THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Golife Concepts Holdings Limited (the "Company"), you should at once hand this Prospectus and the accompanying provisional allotment letter and form of application for excess Right Shares to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Rights Issue Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong takes no responsibility as to the contents of any of these documents.

Dealings in the securities of the Company and the Rights Shares (as defined herein) in their nil-paid form and fully-paid form may be settled through CCASS (as defined herein) and you should consult a licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

GoLife

GOLIFE CONCEPTS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

RIGHTS ISSUE OF 997,601,190 RIGHTS SHARES OF HK$0.01 EACH AT HK$0.057 PER RIGHTS SHARE PAYABLE IN FULL ON ACCEPTANCE (IN THE PROPORTION OF FOUR RIGHTS SHARES FOR EVERY FIVE SHARES HELD ON THE RECORD DATE)

Financial adviser to the Rights Issue

CIMB

CIMB-GK Securities (HK) Limited

Underwriters of the Rights Issue

CIMB

CIMB-GK Securities (HK) Limited | **Chung Chiu Limited** | **Grand Ming Securities Limited**

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on 28 March 2008. The procedures for acceptance and transfer of the Rights Shares are set out in paragraph headed "Procedure for acceptance and payment or transfer" on page 22 of this Prospectus.

It should be noted that pursuant to the Underwriting Agreement, CIMB-GK (on behalf of the Underwriters) has the right by notice in writing to the Company at any time prior to 6:00 p.m. on the second Business Day following the Latest Acceptance Date of provisional allotments of the Rights Shares, which is expected to be 28 March 2008, to terminate the obligations of the Underwriters on the occurance of certain event. These event are set out in paragraph headed "Termination of the Underwriting Agreement" on pages 6 to 7 of this Prospectus.

Upon termination of the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company will remain liable to pay the Underwriters the fees and expenses and to indemnify the Underwriters against any loss or liability pursuant to the terms of the Underwriting Agreement (if any). If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed and the Rights Issue will lapse.

In addition, if the conditions referred to in the section headed "Conditions of the Rights Issue" in this Prospectus are not fulfilled or (where applicable) waived by the Underwriters on or before 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine in writing, in any event no later than the commencement of dealing of the fully-paid Rights Shares), the Rights Issue will not proceed and the Rights Issue will lapse.

The Shares have been dealt in on an ex-rights basis since 5 March 2008 and the Rights Shares are expected to be dealt with in their nil-paid form from 17 March 2008 to 25 March 2008 (both dates inclusive).

Any person dealing in the securities of the Company from now up to the date on which all the conditions of the Rights Issue are fulfilled or waived and any person dealing in the nil-paid Rights Shares from 17 March 2008 to 25 March 2008 (being the first day and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his/her/its/their position is recommended to consult his/ her/its/their own professional adviser.

14 March 2008

CHARACTERISTICS OF GEM

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

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

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

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The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that the Rights Issue will be become unconditional. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as soon as practicable. All times and dates in this Prospectus refer to Hong Kong local times and dates.

	Hong Kong time (2008)
First day of dealings in nil-paid Rights Shares	17 March
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on 18 March
Last day of dealings in nil-paid Rights Shares	25 March
Latest time for acceptance of and payment for Rights Shares	4:00 p.m. on 28 March
Latest time for the Rights Issue to become unconditional*(Note)*	4:00 p.m. on 1 April
Announcement of results of acceptance of and excess applications for the Rights Issue	3 April
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	8 April
Despatch of certificates for fully-paid Rights Shares on or before	8 April
Commencement of dealings in fully-paid Rights Shares	10 April
First day of the provision of matching service for odd-lot holdings of Shares	10 April
Last day of the provision of matching service for odd-lot holdings of Shares	9 May

Note:

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is:

(i) a tropical cyclone warning signal number 8 or above; or
(ii) a "black" rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of and payment for the Rights Shares. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on the expected latest date for acceptance of the offer of the Rights Shares, the dates subsequent to the said latest expected date mentioned in this section may be affected. Announcement will be posted to the GEM website by the Company in such event as soon as practicable.

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

"Acceptance Date"	the date on which the Rights Shares are accepted and paid for being a date falling not later than 15 days after the Posting Date (or such other date as the Underwriters and the Company may agree from time to time in writing)
"Announcement"	the announcement of the Company dated 4 February 2008 in relation to, among other things, the proposed Rights Issue
"associate(s)"	has the same meaning ascribed to it in the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	any day (excluding Saturdays and Sundays) on which commercial banks are generally open for ordinary business in Hong Kong
"Chung Chiu"	Chung Chiu Limited, a company incorporated in the British Virgin Islands and is wholly owned by a discretionary trust founded by Mr. Gouw Hiap Kian. Chung Chiu Limited is deemed to be interested in 19.80% of the Company through its 100% shareholding in Goldig as at the Latest Practicable Date
"CIMB-GK"	CIMB-GK Securities (HK) Limited, a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO; being one of the Underwriters
"Committed Shareholders"	Mr. Gouw Hiap Kian, Goldig and Far East
"Company"	Golife Concepts Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the GEM
"Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company convened on 12 March 2008 to approve the Rights Issue

"Excluded Shareholder(s)"	the Overseas Shareholders whom the Board, after making enquiries, considers it necessary or expedient not to offer the Rights Shares to on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Far East"	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange. Far East is interested in 11.98% of the Company as at the Latest Practicable Date
"GEM"	Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Goldig"	Goldig Properties Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiaries of Chung Chiu, which in turn is wholly-owned by a discretionary trust, founded by Mr. GOUW Hiap Kian. Goldig is interested in 19.80% of the Company as at the Latest Practicable Date
"Grand Ming"	Grand Ming Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO; being one of the Underwriters
"Greater China"	the People's Republic of China, which for the purpose of this Prospectus, includes Hong Kong, Macau and Taiwan
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	Shareholders other than Mr. LO Mun Lam Raymond, Ms. GOUW San Bo Elizabeth, Mr. Richard YEN, Mr. Duncan CHIU, Ms. YU Wai Yin, Vicky and their respective associates (including Mr. GOUW Hiap Kian and Goldig)
"Irrevocable Undertakings"	the irrevocable undertaking(s) dated 4 February 2008 given by each of the Committed Shareholders in favour of the Company and the Underwriters
"Last Trading Date"	29 January 2008
"Latest Acceptance Date"	28 March 2008 or such later time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of the offer of Rights Shares

"Latest Practicable Date"	10 March 2008, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
"Overseas Shareholder(s)"	the Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
"Posting Date"	the date on which the Prospectus will be despatched to Shareholders which is expected to be 14 March 2008
"Prospectus"	the Prospectus to be issued by the Company in relation to the Rights Issue
"Qualifying Shareholder(s)"	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) on the registers of members of the Company at the close of business on the Record Date
"Record Date"	12 March 2008
"Rights Issue"	the proposed issue of Rights Shares by the Company on the basis of 4 Rights Shares for every 5 existing Shares to the Qualifying Shareholders held on Record Date by way of rights at the Subscription Price payable in full on acceptance, pursuant to the terms and conditions of the Rights Issue
"Rights Issue Documents"	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
"Rights Share(s)"	997,601,190 new Shares to be issued by the Company pursuant to the Rights Issue
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share Option(s)"	share options granted under the share option schemes of the Company adopted on 6 March 2002, entitling the holders thereof to subscribe for Shares
"Shareholder(s)"	holder(s) of Share(s) as recorded on the registers of members of the Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company

"Subscription Price"	the subscription price of HK$0.057 per Rights Share
"subsidiary"	has the meaning ascribed to it in section 2(4) of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong)
"Underwriters"	Chung Chiu, Grand Ming and CIMB-GK
"Underwritten Shares"	not more than 649,510,310 Rights Shares
"Underwriting Agreement"	the underwriting agreement dated 4 February 2008 entered into between the Company and the Underwriters in relation to the Rights Issue
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"EUR"	Euro, the lawful currency of 15 European Union countries namely Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Slovenia and Finland, Cyprus and Malta
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent.

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

EUR1 = HK$11.98

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

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

Number of Rights Shares to be issued:	997,601,190 Rights Shares
Basis of the Rights Issue:	4 Rights Shares for every 5 existing Shares held on the Record Date
Subscription Price:	HK$0.057 per Rights Share, payable in full upon acceptance
Basis of entitlement:	Rights Shares will be allotted in the proportion of 4 Rights Share for every 5 existing Shares held by the Qualifying Shareholders on the Record Date. No Rights Shares will be offered to the Excluded Shareholders
Right of excess application:	Qualifying Shareholders will have the right to apply for excess Rights Shares
Amount to be raised by the Rights Issue:	Approximately HK$56.86 million before expenses and HK$55.0 million after expenses

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriters may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by CIMB-GK (on behalf of the Underwriters) by notice in writing to the Company at any time prior to 6:00 p.m. on two Business Days following the Latest Acceptance Date, which is expected to be 4:00 p.m. on 28 March 2008, if (among other things):

(i) the introduction of any new 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 reasonable opinion of the Underwriters, 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 Rights Issue; 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 of the Underwriting Agreement), of a political, military, financial, economic or other nature, 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 reasonable opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

(iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or

(v) a change or development involving a prospective material change in taxation in Hong Kong or the implementation of exchange controls which shall or might materially adversely affect the Company; or

(vi) any material change in market conditions, taxation or exchange control or combination of circumstances in Hong Kong, the People's Republic of China or the United States of America (including without limitation suspension or material restriction on trading in securities); or

(vii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(viii) if the Underwriters shall become aware of, the fact that any of the representations or warranties contained the Underwriting Agreement was, when given, untrue or inaccurate in any material respect or would be untrue or inaccurate in any material respect if repeated the Underwriters shall, at their absolute discretion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue.

Upon the giving of notice of termination, all obligations of the Underwriters under the Underwriting Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company will remain liable to pay the Underwriters the fees and expenses and to indemnify the Underwriters against any loss or liability pursuant to the terms of the Underwriting Agreement (if any).

If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed and the Rights Issue will lapse.

The Shares have been dealt in on an ex-rights basis since 5 March 2008 and the Rights Shares are expected to be dealt with in their nil-paid form from 17 March 2008 to 25 March 2008 (both dates inclusive).

Any person dealing in the securities of the Company from now up to the date on which all the conditions of the Rights Issue are fulfilled or waived and any person dealing in the nil-paid Rights Shares from 17 March 2008 to 25 March 2008 (being the first day and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his/her/its/their position is recommended to consult his/ her/its/their own professional adviser.

If the conditions referred to in the section headed "Conditions of the Rights Issue" in this Prospectus are not fulfilled or (where applicable) waived by the Underwriters on or before 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine in writing, in any event no later than the commencement of dealing of the fully-paid Rights Shares), the Rights Issue will not proceed and the Rights Issue will lapse.

