, sourcing and merchandise planning of women's apparels and accessories under the Cynthia Rowley trademark.

Expecting Cynthia Rowley brand products to contribute revenues in a decent proportion to its total revenues in the next few years, the Group has deployed resources to strengthen product development and sourcing capabilities in Hong Kong and mainland China to support the brand. The different measures taken included conducting focused market researches and recruitment of designers and merchandisers for the brand.

Acquisition of French-brand Solola

On 8 November 2007, the Group signed an agreement with Crédit Lyonnais Capital Investissement, Crédit Lyonnais Développement 2, Mr. Pierre Hémar, Lion Capital Investissement, Nollius BV and Quilvest France ("the Sellers") to purchase the sale shares, representing 96.57% of the issued share capital of Financière Solola and FS Convertible Bonds at a total initial consideration of EUR7,717,766 (approximately HK$92,381,659). Upon conversion of the FS Convertible Bonds, the Company's interest in Financière Solola will increase to approximately 98.25%.

In addition to the initial consideration and upon satisfaction of certain EBITDA targets set in the agreement, the Group will pay to the Sellers the Earn Out – a one-off performance related payment of EUR2,894,162 (approximately HK$34,643,119). If the audited consolidated EBITDA of Financière Solola Group for the year ending 31 December 2008 based on the French GAAP is equal to or in excess of the EBITDA Target, the Earn Out shall be capped at EUR2,894,162 (approximately HK$34,643,119).
(Note: Euro/Hong Kong Dollar = 11.97, as per circular dated 8 March 2008)

Financière Solola was incorporated on 6 February 2003 and the Financière Solola Group is principally engaged in the design and sale of women's apparels carrying the "Solola" brand. "Solola" products are sold in 13 boutiques of the brand in France as well as a network of over 500 wholesale points in France and worldwide.

The acquisition will give the Group equity ownership of an established French brand in Europe and will boost the Group's design and product development capabilities. On top of bringing in revenues and profits, Financière Solola becoming a member of the GoLife family is also conducive to the Group's plan to extend its POS network in Greater China and speed up business development in mainland China where demand for quality consumer brands is growing.

It is expected that, subject to satisfaction of the various conditions, including approval from shareholders of the Company, the proposed acquisition will be completed in the second quarter of 2008.

Future Plans and Strategies

Upon completion of the acquisition of the Solola brand, the Group will have five prestigious brands in its portfolio and thirty mono-branded POS in its distribution network. The Group aims to become an international premier lifestyle-product company, with emphasis on brand management, product development as well as distribution and marketing.

With China becoming the fastest growing economy in Asia, the Group will continue to focus on building a sizable POS network in mainland China, where there will be abundant opportunities for the Group's luxury lifestyle products.

The Group will continue to seek and identify unique international accessory and apparel brands with character, market potential and longevity to form distribution, product development and equity partnerships.

Corporate Planning and Administration

During the financial year, the management established a Corporate Planning and Administration division for the Group to oversee the finance as well as human resources and administration departments. The respective departments under this division support the Group's business operations, in areas including accounting, company secretarial functions, legal and compliance, human resources and investor relations.

To cope with the expanding operations in different countries, namely China, Taiwan and France, the division plans to commence an overall internal review of the Group's current systems and affairs as well as implement new internal control systems, including setting up corporate governance committees upon completion of such review as appropriate and necessary.

Liquidity and Financial Resources

The Group had cash and bank balances of HK$9,536,000 as at 31 December 2007, out of which HK$5,949,000 was pledged for banking facilities. To achieve a higher return from working capital, the Group also held short-term investments, mainly in equity listed in Hong Kong, totalling 966,000 of which HK$728,000 was secured. Total borrowings as at 31 December 2007 amounted to HK$14,368,000, which included HK$13,563,000 with maturity within one year. Except for borrowings of HK$1,613,000 denominated in pound sterling, all other borrowings were denominated in Hong Kong dollar. The Group's gearing ratio, representing borrowings divided by the total of borrowings and equity, was 55%. The Group's major exposure in foreign currency risk arising from purchase transactions. Forward contracts were entered into for hedging such transactions during the year.

As at 31 December 2007, the Group had operating lease commitments of HK$28,364,000, purchase commitments of HK$118,468,000, capital commitment for investment in Financière Solola Group of HK$89,086,000 and other capital commitments of HK$7,880,000.

Employees

As at 31 December 2007, the Group had 73 employees. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include share options granted or to be granted under the share option scheme.

Competing interests

The directors believe that none of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group.

Code on corporate governance practices

The Company has complied with the code provisions on Corporate Governance Practices as set out in the GEM Listing Rules by establishing formal and transparent procedures to protect and maximize the interests of shareholders throughout the year ended 31 December 2007.

Code on conduct regarding directors' securities transactions

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the directors have complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2007.

Purchase, sale or redemption of shares

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Review of Consolidated Financial Statements and Scope of Work of "Auditors"

The financial statements for the year ended 31 December 2007 have been reviewed by the Company's Audit Committee. The Group's consolidated financial statements for the year ended 31 December 2007 as contained in this announcement have also been agreed by the Group's auditors, Cheung & Siu. The work performed by Cheung & Siu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Cheung & Siu on the preliminary announcement.

Closure of register of members

For the purposes of the Company's forthcoming annual general meeting, the register of members of the Company will be closed from 21 May 2008 to 22 May 2008, both days inclusive. Members whose name appear on the register of members of the Company by the close of business on 20 May 2008 will be entitled to attend and vote at the forthcoming annual general meeting of the Company.

By the order of the Board
GOUW San Bo, Elizabeth
Chief Executive Officer and Executive Director

Hong Kong, 20 March 2008

As at the date of this announcement, the Board comprises three executive directors, namely Mr. LO Mun Lam, Raymond, Ms. GOUW San Bo Elizabeth and Mr. Richard YEN; two non-executive directors, namely Mr. Duncan CHIU and Ms. YU Wai Yin Vicky; and three independent non-executive directors, namely Mr. LUM Pak Sum, Mr. SUM Chun Ho and Mr. WAN Kwok Pan.

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