GOLIFE CONCEPTS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

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

Non-executive Directors:
Mr. Duncan CHIU
Ms. YU Wai Yin, Vicky

Independent non-executive Directors:
Mr. LUM Pak Sum
Mr. SUM Chun Ho
Mr. WAN Kwok Pan

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

Head office and principal place of business in Hong Kong:
Suite A, 15/F., Wyndham Place
40-44 Wyndham Street
Central, Hong Kong

14 March 2008

To the Qualifying Shareholders and,
for information only, the Excluded Shareholders

RIGHTS ISSUE OF 997,601,190 RIGHTS SHARES OF HK$0.01 EACH AT HK$0.057 PER RIGHTS SHARE PAYABLE IN FULL ON ACCEPTANCE (IN THE PROPORTION OF FOUR RIGHTS SHARES FOR EVERY FIVE SHARES HELD ON THE RECORD DATE)

INTRODUCTION

On 4 February 2008, the Board announced that the Company proposed 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 Company will provisionally allot four Rights Shares in nil-paid form for every five Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The estimated net proceeds of the Rights Issue will be approximately HK$55 million (assuming that no outstanding Share Options are exercised on or before the Record Date). The Group intends to use the net proceeds of the Rights Issue to partially finance the acquisition of 96.57% interest in Financière Solola Group, as announced by the Company on 19 November 2007.

The Rights Issue is conditional upon the fulfillment or waiver of the conditions set out under the paragraph headed "Conditions of the Rights Issue" under the section headed "The Rights Issue" in this Prospectus. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (see the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Rights Issue" in this Prospectus). If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived, the Rights Issue will not proceed and the Rights Issue will lapse.

The purpose of this Prospectus is to give you further information, among other things, details of the Rights Issue, including information on dealings in, transfer and acceptance of the Rights Shares and certain financial and other information in respect of the Group.

THE RIGHTS ISSUE

Basis of the Rights Issue:	Four Rights Shares for every five existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date:	1,247,001,488 Shares
Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date:	Share Options attaching subscription rights to subscribe for 2,970,000 Shares
Number of Rights Shares (assuming no Share Options are exercised on or before the Record Date):	997,601,190 Rights Shares

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent approximately 80% of the Company's existing issued share capital as at the Latest Practicable Date, and approximately 44.44% of the enlarged issued share capital of the Company immediately following the completion of the Rights Issue.

As at the Latest Practicable Date, other than the Share Options, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

The Rights Shares

The Subscription Price for the Rights Shares is HK$0.057 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price of HK$0.057 per Rights Share represents:

- a discount of approximately 5.00% to the closing price of HK$0.0600 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a discount of approximately 4.68% to the average closing price of HK$0.0598 per Share for the five consecutive trading days up to and including the Last Trading Date;
- a discount of approximately 7.92% to the average closing price of HK$0.0619 per Share for the ten consecutive trading days up to and including the Last Trading Date;
- a discount of approximately 3.39% to the theoretical ex-rights price of HK$0.059 per Share based on the closing price of HK$0.0600 as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 9.62% to the closing price of HK$0.052 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- a premium of approximately 5.56% to the theoretical ex-right price of HK$0.054 per Share based on the closing price as quoted on the Stock Exchange on the Latest Practicable Date; and

- a premium of approximately 185.00% over the unaudited consolidated net tangible asset value per Share of approximately HK$0.02 (calculated by using the latest published unaudited net tangible asset value of the Group as at 30 June 2007 and dividing this sum by the 1,247,001,488 Shares in issue as at the date of the release of the Announcement).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to the then market environment, prevailing Share prices and the future prospects of the Group. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The Directors consider the Subscription Prices to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu with the then existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Rights Shares.

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

Adjustment to Outstanding Options

As at the Latest Practicable Date, there are 2,970,000 Outstanding Options entitling the holders thereof to subscribe for up to 2,970,000 Shares. Pursuant to the provisions of the Share Option Scheme, if the Rights Issue becomes unconditional, the Rights Issue may constitute an event giving rise to an adjustment to both the exercise price of the Outstanding Options and the number of Shares issuable upon exercise of the Outstanding Options. Details of the exercise prices, and the number of Shares issuable upon exercise in full, of the Outstanding Options and the adjustments (if any) are set out in Appendix III to this Prospectus. The Directors confirmed that such adjustments are fair and reasonable and satisfied the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all listed issuers relating to share option adjustments. The Company's auditors also confirmed to the Directors that such adjustments are in compliance with the provisions of the Share Option Scheme.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to Qualifying Shareholders, who have accepted and applied for (where appropriate) and fully paid for the Rights Shares, on or before 8 April 2008 by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are expected to be noted on or before 8 April 2008 by ordinary post to applicants at their own risk.

Qualifying Shareholders

The Company will send (i) the Rights Issue Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Excluded Shareholders. The Excluded Shareholders will be entitled to attend and vote at the EGM.

To qualify for the Rights Issue, the Shareholders must be registered as members of the Company on the Record Date. In order to qualify for the Rights Issue, Share Options holder must (i) exercise its subscription rights of the Share Options in accordance with the relevant procedures specified in the rules of the Share Option Scheme on or before the Record Date; (ii) be registered as a holder of the Shares allotted pursuant to the exercise of the subscription rights of the Share Options on or before the Record Date; and (iii) not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (with the relevant Share certificate(s)) with the Company's share registrar in Hong Kong by 4:00 p.m. on 6 March 2008. The last day of dealings in Shares on a cum-rights basis is therefore expected to be 4 March 2008. The Shares are expected to be dealt with on an ex-rights basis from 5 March 2008.

The Company's share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

It is intended that the Company's register of members will be closed from 7 March 2008 to 12 March 2008, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Excluded Shareholders

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is at a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Rights Issue as documents to be issued in connection with the Rights Issue will not be registered and/or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

No persons receiving a copy of the provisional allotment letter or the form of application for excess Rights Shares in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of any person outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant jurisdiction, including the obtaining of any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith.

Based on the register of members of the Company on the Record Date, no Shareholder had their registered address outside Hong Kong, and therefore, there were no Overseas Shareholders.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the acquisition, holding or disposal of, or dealing in the Rights Shares and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasized that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, the following conditions being fulfilled:

(i) the passing of the necessary resolutions by the Shareholders to approve the Rights Issue at the EGM;

(ii) the Rights Issue Documents being duly approved by the Directors, as evidenced by the signing by or on behalf of all of the Directors on or before the Posting Date of four copies of each of the Rights Issue Documents and the certification by two Directors of two copies of each of the Rights Issue Documents and the delivery on or before the Posting Date of one such signed copy of each of the Rights Issue Documents to the Underwriters;

(iii) the delivery to the Stock Exchange and registration by the registrar of companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Rights Issue Documents each duly certified by two Directors or their duly authorised agents in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto), the filing and registration with the registrar of companies in the Cayman Islands on or before the Posting Date of one copy of each of the Rights Issue Documents each duly signed by or on behalf of the Directors as required by the Companies Law, and otherwise complying with the requirements of the Companies Ordinance, the Companies Law and the GEM Listing Rules;

(iv) the posting on the Posting Date of copies of the Rights Issue Documents to the Qualifying Shareholders;

(v) the Listing Committee of the GEM agreeing to grant listings of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the Posting Date and the Listing Committee of the GEM not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the second Business Day following the Latest Acceptance Date; and

(vi) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;

None of the Company and the Underwriters may waive conditions (i), (ii), (iii), (iv) and (v) set out above. The Underwriters may waive condition (vi) set out above in whole or in part by written notice to the Company. If any of the conditions of the Rights Issue are not fulfilled or (in respect of condition (vi) only) waived on or before 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine in writing, in any event no later than the commencement of dealing of the fully-paid Rights Shares), the Underwriting Agreement shall be terminated (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

(a) Subscription undertakings

As at the Latest Practicable Date, the Committed Shareholders, namely Mr. GOUW Hiap Kian, Goldig and Far East are interested in 40,800,000 Shares, 246,920,000 Shares and 149,373,600 Shares respectively, representing approximately 3.27%, 19.80% and 11.98% respectively of the existing issued share capital of the Company. As at the Latest Practicable Date, Mr. GOUW Hiap Kian holds 990,000 Share Options, which, if fully exercised on or before the Record Date, will increase his interest in the Company to 41,790,000 Shares. Pursuant to the Rights Issue, Mr. GOUW Hiap Kian, Goldig and Far East will be entitled to a maximum of 33,432,000 Rights Shares (assuming all Share Options held by Mr. GOUW Hiap Kian are exercised on or before the Record Date), 197,536,000 Rights Shares and 119,498,880 Rights Shares respectively.

Each of the Committed Shareholders has irrevocably undertaken to the Company and the Underwriters that: (i) the Shares beneficially owned by them will remain registered in their names from the date of their Irrevocable Undertakings up to the close of business of the Record Date; (ii) they will subscribe or procure the subscription of the Rights Shares which constitute the provisional allotment of Rights Shares in respect of Shares beneficially owned by them pursuant to the terms of the Rights Issue and lodge with the Company acceptance in respect of all the Rights Shares provisionally allotted to them and/or their nominee(s), with payment in full therefor in cash (whether by cheque or banker's draft or such other form as the Company may approve); and (iii) they will not and will procure that (so far as reasonably possible) companies controlled by them will not dispose of or transfer the beneficial interests in any of the Shares beneficially owned by them from the date of their Irrevocable Undertakings up to and including two Business Days after the day by which provisional allotments of Rights Shares may be validly accepted and excess Rights Shares may be validly applied for.

(b) Underwriting Agreement dated 4 February 2008

Issuer:	The Company		
Underwriters:	Chung Chiu, Grand Ming and CIMB-GK		
Number of Underwritten Shares (assuming all Share Options are exercised on or before the Record Date):	Not more than 649,510,310 Rights Shares, being the total number of Rights Shares under the Rights Issue excluding not more than 350,466,880 Rights Shares undertaken to be subscribed by the Committed Shareholders pursuant to their Irrevocable Undertakings		
The number of Rights Shares underwritten by each of the Underwriters are as follows:	–	Chung Chiu	Not more than 133,038,777 Rights Shares
	–	Grand Ming	Not less than 424,623,585 and not more than 425,352,225 Rights Shares
	–	CIMB-GK	Not less than 90,263,948 and not more than 91,119,308 Rights Shares

Commission: 2% of the aggregate Subscription Price of the Underwritten Shares

Each of Chung Chiu and Far East is a substantial Shareholder and therefore a connected person (as defined in the GEM Listing Rules) of the Company and their respective ordinary business does not include underwriting.

The Directors consider that the terms of the Underwriting Agreement (including the commission amount) have been determined based on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

(c) Termination of the Underwriting Agreement

The Underwriters may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by CIMB-GK (on behalf of the Underwriters) by notice in writing to the Company at any time prior to 6:00 p.m. on two Business Days following the Latest Acceptance Date, which is expected to be 4:00 p.m. on 28 March 2008, if (among other things):

(i) the introduction of any new 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 reasonable opinion of the Underwriters, 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 Rights Issue; 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 of the Underwriting Agreement), of a political, military, financial, economic or other nature, 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 reasonable opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

(iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or

(v) a change or development involving a prospective material change in taxation in Hong Kong or the implementation of exchange controls which shall or might materially adversely affect the Company; or

(vi) any material change in market conditions, taxation or exchange control or combination of circumstances in Hong Kong, the People's Republic of China or the United States of America (including without limitation suspension or material restriction on trading in securities); or

(vii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(viii) if the Underwriters shall become aware of, the fact that any of the representations or warranties contained the Underwriting Agreement was, when given, untrue or inaccurate in any material respect or would be untrue or inaccurate in any material respect if repeated the Underwriters shall, at their absolute discretion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue.

Upon the giving of notice of termination, all obligations of the Underwriters under the Underwriting Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company will remain liable to pay the Underwriters the fees and expenses and to indemnify the Underwriters against any loss or liability pursuant to the terms of the Underwriting Agreement (if any).

If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed and the Rights Issue will lapse.

The Shares have been dealt in on an ex-rights basis since 5 March 2008 and the Rights Shares are expected to be dealt with in their nil-paid form from 17 March 2008 to 25 March 2008 (both dates inclusive).

Any person dealing in the securities of the Company from now up to the date on which all the conditions of the Rights Issue are fulfilled or waived and any person dealing in the nil-paid Rights Shares from 17 March 2008 to 25 March 2008 (being the first day and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his/her/its/their position is recommended to consult his/her/its/their own professional adviser.

If the conditions referred to in the section headed "Conditions of the Rights Issue" in this Prospectus are not fulfilled or (where applicable) waived by the Underwriters on or before 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine in writing, in any event no later than the commencement of dealing of the fully-paid Rights Shares), the Rights Issue will not proceed and the Rights Issue will lapse.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from 5 March 2008. Dealings in the Rights Shares in the nil-paid form will take place from 17 March 2008 to 25 March 2008 (both days inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived on or before the 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine in writing, in any event no later than the commencement of dealing of the fully-paid Rights Shares), or the Underwriting Agreement is terminated by the Underwriters, the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons contemplating buying or selling Shares from the date of the release of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived, and any dealings in the Rights Shares in their nil-paid form between 17 March 2008 to 25 March 2008 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

CHANGES IN SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue (assuming no share Options are exercised on or before completion of the Rights Issue):

Name of Shareholder/ Beneficial owner	Existing shareholding as at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming no Share Options are exercised on or before the Record Date and assuming all Shareholders have taken up their rights entitlements)		Immediately after completion of the Rights Issue (assuming no Share Options are exercised on or before the Record Date and assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements)	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*
Mr. Gouw Hiap Kian *(Note 1 & 3)*	40,800,000	3.27	73,440,000	3.27	73,440,000	3.27
Goldig *(Note 1)*	246,920,000	19.80	444,456,000	19.80	444,456,000	19.80
Chung Chiu *(Note 1)*	–	–	–	–	133,038,777	5.93
Sub-total of Shares Mr. Gouw Hiap Kian deemed to be interested in	287,720,000	23.07	517,896,000	23.07	650,934,777	29.00
Duncan Chiu	–	–	–	–	–	–
Richard Yen	–	–	–	–	–	–
Far East *(Note 2)*	149,373,600	11.98	268,872,480	11.98	268,872,480	11.98
Grand Ming	–	–	–	–	424,623,585	18.92
CIMB-GK *(Note 2)*	–	–	–	–	90,263,948	4.02
Other public Shareholders	809,907,888	64.95	1,457,834,198	64.95	809,907,888	36.08
Total:	1,247,001,488	100.00	2,244,602,678	100.00	2,244,602,678	100.00

Notes:

1) Goldig is a wholly owned subsidiary of Chung Chiu, which in turn is wholly owned by a discretionary trust. The founder of such discretionary trust is Mr. Gouw Hiap Kian, and the trustee of the discretionary trust is HSBC International Trustee Limited. Under the SFO, each of Chung Chiu and Mr. Gouw Hiap Kian is deemed to be interested in the 246,920,000 Shares held by Goldig.

2) CIMB-GK has entered into sub-underwriting arrangement with Far East whereby Far East has sub-underwritten the entire maximum 91,119,308 Rights Shares from CIMB-GK (assuming all Share Options are exercised on or before the Record Date and assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements). In the event that all of the 91,119,308 Rights Shares are required to be taken up by Far East, Far East's shareholding interest in the Company would increase from 11.95% to 16% immediately after completion of the Rights Issue (assuming all Share Options are exercised on or before the Record Date and assuming no Shareholders (other than the Committed Shareholders) have taken up their rights entitlements).

3) Mr. Gouw Hiap Kian is not acting in concert with the underwriters of the Rights Issue, namely Far East, Grand Mining Securities Limited and CIMB-GK.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The net proceeds from the Rights Issue, assuming no Share Options are exercised prior to the Record Date) after deducting for expenses are estimated to be approximately HK$55 million. The Company intends to use the proceeds to partially finance the initial consideration of EUR7,717,766 (HK$92,458,837) for the acquisition of 96.57% interest in the Financière Solola Group announced on 19 November 2007. Given the existing financial position of the Group, the Directors consider that the Rights Issue is an appropriate method to finance the acquisition as the Rights Issue will enlarge the capital base of the Company and that all Shareholders will be given an opportunity to participate in the future growth of the Company. Accordingly, the Directors are of the view that the Rights Issue is in the interests of the Group and the Shareholders as a whole.

APPLICATION FOR LISTING

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 30,000 Shares in one board lot.

Subject to the grant of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS. You should seek the advice of your licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty in Hong Kong.

As at the Latest Practicable Date, no part of the share capital of the Company was listed or dealt in any other stock exchange and no application has been made or was proposed to be sought on any other stock exchange.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Save for as disclosed below, the Company has not conducted other equity fund raising exercise in the 12 months immediately preceding the Latest Practicable Date.

Date of agreement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
5 June 2007	Issue of 150,000,000 new Shares under the subscription agreement dated 5 June 2007	HK$24.3 million	– Approximately HK$14.5 million for the expansion of its retail distribution network in Hong Kong and the PRC for existing brands (Anya Hindmarch, Paule Ka and Life of Circle) and new brands (Cynthia Rowley and Herend) of the Group; – Approximately HK$4.9 million for brand and product development for existing and new brands of the Group; and – Approximately HK$4.9 million for marketing and as general working capital of the Group	– Approximately HK$14.5 million for the expansion of its retail distribution network; – Approximately HK$5.1 million for product development; and – Approximately HK$4.7 million for general working capital of the Group

Date of agreement	Transaction	Net proceeds raised/to be raised	Intended use of proceeds	Actual use of proceeds
18 February 2008	Issue of convertible bonds in the principle amount of HK$40,000,000 under the subscription agreement dated 18 February 2008 (as amended by a supplemental agreement dated 7 March 2008)	HK$39.5 million	– Approximately HK$32.8 million for the payment of the initial consideration for the acquisition of the sale shares and the FS Convertible bonds by the Company pursuant to the acquisition agreement as announced by the Company on 19 November 2007 – Approximately HK$6.7 million for general working capital purpose of the Group	– The convertible bonds is yet to be approved by the Shareholders as at the date of this circular

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on the latest date for acceptance of and payment for the Rights Shares at any local time between 12:00 noon and 4:00 p.m., the Latest Acceptance Date will be postponed to 4:00 p.m. on the following Business Day, which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. Accordingly, the dates subsequent to the expected date of the Latest Acceptance Date mentioned in the section headed "Expected timetable for the Rights Issue" in this Prospectus may be affected. Announcement will be made by the Company in such event as soon as practicable.

Procedure for acceptance and payment or transfer

For each Qualifying Shareholder, a provisional allotment letter is enclosed with this Prospectus which entitles you to subscribe for the number of the Rights Shares shown therein. **If you wish to exercise your right to subscribe for all the Rights Shares provisionally allotted to you as specified in the provisional allotment letter, you must lodge the provisional allotment letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Registrar") at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on 28 March 2008. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "GOLIFE CONCEPTS HOLDINGS LIMITED – PAL" and crossed "ACCOUNT PAYEE ONLY".**

It should be noted that unless the duly completed provisional allotment letter, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on 28 March 2008, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application by the Qualifying Shareholders through the form of application for excess Rights Shares.

If you wish to accept only part of your provisional allotment or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you or to transfer your rights to more than one person, the entire provisional allotment letter must be surrendered and lodge for cancellation by no later than 4:00 p.m. on 18 March 2008, to the Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, which will cancel the entire original provisional allotment letter and issue new provisional allotment letters in the denominations required. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

The provisional allotment letter contains full information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of your provisional allotment.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any provisional allotment letter in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the relevant provisional allotment of Rights Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of this Prospectus or the provisional allotment letter for the Rights Shares in any territory other than Hong Kong. Subject to the paragraph headed "Excluded Shareholders" above, no person receiving a provisional allotment letter for the Rights Shares in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. No application for Rights Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of the territory of residence of the applicant.

If the Underwriters exercise their right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the Rights Issue will not proceed and the monies received in respect of acceptances of the Rights Shares will be returned without interest to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form shall have been validly transferred, by means of cheques crossed "ACCOUNT PAYEE ONLY" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company or the transfer form at their own risk on or before 8 April 2008.

APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders (see the paragraph headed "Excluded Shareholders" above), any unsold fractions of Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

If you as a Qualifying Shareholder wish to apply for any Rights Shares in addition to your provisional allotment indicated on the provisional allotment letter enclosed with this Prospectus, you must complete and sign the enclosed form of application for excess Rights Shares in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on 28 March 2008. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on account with, or cashier's order must be issued by, a licensed bank in Hong Kong and made payable to "Golife Concepts Holdings Limited – EAF" and crossed "ACCOUNT PAYEE ONLY". Shareholders should note that only cheques issued by and bearing the name of the Qualifying Shareholders will be accepted. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable bonus and will give preference to topping up odd lots to whole board lots.

The Qualifying Shareholder(s) will be notified of any allotment of excess Rights Shares made to him/her/it/them on or about 3 April 2008 from the announcement of the result of the Rights Issue.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any form of application for excess Rights Shares in respect of which the accompanying cheque or cashier's order is dishonored on first presentation is liable to be rejected and cancelled.

If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Rights Shares without interest will be posted to the Qualifying Shareholder's address as shown on the register of member of the Company by ordinary post at his/her/its/their own risk on or before 8 April 2008. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder's address as shown on the register of members of the Company by ordinary post at his/her/its/their own risk on or before 8 April 2008.

No action has been taken to permit the offering of the Rights Shares or the distribution of this Prospectus or the form of application for excess Rights Shares in any territory outside Hong Kong and therefore the form of application for excess Rights Shares may not be used by the Excluded Shareholders. Subject to the paragraph headed "Excluded Shareholders" above, no person receiving a copy of the form of application for excess Rights Shares in any territory outside Hong Kong may treat it as an offer or invitation to apply for excess Rights Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the excess Rights Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of the relevant territory, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. No application for excess Rights Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of the territory of residence of the applicant.

If the Underwriters exercise their right to terminate its obligations under the Underwriting Agreement at any time prior to 6:00 p.m. on the Second Business Day following the Latest Acceptance Date, which is expected to be 28 March 2008 or the conditions referred to in the section headed "Conditions of the Rights Issue" in this Prospectus are not fulfilled or waived by the Underwriters on or before 4:00 p.m. Hong Kong time on 1 April 2008 (or such later time and/or date as the Company and the Underwriters may determine the writing in any event no later than the commencement of dealing of fully-paid Rights Shares, the Rights Issue will not proceed and the Rights Issue will lapse and the monies received in respect of applications for excess Rights Shares without interest will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person, by means of cheques crossed "ACCOUNT PAYEE ONLY" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before 8 April 2008.

ODD-LOT FACILITY ARRANGEMENTS

In order to alleviate the difficulties arising from the existence (if any) of odd lots of the Shares traded on the Stock Exchange and to facilitate the trading of such odd lots, the Company has instructed CIMB-GK Securities (HK) Limited to arrange matching services to be provided, on a best effort basis, for the sale and purchase of odd lots of the Shares traded on the Stock Exchange. During the period from 10 April 2008 to 9 May 2008 (both dates inclusive), Shareholders who wish to take advantage of this facility, either to dispose of their odd-lot holdings or to top them up to whole board lots, may contact:

Contact person	Address	Telephone number
Mr. Boby Ho	25/F Central Tower 28 Queen's Road Central Hong Kong	(852) 2532 1131

Shareholders and potential investors should note that successful matching of the sale and purchase of odd lots of the Shares traded on the Stock Exchange is not guaranteed. Investors who have their beneficial interests in the Shares which are held by various nominees may consider consolidating the relevant Shares to be held by themselves or a smaller number of nominee(s) with a view to minimising the coming about of odd lots of Shares as a result of the Rights Issue.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
LO Mun Lam, Raymond
Executive Director

1. FINANCIAL SUMMARY

The Golife Group has changed its financial year end from 31 March to 31 December in 2006. Set out below is a summary of the audited consolidated results and financial positions of the Group for the three years ended 31 March 2004, 2005, 2006 and the nine months ended 31 December 2006 as extracted from the annual reports of the Group for the respective years, and the unaudited consolidated results of the Group for the nine months ended 30 September 2007 and the financial position of the Group as at 30 June 2007, as extracted from the results announcement of the Group.

Results of the Group

	For the year ended 31 March 2004	For the year ended 31 March 2005	For the year ended 31 March 2006	Period from 1 April 2006 to 31 December 2006	For the nine months ended 30 September 2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	14,779	1,442	1,359	18,885	39,454
Profit/(loss) before tax	(47,099)	(17,163)	(17,726)	1,824	(1,245)
Tax	–	–	–	(676)	(734)
Profit/(loss) for the year	(47,099)	(17,163)	(17,726)	1,148	(1,979)
Earnings per share for profit attributable to the equity holders of the Company for the year					
– Basic (cents)	(7.98)	(2.91)	(14.49)	0.32	(0.20)
– Diluted (cents)	N/A	N/A	N/A	N/A	N/A
Dividends	–	–	–	–	–

Financial position of the Group

	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 December 2006	As at 30 June 2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	31,065	17,832	454	102,385	126,200
Total liabilities	(8,758)	(12,690)	(6,280)	(70,837)	(22,332)
Total equity	22,307	5,142	(5,826)	31,548	103,868

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The following is the audited consolidated financial statements of the Group for the year ended 31 December 2006 together with the accompanying notes as extracted from the annual report of the Company for the year ended 31 December 2006.

Consolidated Income Statement
Period from 1 April 2006 to 31 December 2006

	Notes	**Period from 1/4/2006 to 31/12/2006** *HK$'000*	**Year ended 31/3/2006** *HK$'000*
Turnover	*7*	18,885	1,359
Cost of sales		(7,385)	(520)
Gross profit		11,500	839
Other revenue and gains	*7*	5,357	3,130
Selling and distribution costs		(994)	–
Administrative expenses		(12,240)	(21,695)
Finance costs	*8*	(1,799)	–
PROFIT/(LOSS) BEFORE TAX	*9*	1,824	(17,726)
Tax	*11*	(676)	–
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	*12*	1,148	(17,726)
Dividend	*13*	–	–
Earnings/(loss) per share	*14*		
– basic (cents)		0.32	(14.49)
– diluted (cents)		N/A	N/A

Consolidated Balance Sheet

31 December 2006

	Notes	31/12/2006 HK$'000	31/3/2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	2,955	–
Goodwill	16	75,552	–
Intangible assets	17	4,720	–
Investments in associates	19	–	4
Total non-current assets		83,227	4
CURRENT ASSETS			
Inventories	20	2,643	–
Trade receivables	21	2,209	328
Deposits, prepayments and other receivables		4,598	10
Financial assets at fair value through profit or loss	22	6,190	–
Derivative financial instruments	23	92	–
Cash and bank balances		3,426	112
Total current assets		19,158	450
CURRENT LIABILITIES			
Trade and bills payables	24	3,116	–
Other payables and accruals		3,212	1,505
Interest-bearing bank and other borrowings	25	12,460	–
Tax payable		1,076	–
Total current liabilities		19,864	1,505
Net current liabilities		(706)	(1,055)
Total assets less current liabilities		82,521	(1,051)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	25	2,785	4,775
Convertible notes	27	48,188	–
Total non-current liabilities		50,973	4,775
Net assets/(liabilities)		31,548	(5,826)
EQUITY			
Issued capital	29	5,268	65,850
Equity component of convertible notes	27	11,316	–
Reserves		14,964	(71,676)
Total equity		31,548	(5,826)

Consolidated Statement of Changes in Equity

Period from 1 April 2006 to 31 December 2006

	Issued capital *HK$'000*	Share premium *HK$'000*	Equity component of convertible notes *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 April 2005	59,092	34,698	–	(15)	(88,633)	5,142
Issue of shares upon loan capitalisation	6,758	–	–	–	–	6,758
Net loss for the year	–	–	–	–	(17,726)	(17,726)
At 31 March 2006 and 1 April 2006	65,850	34,698	–	(15)	(106,359)	(5,826)
Capital reorganisation – *note 29*	(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 – *note 27*	–	–	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	5,268	55,642	11,316	–	(40,678)	31,548

Consolidated Cash Flow Statement
Period from 1 April 2006 to 31 December 2006

	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Profit/(loss) before tax	1,824	(17,726)
Adjustments for:		
Finance costs	1,799	–
Interest income	(9)	–
Depreciation	732	11,194
Provision for impairment on investment in an associate	4	–
Amortisation of intangible assets	280	–
Gain on disposal of subsidiaries	(1,698)	–
Waiver of other loan	(1,000)	–
Fair value gain on financial assets at fair value through profit or loss	(2,014)	–
Fair value gain on derivative financial instruments	(92)	–
Write-off of property, plant and equipment	–	5,827
Reversal of write-down of inventories	–	(176)
Reversal of provision for doubtful debts	(3)	(2,537)
Operating cash flow before movements in working capital	(177)	(3,418)
Decrease in inventories	2,837	512
Decrease/(increase) in trade receivables	(409)	2,380
Decrease in deposits, prepayments and other receivables	5,677	177
Increase in financial assets at fair value through profit or loss	(4,176)	–
Increase in trade and bill payables	1,342	–
Decrease in other payables and accruals	(400)	(961)
Increase in amount due to a fellow subsidiary	–	667
Increase in amount due to a director	–	650
Cash generated from operations	4,694	7
Interest received	9	–
Hong Kong profits tax paid	(2,718)	–
Overseas tax paid	(47)	–
NET CASH FROM OPERATING ACTIVITIES	1,938	7

	Period from 1/4/2006 to 31/12/2006 HK$'000	Year ended 31/3/2006 HK$'000
INVESTING ACTIVITIES		
Acquisition of a subsidiary	(21,362)	–
Purchases of items of property, plant and equipment	(125)	(9)
NET CASH USED IN INVESTING ACTIVITIES	(21,487)	(9)
FINANCING ACTIVITIES		
Interest paid	(315)	–
Proceeds from open offer	24,895	–
Redemption of convertible notes	(3,500)	–
Repayment of other loan	(3,775)	–
New bank loans	7,300	–
Repayment of bank loans	(873)	–
Decrease in trust receipt loans	(3,157)	–
Repayments of capital element of finance leases	(183)	(8)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	20,392	(8)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	843	(10)
Cash and cash equivalents at beginning of period/year	112	122
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	955	112
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,426	112
Bank overdrafts	(2,471)	–
	955	112

Balance Sheet
31 December 2006

	Notes	31/12/2006 HK$'000	31/3/2006 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	18	81,180	–
CURRENT ASSETS			
Cash and bank balances		1	22
CURRENT LIABILITIES			
Other payables and accruals		685	329
Due to a subsidiary	18	3,915	–
Total current liabilities		4,600	329
Net current liabilities		(4,599)	(307)
Total assets less current liabilities		76,581	(307)
NON-CURRENT LIABILITIES			
Convertible notes	27	48,188	–
Net assets/(liabilities)		28,393	(307)
EQUITY			
Issued capital	29	5,268	65,850
Equity components of convertible notes	27	11,316	–
Reserves	31	11,809	(66,157)
Total equity		28,393	(307)

Notes to the Financial Statements
31 December 2006

1. GENERAL INFORMATION

Golife Concepts Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 11 June 2001 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26 March 2002.

The registered office and principal place of business of the Company are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands and 22/F, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong, respectively.

The Company's principal activity has not changed during the period and consisted of investment holding. The principal activities of its subsidiaries are design, development and sales of location-based technology devices and application, and distribution of high-end apparel and accessories.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) 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.

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

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3.1 impact of issued but not yet effective hong kong financial reporting standards

The Group has not early applied the following new standards, amendment and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impacts on the financial statements of the Group.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments Disclosures[1]
HK(IFRIC)-Int 8	Scope of HKFRS 2[2]
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives[3]
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment[4]
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions[5]
HK(IFRIC)-Int 12	Service Concession Arrangements[6]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 May 2006
[3] Effective for annual periods beginning on or after 1 June 2006
[4] Effective for annual periods beginning on or after 1 November 2006
[5] Effective for annual periods beginning on or after 1 March 2007
[6] Effective for annual periods beginning on or after 1 January 2008

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared on a going concern basis notwithstanding the Group had net current liabilities as at 31 December 2006, the validity of which is dependent upon the success of the Group's future operations and its ability to generate adequate cash flows in order to meet its obligations as and when they fall due such that the Group can meet its future working capital. Subsequent the balance sheet date, the Group's operation has generated sufficient cash flows to meet its obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

The Group changed its financial year end date from 31 March to 31 December. The financial statements for the current period cover 9 months from 1 April 2006 to 31 December 2006. The comparative amounts shown for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and related notes cover the year ended 31 March 2006 and therefore, are not with a comparable time period.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period from 1 April 2006 to 31 December 2006. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The acquisition of subsidiaries during the period has been accounted for using purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the income statement and reserves, respectively. The Group's interests in associates are stated in the balance sheet at the Group's share of net assets under equity method of accounting, less any impairment losses.

The results of associates are included in the Group's income statement to the extent of dividends received and receivable. The Group's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is initially recognised in the consolidated balance sheet as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups or units. Each unit or group of units to which the goodwill is so allocated:

– represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and

– is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with HKAS 14 "Segment Reporting".

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognized for goodwill is not reversed in a subsequent period.

Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is an associate;

(c) the party is a jointly-controlled entity;

(d) the party is a member of the key management personnel of the Group or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, except that when an item of property, plant and equipment is classified as held for sale, it is not depreciated and is measured at the lower of carrying amount and fair value less costs to sell. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20%
Furniture, fixtures and office equipment, and computer equipment	20% – 33.3%
Motor vehicles	20 – 25%
Moulds	50%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the asset.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalized finance leases are included in property, plant and equipment and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. The rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Franchise rights

Franchise rights are stated at cost less any impairment losses, and are amortised on the straight-line basis over their estimated useful lives of 4 to 10 years.

Investment and other financial assets

Financial assets in the scope of HKAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sales financial assets are those non-derivative financial assets in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other two categories. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; a discounted cash flow analysis and option pricing models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, its transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial asset) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised as well as through the amortisation process.

Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible notes, the fair value of the liability components is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and components when the instruments are first recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recongised for all taxable temporary differences, except:

– where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sales of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the rendering of services, when services are rendered; and

(c) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Employee benefits

Share-based payment transactions

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employee is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group ("market conditions"), if applicable.

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs are recognised as expenses in the income statement in the period in which they are incurred.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Group's functional and presentation currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the period. The resulting exchange differences are included in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the period are translated into Hong Kong dollars at the weighted average exchange rates for the period.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Impairment of assets

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could have a material effect on the net present value used in the impairment test.

6. 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 period from 1 April 2006 to 31 December 2006 and the year ended 31 March 2006.

For management purposes, the Group is currently 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.

Segment information about these businesses is presented below.

	Design, development and sales of location-based technology devices and applications		Distribution of high-end apparel and accessories		Consolidated	
	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER						
External turnover	543	1,359	18,342	–	18,885	1,359
RESULTS						
Segment results	(360)	(16,879)	363	–	3	(16,879)
Unallocated revenue					5,110	204
Unallocated expenses					(1,490)	(1,051)
Finance costs					(1,799)	–
Profit/(loss) before tax					1,824	(17,726)
Tax					(676)	–
Profit/(loss) for the period/year					1,148	(17,726)
Assets:						
Segment assets	1	428	94,395	–	94,396	428
Investment in an associate	–	4	–	–	–	4
Unallocated corporate assets					7,989	22
Total assets					102,385	454
Liabilities:						
Segment liabilities	417	5,950	21,547	–	21,964	5,950
Unallocated corporate liabilities					48,873	330
Total liabilities					70,837	6,280

	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other segment information:						
Capital expenditure	–	9	1,741	–	1,741	9
Depreciation	–	11,194	732	–	732	11,194
Amortisation	–	–	280	–	280	–
Impairment loss	4	–	–	–	4	–

(ii) Geographical segments

During the period, the Group's turnover was derived from operations carried out in Hong Kong and Taiwan. Over 90% of the Group's assets, liabilities and capital expenditures are derived from operations carried out in Hong Kong. Accordingly, no further geographical segment information is presented in the financial statements except the followings.

	Hong Kong		Taiwan		Other		Consolidated	
	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER								
External turnover	13,798	1,359	5,087	–	–	–	18,885	1,359
RESULTS								
Segment results	1,759	(16,614)	433	–	(368)	(1,112)	1,824	(17,726)
Tax							(676)	–
Profit/(loss) for the period/year							1,148	(17,726)

7. TURNOVER, OTHER REVENUE 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 revenue and gains is as follows:

	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*
TURNOVER		
Design, development and sales of location-based technology devices and applications	543	1,359
Distribution of high-end apparel and accessories	18,342	–
	18,885	1,359

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
OTHER REVENUE AND GAINS		
Bank interest income	9	–
Consultancy fee income	72	–
Fair value gain on financial assets at fair value through profit or loss	2,014	–
Fair value gain on derivative financial instruments	92	–
Gain on disposal of financial assets at fair value through profit or loss	398	–
Gain on disposal of subsidiaries	1,698	–
Reversal of provision for doubtful debts	3	2,498
Reversal of write-down of inventories	–	176
Waiver of other loan	1,000	–
Write-off of long outstanding other payables and accruals	–	252
Sundry income	71	204
	5,357	3,130

8. FINANCE COSTS

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
Interest on convertible notes	1,484	–
Interest on bank loans and overdrafts wholly repayable within five years	289	–
Interest on finance leases	26	–
	1,799	–

9. PROFIT/(LOSS) BEFORE TAX

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

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
Cost of inventories sold	7,323	–
Cost of services rendered	62	520
Auditors' remuneration	295	250
Amortisation of intangible assets	280	–
Depreciation of property, plant and equipment	732	11,194
Exchange losses, net	76	10
Minimum lease payments under operating leases on land and buildings	3,962	310
Provision for impairment on investment in an associate	4	–
Write-off of property, plant and equipment	–	5,827
Staff costs (excluding directors' remuneration – *note 10*)		
Salaries and allowances	3,119	1,687
Pension scheme contributions	128	(16)
	3,247	1,671

10. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

The remuneration of each director for the period from 1 April 2006 to 31 December 2006 and the year ended 31 March 2006 are set out below:

Period from 1 April 2006 to 31 December 2006:

	Fees *HK$'000*	Salaries and allowances *HK$'000*	Retirement scheme contribution *HK$'000*	Total *HK$'000*
Executive directors				
Leung Tak Wah	–	190	9	199
Lo Mun Lam, Raymond	200	–	–	200
Yu Wai Yin, Vicky	40	–	–	40
Independent non-executive directors				
Lum Pak Sam	–	–	–	–
Sum Chun Ho, Sam	19	–	–	19
Wan Kwok Pan	14	–	–	14
Non-executive directors				
Duncan Chiu *(note 1)*	–	–	–	–
Richard Yen *(note 1)*	–	–	–	–
Total	273	190	9	472

Year ended 31 March 2006:

	Fees *HK$'000*	Salaries and allowances *HK$'000*	Retirement scheme contribution *HK$'000*	Total *HK$'000*
Executive directors				
Tsoi Siu Ching, Leo *(note 2)*	–	–	–	–
Leung Tak Wah	–	260	12	272
Lo Mun Lam, Raymond	–	–	–	–
Yu Wai Yin, Vicky	70	–	–	70
Independent non-executive directors				
Chan Chi Tong *(note 3)*	70	–	–	70
Huang Hai Wen *(note 4)*	64	–	–	64
Liu Kwong Sang *(note 5)*	–	–	–	–
Lum Pak Sum	–	–	–	–
Sum Chun Ho, Sam	35	–	–	35
Wan Kwok Pan	6	–	–	6
Total	245	260	12	517

Notes:

1. Mr. Chiu and Mr. Yen appointed on 27 September 2006.
2. Mr. Tsoi resigned on 31 August 2005.
3. Mr. Chan resigned on 15 September 2005.
4. Mr. Huang resigned on 31 August 2005.
5. Mr. Liu resigned on 8 February 2006.

There was no arrangement under which a director waived or agreed to waive any remuneration during the period/year.

The five individuals whose emoluments were the highest in the Group for the period include two (year ended 31 March 2006: one) directors, details of whose emoluments are set out in above. Details of the emoluments of the remaining three (year ended 31 March 2006: four) are non-directors, highest paid employees of the Group for the period/year are as follows:

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
Basic salaries, allowances and other benefits in kind	600	675
Retirement benefits scheme contributions	30	31
	630	706

The emoluments of each of the non-director, highest paid individuals for the period from 1 April 2006 to 31 December 2006 and year ended 31 March 2006 fell within Nil to HK$1,000,000 band.

During the period from 1 April 2006 to 31 December 2006 and year ended 31 March 2006, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

Retirement benefit costs

The Group operates a mandatory provident fund scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is defined contribution retirement scheme administrated by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$20,000. Contributions to the Scheme vest immediately. At the balance sheet date, there was no forfeited contribution, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contribution payable in the future years.

11. TAX

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

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

	Period from 1/4/2006 to 31/12/2006	**Year ended 31/3/2006**
	HK$'000	*HK$'000*
Current provision:		
– Hong Kong	575	–
– Overseas	101	–
	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:

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	*%*	**Year ended 31/3/2006** *HK$'000*	*%*
Profit/(loss) before tax	1,824		(17,726)	
Tax at the domestic income tax rate	319	17.5	(3,102)	(17.5)
Effect of different tax rates in other jurisdictions	(24)	(1.3)	28	0.9
Income not subject to tax	(471)	(25.8)	–	–
Expenses not deductible for tax	336	18.4	230	7.4
Tax losses not recognized	516	28.3	2,844	9.2
Tax charge at effective rate	676	37.1	–	–

12. NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The net profit/(loss) attributable to shareholders for the period from 1 April 2006 to 31 December 2006 dealt with in the financial statements of the Company is loss of approximately HK$7,511,000. (year ended 31 March 2006: loss of approximately HK$6,517,000).

13. DIVIDEND

The directors of the Company do not recommend the payment of a dividend for the period.

14. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share is based on the net profit for the period from 1 April 2006 to 31 December 2006 of approximately HK$1,148,000 (year ended 31 March 2006: loss of HK$17,726,000) and the weighted average number of 361,577,386 ordinary shares (year ended 31 March 2006: 122,367,968 ordinary shares being adjusted retrospectively for the share consolidation) in issue during the period.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 March 2006 has been retrospectively adjusted for the effect of the share consolidation completed during the period.

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

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements *HK$'000*	Computer equipment *HK$'000*	Furniture, fixture and office equipment *HK$'000*	Motor vehicles *HK$'000*	Mould *HK$'000*	Total *HK$'000*
Cost:						
At 1 April 2005	–	58,680	86	213	187	59,166
Additions	–	9	–	–	–	9
Write-off	–	(58,689)	(86)	(213)	(187)	(59,175)
At 31 March 2006 and 1 April 2006	–	–	–	–	–	–
Acquired on acquisition of a subsidiary	3,805	–	544	–	–	4,349
Additions	52	–	73	1,616	–	1,741
At 31 December 2006	3,857	–	617	1,616	–	6,090
Accumulated depreciation:						
At 1 April 2005	–	41,677	77	213	187	42,154
Charge for the year	–	11,185	9	–	–	11,194
Write-off	–	(52,862)	(86)	(213)	(187)	(53,348)
At 31 March 2006 and 1 April 2006	–	–	–	–	–	–
Acquired on acquisition of a subsidiary	2,050	–	353	–	–	2,403
Charge for the period	347	–	62	323	–	732
At 31 December 2006	2,397	–	415	323	–	3,135
Net book value:						
At 31 December 2006	1,460	–	202	1,293	–	2,955
At 31 March 2006	–	–	–	–	–	–
At 31 March 2005	–	17,003	9	–	–	17,012

The net book value of the Group's property, plant and equipment held under finance leases included in the total amount of motor vehicles at 31 December 2006, approximately amounted to HK$1,293,000 (31 March 2006: Nil).

16. GOODWILL

Group

The amounts of the goodwill capitalised by the Group as an asset and recognised in the consolidated balance sheet, arising from the acquisition of a subsidiary, are as follows:

	HK$'000
Arising from acquisition of a subsidiary	75,552
Impairment during the period	–
At 31 December 2006	75,552

17. INTANGIBLE ASSETS

Group

	Franchise rights *HK$'000*
Cost:	
Arising from acquisition of a subsidiary	5,000
At 31 December 2006	5,000
Accumulated amortisation and impairment:	
Amortised for the period	280
At 31 December 2006	280
Net book value:	
At 31 December 2006	4,720

18. INTERESTS IN SUBSIDIARIES

	Company	
	31/12/2006	**31/3/2006**
	HK$'000	*HK$'000*
Unlisted shares, at cost	81,180	–
Due from subsidiaries	102,193	97,629
Due to a subsidiary	(3,915)	–
Impairment in value	(102,193)	(97,629)
	(3,915)	–
	77,265	–

The amounts due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due from/(to) subsidiaries approximate their fair values.

Particulars of the subsidiaries of the Company as at 31 December 2006 are as follows:

Name	Place of incorporation/ registration	Issued and fully paid up capital/ registered capital	Attributable equity interest held by the Company Directly	Indirectly	Principal activities
Golife (Hong Kong) Limited	Hong Kong	HK$500,000	100%	–	Distribution of high-end apparel and accessories
Satellite Devices (BVI) Limited	British Virgin Islands	US$3	100%	–	Investment holding
Satellite Devices Limited	Hong Kong	HK$5,000,000	–	100%	Design, development and sales of location-based technology devices and application

19. INVESTMENTS IN ASSOCIATES

	Group 31/12/2006 HK$'000	31/3/2006 HK$'000
Share of net assets	4	1,474
Amount due to an associate	–	(1,470)
Impairment	(4)	–
	–	4

Particulars of the associate of the Group as at 31 December 2006 are as follows:

Name	Place of incorporation	Issued and fully paid up capital	Equity interest held indirectly	Principal activities
Telematics Systems Limited	Hong Kong	HK$10,000	40%	Dormant

20. INVENTORIES

	Group 31/12/2006 HK$'000	31/3/2006 HK$'000
Merchandise	2,643	–

At 31 December 2006, no inventories were carried at net realisable value (31 March 2006: Nil).

21. 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:

	Group	
	31/12/2006	**31/3/2006**
	HK$'000	*HK$'000*
0 – 30 days	1,710	283
31 – 60 days	499	45
61 – 90 days	–	–
Over 90 days	–	12,719
	2,209	13,047
Less: provision for doubtful debts	–	(12,719)
	2,209	328

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	31/12/2006	**31/3/2006**
	HK$'000	*HK$'000*
Equity investments listed in Hong Kong, at fair value	1,493	–
Derivative financial assets, at fair value	4,697	–
	6,190	–

The derivative financial assets represent some warrants on equity investments listed in Hong Kong and are with maturity date of 21 May 2007.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	31/12/2006		31/3/2006	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash flow hedges				
– foreign currency contracts	92	–	–	–

The Group has two forward currency contracts outstanding at 31 December 2006 to manage its exchange rate exposures which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging currency derivatives amounting to HK$92,000 was credited to the income statement during the year (year ended 31 March 2006: Nil).

24. 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:

	31/12/2006 *HK$'000*	31/3/2006 *HK$'000*
0 – 30 days	2,433	–
31 – 60 days	367	–
61 – 90 days	16	–
Over 90 days	300	–
	3,116	–

25. INTEREST–BEARING BANK AND OTHER BORROWINGS

	Effective interest rate (%)	Maturity or Interest reprice date, whichever is earlier	31/12/2006 *HK$'000*	31/3/2006 *HK$'000*
Current				
Finance lease payables *(note 26)*	3.25%	2007	395	–
Bank overdrafts – secured	best lending rate + 1%	on demand	2,471	–
Bank loans – secured	prime rate + 2%	2007	6,831	–
Trust receipt loans – secured	best lending rate	2007	2,763	–
			12,460	–
Non-current				
Finance lease payables *(note 26)*	3.25%	2008-2011	1,038	–
Bank loans – secured	prime rate + 2%	2008 – 2009	1,747	–
Other loan – unsecured	10%	2007, but early repaid in the period	–	4,775
			2,785	4,775
			15,245	4,775

	31/12/2006 *HK$'000*	31/3/2006 *HK$'000*
Analysed into:		
Bank loans and overdrafts payable:		
Within one year or on demand	12,065	–
In the second to fifth years, inclusive	1,747	–
	13,812	–
Other borrowings payable:		
Within one year or on demand	395	–
In the second to fifth years, inclusive	1,038	4,775
	1,433	4,775

The Group's banking facilities are secured by:

(i) personal guarantees provided by directors of a subsidiary of the Group; and

(ii) corporate guarantee provided by the Company and the Group's related company.

26. FINANCE LEASE PAYABLES

The Group leases its motor vehicles for its business. The leases are classified as finance leases and have remaining lease terms ranging from four to five years.

At the balance sheet date, the total future minimum lease payments under finance lease and the present value, were as follows:

	Minimum lease payments 31/12/2006 *HK$'000*	Minimum lease payments 31/3/2006 *HK$'000*	Present value of minimum lease payments 31/12/2006 *HK$'000*	Present value of minimum lease payments 31/3/2006 *HK$'000*
Amount payable:				
Within one year	447	–	395	–
In the second year to fifth years, inclusive	1,174	–	1,038	–
Total minimum finance lease payments	1,621	–	1,433	–
Future finance charges	(188)	–		
Total net finance lease payables	1,433	–		
Portion classified as current liabilities *(note 25)*	(395)	–		
Long term portion *(note 25)*	1,038	–		

27. CONVERTIBLE NOTES

On 31 July 2006, the Company issued interest-free convertible notes with a nominal value of HK$61.52 million to an independent noteholder. The noteholder has the right to convert the whole or any part of the principal amount of the convertible note into shares at any time and from time to time after six months from the date of issue of the convertible notes up to the date immediately prior to the maturity date.

The fair value of the liability component and the equity conversion component were determined at issuance of the convertible notes. The fair value of the liability component was calculated using a market interest rate. The residual amount, representing the value of the equity conversion component, has been included in the convertible notes reserve.

The convertible notes recognized in the balance sheets are calculated as follows:

	Group and Company	
	31/12/2006	**31/3/2006**
	HK$'000	*HK$'000*
Nominal value of convertible notes issued during the period	61,520	–
Equity component	(11,999)	–
Liability component at the issuance date	49,521	–
Redemption during the period	(2,817)	
Interest expenses	1,484	–
Liability component at balance sheet date	48,188	
Equity component at the issuance date	11,999	–
Redemption during the period	(683)	–
Equity component at balance sheet date	11,316	–

On 19 October 2006 and 21 December 2006, the Company redeemed convertible notes with principal amount of HK$2,500,000 and HK$1,000,000, respectively.

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the period are as follows:

	Accelerated Tax depreciation	**Tax losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2005	2,869	(2,869)	–
Charged/(credited) to consolidated income statement	(2,876)	2,876	–
At 31 March 2006 and 1 April 2006	(7)	7	–
Charged/(credited) to consolidated income statement	1	(1)	–
At 31 December 2006	(6)	6	–

For purpose of the balance sheet presentation, the above deferred tax assets and liabilities were offset.

As at 31 December 2006, the Group had unused tax losses of approximately HK$97,340,000 (31 March 2006: approximately HK$97,339,000) available for offset against future profits. No deferred tax asset was recognized during the period due to the unpredictability of future profit streams (year ended 31 March 2006: HK$40,000). The unrecognized tax losses may be carried forward indefinitely.

29. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
At 1 April 2006, ordinary shares of HK$0.1 each	10,000,000,000	1,000,000
Capital reorganisation *(note a)*	–	(900,000)
At 31 December 2006, ordinary shares of HK$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2006, ordinary shares of HK$0.1 each	658,501,863	65,850
Capital reorganisation *(note a)*	(526,801,490)	(64,533)
Open offer *(note b)*	395,101,116	3,951
At 31 December 2006, ordinary shares of HK$0.01 each	526,801,489	5,268

Notes:

(a) Pursuant to the capital reorganization completed on 22 June 2006, 658,501,863 issued shares were consolidated to 131,700,373 shares on the basis of every 5 shares consolidated into 1 share. The nominal value of each issued consolidated share was then reduced from HK$0.1 each to HK$0.01 each by way of a reduction of capital. Accordingly, an amount of HK$64,533,183 from the share capital account was applied towards the elimination of part of the accumulated losses of the Company.

(b) 395,101,116 new shares of the Company had been issued under the Open Offer on 25 July 2006, proceeds of approximately HK$23.05 million was being raised as working capital. As at 31 December 2006, the total issued share capital of the Company after the Open Offer are 526,801,489 shares.

30. SHARE OPTION SCHEME

The Company adopted a Share Option Scheme (the "Scheme") on 6 March 2002. Under the terms of the Scheme, the board of directors of the Company (the "Board") may, at their discretion, grant options to selected persons to subscribe for shares in the Company as incentives or rewards for their contribution to the Group. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 30% of the issued share capital of the Company.

The subscription price will be determined by the Board and will not less than the highest of (i) the nominal value of the shares on the date of the offer, (ii) the closing price of the shares on the date of grant of the options, and (iii) the average of the closing prices of the shares on the five business days immediately preceding the date of offer of the options. The total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue at the date of grant. The Scheme is valid and effective for a period of ten years from the listing of the Company's shares on the GEM on 26 March 2002. Any options granted under the Scheme may be exercised at any time during a period to be notified by the Board to each grantee but may not be exercised after the expiry of ten years from the date of grant of the option. Upon acceptance of the option, the grantee must pay HK$1.00 to the Company by way of consideration for the grant.

At the balance sheet date, no share option was granted under the Scheme since its adoption.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current period and prior year are presented in the consolidated statement of changes in equity on page 29 of the financial statements.

Company

	Share premium *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*
At 1 April 2005	34,698	(94,338)	(59,640)
Net loss for the year	–	(6,517)	(6,517)
At 31 March 2006 and 1 April 2006	34,698	(100,855)	(66,157)
Capital reorganization	–	64,533	64,533
Issue of shares on open offer	21,730	–	21,730
Share issuance costs	(786)	–	(786)
Net loss for the period	–	(7,511)	(7,511)
At 31 December 2006	55,642	(43,833)	11,809

Note:

The share premium account of the Company is the premium from the shares issued. Under the Companies Law of the Cayman Islands, the share premium is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when fall due in the ordinary course of business.

At 31 December 2006, in the opinion of the directors, the Company's reserves available for distributions to shareholders amounted to HK$11,809,000.

32. ACQUISITION OF A SUBSIDIARY

On 31 July 2006, the Company acquired 100% equity interest in Golife (Hong Kong) Limited (formerly known as "Hip Kin Retailing Limited"). This transaction has been accounted for by the purchase method.

The net assets acquired, being the fair value, in the transaction, and goodwill on acquisition, are as follows:

	Carrying amount of the acquiree	**Fair value adjustment**	**Fair value of the acquiree**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired comprised:			
Property, plant and equipment	1,946	–	1,946
Intangible assets	–	5,000	5,000
Inventories	5,480	–	5,480
Trade receivables	1,469	–	1,469
Deposit, prepayments and other receivables	10,265	–	10,265
Cash and bank balances	474	–	474
Trade payables	(1,774)	–	(1,774)
Other payables and accruals	(3,820)	–	(3,820)
Tax payable	(3,165)	–	(3,165)
Bank overdrafts	(2,176)	–	(2,176)
Bank loans	(2,151)	–	(2,151)
Trust receipts loans	(5,920)	–	(5,920)
Net assets acquired	628	5,000	5,628
Goodwill arising on acquisition			75,552
			81,180
Satisfied by:			
Cash consideration			19,660
Convertible notes			61,520
			81,180

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

	HK$'000
Cash consideration	(19,660)
Cash and bank balances acquired	474
Bank overdrafts acquired	(2,176)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	(21,362)

33. DISPOSAL OF SUBSIDIARIES

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
Net liabilities disposal of:		
Amounts due to group companies	(3,193)	–
	(3,193)	–
Realisation of reserves	15	–
Gain on disposal of subsidiaries	1,698	–
Amounts waived by group companies	1,480	–
	–	–
Satisfied by:		
Cash	–	–

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiaries is as follows:

	Period from 1/4/2006 to 31/12/2006 *HK$'000*	Year ended 31/3/2006 *HK$'000*
Cash consideration	–	–
Cash and bank balances disposed of	–	–
Net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	–	–

34. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) During the period, the Group entered into finance lease arrangements in respect of property, plant and equipment with a total capital value at the inception of the leases of approximately HK$1,616,000 (31 March 2006: Nil).

(b) During the period, the Group settled the part of the purchase consideration for acquisition of Golife (Hong Kong) Limited of approximately HK$61,520,000 by issue of convertible notes with nominal value of HK$61,520,000.

35. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balance detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period/year:

	Group	
	Period from 1/4/2006 to 31/12/2006	Year ended 31/3/2006
	HK$'000	*HK$'000*
Management fee charged by a related company	495	–

Management fee was charged at a rate mutually agreed between the Group and the related company in which certain directors of the Company's subsidiary have beneficial interests.

(b) At the balance sheet date, the Group's related company has guaranteed the trust receipt loans and bank overdrafts made to the Group's subsidiary up to HK$4,000,000 and HK$1,000,000, respectively (31 March 2006: Nil) at nil consideration.

36. LITIGATION

On 29 June 2005, a landlord issued writ against Satellite Devices Limited, a wholly owned subsidiary of the Company, to claim for the arrears of rent, rates, air-conditioning and management fee, reinstatement costs and late payment interest for a total amount of approximately HK$331,000. Full provision for this amount had been made in the financial statements.

Apart from the action against the Group disclosed above, there are no other material outstanding writs and litigations against the Group and/or the Company.

37. CONTINGENT LIABILITIES

At the balance sheet date, the Company has given unlimited corporate guarantees (31 March 2006: Nil) to banks to secure the banking facilities granted to its subsidiaries. Facilities amounting to HK$5,429,000 (31 March 2006: Nil) were utilized at the balance sheet date.

38. OPERATING LEASE ARRANGEMENTS

The Group leases certain retail shops and office premises under operating lease arrangements. Leases for retail shops and office premises are negotiated for terms ranging from 1 to 3 years.

At the balance sheet date, the Group had total future minimum lease payments under non-cancelable operating leases falling due as follows:

	31/12/2006	31/3/2006
	HK$'000	*HK$'000*
Within one year	6,301	93
In the second to fifth years, inclusive	4,618	77
	10,919	170

The operating lease rentals of certain retail shops in Hong Kong are based on the higher of a fixed rental or contingent rent based on sales of the retail shops pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these retail shops could not be accurately determined, the relevant contingent rents have not been included above and only the minimum lease commitments have been included in the above table.

The operating lease rentals of certain retail shops in Taiwan are based solely on the sales of the outlets. In the opinion of the directors of the Group, as the future sales of the retail outlets could not be accurately estimated, the relevant rental commitments have not been included above table.

39. COMMITMENTS

In addition to the operating lease commitments detailed in note 38 above, the Group had the following commitments at the balance sheet date:

Commitments under license agreements in respect of two brand name products are:

	31/12/2006	**31/3/2006**
	HK$'000	*HK$'000*
Minimum purchases:		
Within one year	19,072	–
In the second to fifth years, inclusive	86,151	
Beyond five years	6,649	–
	111,872	–

40. POST BALANCE SHEET EVENTS

The following events have occurred subsequent to 31 December 2006:

(a) On 21 February 2007, Profit First Investments Limited ("Profit First"), a wholly owned subsidiary of the Company, has entered into an agreement with Zion Worldwide Limited ("Zion Worldwide") to establish LOC Limited ("LOC") which will be principally engaged in the wholesale, design, sourcing, merchandise planning and marketing of lifestyle consumer products including but not limited to jewellery and accessories under the Trademarks (the "Business"). LOC are owned by Profit First and Zion Worldwide in equal shares. Profit First has agreed to pay an earn-out payment to Zion Worldwide while Zion Worldwide has agreed to transfer and assign to LOC the Trademarks and all the Intellectual Property of "Business" at a consideration of HK$1. Further details of the transaction are also set out in a Prospectus and an announcement of the Company dated 16 March 2007 and 23 February 2007, respectively.

(b) On 19 January 2007 the Company redeemed convertible notes with principal amount of HK$1,000,000.

(c) On 13 March 2007, convertible notes with principal amount of HK$37,100,000 converted into 371,000,000 ordinary shares at the conversion price of HK$0.10 per share. After issuance of 371,000,000 conversion shares, the Company's issued ordinary shares have been increased from 526,801,488 to 898,101,488.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The Group's overall risk management programme seeks to minimize potential adverse effects on the financial performance of the Group.

(i) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk experienced by the Group as a result of the fluctuation in interest rates. Currently, the Group does not have a hedge policy. However, the management monitors interest rate exposure and will consider hedging significant bank borrowings when the need arises.

(ii) Foreign currency risk

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than Hong Kong dollars. The currencies giving rise to this risk are primarily Euro, Pound Sterling and New Taiwan Dollar.

Certain trade receivables, payables and trade related transactions of the Group are denominated in foreign currencies. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

(iii) Credit risk

The Group has no significant concentration of credit risk. The Group deals mainly with retail customers who pay with cash and credit cards. The Group's accounts receivable mainly represented by receivables from banks in respect of sales settled by customers through credit cards in Hong Kong and shopping malls that collected sales proceeds in Taiwan on behalf of the Group.

(iv) Liquidity risk

The Group aims to manage its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. Short term funding is obtained from bank overdraft and trade financing facilities.

(v) Commodity price risk

The Group's exposure to commodity price risk is minimal.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2007.

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The following is the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2007 together with the accompanying notes as extracted from the results announcement of the Company for the nine months ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended		Nine months ended	
		30 Sep 2007	**31 Dec 2006**	**30 Sep 2007**	**31 Dec 2006**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Notes	(unaudited)	(unaudited)	(unaudited)	(audited)
Turnover	*3*	17,427	11,082	39,454	18,885
Cost of sales		(5,998)	(5,165)	(13,845)	(7,385)
Gross profit		11,429	5,917	25,609	11,500
Other revenue	*3*	2,702	4,042	6,071	5,357
Selling and distribution costs		(1,558)	(478)	(2,085)	(994)
Administrative expenses		(14,032)	(7,252)	(29,353)	(12,240)
Finance costs	*4*	(346)	(1,720)	(1,254)	(1,799)
Share of loss from JV		(180)	–	(233)	–
Profit/(loss) before tax	*5*	(1,985)	509	(1,245)	1,824
Taxation	*6*	(213)	(407)	(734)	(676)
Profit/(loss) attributable to shareholders		(2,198)	102	(1,979)	1,148
EBITDA		(1,010)	2,977	1,445	4,635
Interim dividend	*7*	Nil	Nil	Nil	Nil
Earnings/(loss) per share	*8*				
– basic (cents)		(0.18)	0.02	(0.20)	0.32
– diluted (cents)		N/A	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 11 June 2001 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 26 March 2002.

The registered office and principal place of business of the Company are located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands and Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong respectively.

The Company's principal activity has not changed during the period; in investment holding. The principal activities of its subsidiaries are the distribution of high-end apparel and accessories.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements ("the Statements") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), including the Hong Kong Accounting Standard ("HKASs") and Interpretations 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 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.

The accounting policies and basis of preparation adopted in the preparation of Statements are consistent with those adopted in annual financial statements for the year ended 31 December 2006.

All significant transactions and balances within the Group have been eliminated on consolidation.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. SEGMENT INFORMATION

(i) Business segments

The Company was previously organized into two operating divisions – design, development and sales of location-based technology devices and applications; sales and distribution of high-end apparel and accessories. Commencing the last quarter, the Company has focused on the latter activities. The following tabulation is for comparison only.

	Nine months ended 30 September 2007 and 31 December 2006					
	Design, development and sales of location-based technology devices and applications		**Distribution of high-end apparel and accessories**		**Consolidated**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER						
External customers	62	543	39,392	18,342	39,454	18,885
RESULTS						
Segment results	62	(360)	(1,405)	363	(1,343)	3
Unallocated revenue					6,071	5,110
Unallocated expenses					(4,719)	(1,490)
Finance costs					(1,254)	(1,799)
Profit/(Loss) before tax					(1,245)	1,824
Tax					(734)	(676)
Profit/(Loss) for the period					(1,979)	1,148

(ii) Geographical segments

During the period, the Group's turnover was derived from operations carried out in Hong Kong and Taiwan. Over 90% of the Group's turnover was derived from Hong Kong as follows:–

	Nine months ended 30 September 2007 and 31 December 2006					
	Hong Kong		**Taiwan**		**Consolidated**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER						
External customers	30,941	13,798	8,513	5,087	39,454	18,885
RESULTS						
Segment results	(3,336)	1,391	2,091	433	(1,245)	1,824

Revenue

	Three months ended		**Nine months ended**	
	30 Sep 2007	**31 Dec 2006**	**30 Sep 2007**	**31 Dec 2006**
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)	*HK$'000* (unaudited)
TURNOVER				
Design, development and sales of location-based technology devices and applications	–	55	62	543
Distribution of high-end apparel and accessories	17,427	11,027	39,392	18,342
	17,427	11,082	39,454	18,885
OTHER REVENUE				
Bank interest income	11	–	13	9
Consultancy fee income	–	–	–	72
Fair value gain on financial assets at fair value through profit or loss	346	1,827	346	2,014
Fair value gain on derivative financial instruments	–	–	–	92
Gain on disposal of financial assets at fair value through profit or loss	1,603	390	5,040	398
Gain on disposal of subsidiaries	392	–	392	1,698
Reversal of provision for doubtful debts	–	–	–	3
Waiver of other loan	–	–	–	1,000
Sundry income	117	1,825	280	71
	2,469	4,042	6,071	5,357
	19,896	15,124	45,525	24,242

4. FINANCE COSTS

	Three months ended		Nine months ended	
	30 Sep 2007	**31 Dec 2006**	**30 Sep 2007**	**31 Dec 2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on convertible notes	–	1,484	498	1,484
Interest on bank loans and overdrafts repayable within five years	346	236	756	315
	346	1,720	1,254	1,799

5. PROFIT/(LOSS) BEFORE TAX

	Three months ended		Nine months ended	
	30 Sep 2007	**31 Dec 2006**	**30 Sep 2007**	**31 Dec 2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation	460	580	931	732
Amortisation of intangible assets	169	168	505	280
Operating lease rentals in respect of land and buildings	3,774	2,180	9,357	3,962
Employee benefit expense:				
Salaries and allowances	2,405	1,868	6,876	3,119
Retirement scheme contribution	68	(31)	310	128
	2,473	1,837	7,186	3,247

6. TAXATION

	Three months ended		Nine months ended	
	30 Sep 2007	**31 Dec 2006**	**30 Sep 2007**	**31 Dec 2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Charge for the period				
Hong Kong	131	340	637	575
Overseas	82	67	97	101
	213	407	734	676

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the period.

Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the countries in which the Company operates, based on existing legislation, interpretations and practices in respect thereof.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2007 (nine months ended 31 December 2006: Nil).

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic loss per share for the nine months ended 30 September 2007 is based on the Company's loss attributable to shareholders of approximately HK$1,979,000 (2006: profit of HK$1,148,000) and weighted average number of 997,015,042 ordinary shares (2006: 361,577,386 ordinary shares) in issue during the period.

9. MOVEMENTS OF RESERVES

	Share capital	Share premium	Exchange reserve	Convertible notes reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2007	5,268	55,642	–	11,316	(40,678)	31,548
Conversion of Conversion Notes	5,702	53,300	–	(11,316)	–	47,686
Issue of shares on placing	1,500	23,250	–	–	–	24,750
Cost of placing	–	(335)	–	–	–	(335)
Loss for the year	–	–	–	–	(1,979)	(1,979)
As at 30 September 2007	12,470	131,857	–	–	(42,657)	101,670

4. MATERIAL ADVERSE CHANGE

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

5. INDEBTEDNESS

Borrowings

At the close of business on 31 December 2007, being the latest practicable date for the purpose at this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings of HK$15,979,000. These borrowings comprised of interest bearing bank borrowings of HK$14,941,000, and finance lease obligations of HK$1,038,000. The bank borrowings are secured by personal guarantees provided by directors of a subsidiary of the group and corporate guarantee provided by the Company and the Group's related company.

Commitments

(i) Operating leases commitments

As at 31 December 2007, the Group had operating lease commitments of approximately HK$28,363,000 for rental agreements with fixed monthly rental.

The Group leases certain retail shops in Hong Kong. Its operating lease rentals are based on the higher of a fixed rental or contingent rent based on sales of the retail shops pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these retail shops could not be accurately determined, the relevant contingent rents have not been included above and only the minimum lease commitments have been included in the above amount.

Also, the Group leases certain retail shops in Taiwan. Its operating lease rentals are based solely on the sales of the outlets. As the future sales of the retail outlets could not be accurately estimated, the relevant rental commitments have not been included above amount.

(ii) Purchase commitments

As at 31 December 2007, the Group had purchase commitments under license agreements in respect of certain brand name products of approximately HK$118,468,000.

Contingent liabilities

As at 31 December 2007, the Group had no material contingent liabilities.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 December 2007, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other contingent liabilities.

6. WORKING CAPITAL

The Directors are of the opinion that after taking into account the present internal financial resources of the Group, the available banking facilities and other facilities, the estimated net proceeds of the Rights Issue and the estimated net proceeds from the convertible bonds (details of which have been announced on 20 February 2008), the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

7. FINANCIAL REVIEW FOR THE YEAR ENDING 31 DECEMBER 2006

Overview

During the period, the Group changed its year-end from 31 March to 31 December. Hence, the results of the period under review were effectively the results of the 9 months ended 31 December 2006.

The Group underwent a period of significant change and growth in the nine months period under review and recorded the following developments:–

– Key changes in management personnel

– Open offer raised HK$23.73 million in net proceeds

– Acquired 100% interest in Golife (Hong Kong) Limited (formerly Hip Kin Retailing Limited), which holds the Greater China distribution rights of luxury fashion brands Anya Hindmarch and Paule Ka, at HK$81 million in cash and convertible notes

To reflect the change in business nature of the Group, the Company changed its name from "Satellite Devices Corporation" to "Golife Concepts Holdings Limited" in October 2006.

Turnover of the Group was approximately HK$18,885,000 for the period, representing an increase of 1,290% against the entire financial year ended 2005. The Group turned around its business to report profit attributable to shareholders of HK$1,148,000 against loss attributable to shareholders of HK$17,726,000 in last year. Excluding an interest charge of HK$1,484,000, which was arising from the remeasurement of the fair value of liabilities component of convertible notes amounting to HK$49,521,000, profit attributable to shareholders would be HK$2,632,000. Subsequent to the year-end, HK$37,100,000 of the convertible notes, of which the convertible price is HK$0.10, have been converted. Should the remaining convertible notes be fully converted within 2007, no similar charge shall be made in the profit and loss account.

The Group's improved financial results is owed mainly to the acquisition of 100% equity interest in Golife (Hong Kong) Limited completed on 31 July 2006 (the "Acquisition").

During the nine months period under review, the Group made an open offer of 395,101,116 shares and raised net proceeds of HK$23.73 million. HK$18.48 million of the proceeds was used for the Acquisition, and the balance of HK$5.25 million as working capital of the Group. HK$1.85 million is earmarked for brand marketing. The Group's financial position has strengthened as a result of these transactions.

The five-month results of Golife (Hong Kong) Limited after the Acquisition was completed had been consolidated into the Group's account. Golife (Hong Kong) Limited had contributed positively and significantly to the profitability and cash flows of the Group.

A previous shareholder of Golife (Hong Kong) Limited, Chung Chiu Limited, provided a profit guarantee to the Group, as a condition of Sale and Purchase, of no less than HK$10,000,000 of net profit before tax for the year ended 31 March 2006. Golife (Hong Kong) Limited announced on 27 September 2006 that its net profit before tax for the year was HK$9,333,387. As agreed, Chung Chiu Limited paid the Group the shortfall of guarantee profit of HK$666,613.

Operational Review

During the nine months period, the Group's apparel and accessories distribution business made HK$18.34 million in turnover and gross profit of HK$11.02 million, translating into a gross profit margin of 60%. Demand for products of the two brands currently carried by the Group, namely London-based Anya Hindmarch and Paris-based Paule Ka, was strong driven by favourable economic conditions in Hong Kong and Taiwan. The Group believes the net margin of the business will improve with rental of shop space peaked in 2006 and expected to come down in 2007, hence lower rental cost of the business is expected.

As for the Group's location-based auto-recovery business, it reported a turnover of HK$0.54 million. Competition remained keen with players making continuous capital investment and pushing for technological innovation. The Board will carefully monitor the performance of this business and will consider ceasing this business unit as soon as practicable if it does not achieve desirable profitability in the near term.

For the nine months ended 30 September 2007, the Group has achieved steady financial results mainly contributed by the lifestyle-products business. The Group expanded rapidly with 8 new points-of-sales opened and commenced brand development effort and distribution operations for the new Life of Circle brand during the period. Turnover of the Group was approximately HK$39.45 million for the period, representing an increase of 109% compared with the corresponding period last year.

However, due to the expansion, certain one-off administration, professional and pre-operation expenses were incurred. Furthermore, during the first quarter of 2007, a one-off HK$0.44 million imputed interest cost on the outstanding convertible notes was charged to the Group (another HK$62,000 for the second quarter). As such, together with the startup loss of HK$1.46 million in relation to new brand Life of Circle, loss attributable to Shareholders after tax was HK$1.98 million. Since 15 May 2007, after all outstanding notes were converted, there has been no such additional cost incurred.

Liquidity and Financial Resources

The Group had cash and bank balances of HK$3.43 million as at 31 December 2006. To achieve a higher return for working capital, the Group also held short-term investments, mainly derivatives and equity listed in Hong Kong, totaling HK$6.20 million. As at 30 June 2007, the Group has an unaudited consolidated net tangible assets of HK$23.93 million.

8. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The strong macro economic environment of the Greater China region is favorable for the Group's luxury consumer products distribution business. The Board believes the Group is poised to capture opportunities in the region in the next few years to achieve rapid growth.

The Group is committed to continue to seek and identify selected unique fashion accessories and apparel brands with character, market potential and longevity to form combinations of distribution, product development and equity partnerships. The Group will in the next two years invest heavily in strengthening its product development capabilities through setting up design studios, sourcing and logistics centres. The Group is also formulating plan to commence setting up of a scalable point-of-sales network in mainland China in 2008 which aims to expand to approximately 50 points-of-sales network by 2009.

On 19 November 2007, the Company announced the acquisition of 96.57% interest in Financière Solola Group.

The Directors consider that the acquisition provides the Group with an opportunity of owning an established French brand with an existing distribution network in Europe as well as design and product development capabilities. In view of the Group's intention of expanding its overall point-of-sales network as well as immediate development in mainland China, the Directors believe that the acquisition will not only enhance the Group's financial performance, it also represents growth potential for the Group to introducing the products of Financière Solola to the markets in Greater China, particularly mainland China. Hence, upon completion, the Group will embark on plan to develop its point-of-sales network of up to 100 in Greater China in the next few years. In addition, the Directors also expect the acquisition will create synergies of product design and development with the Group's other licensed or equity-partnership brands in terms of consolidating Financière Solola's sourcing operations.

The following unaudited pro forma financial information prepared in accordance with Paragraph 31 of Chapter 7 of the GEM Listing Rules is for illustrative purposes only, and is set out here to provide Shareholders with further information about how the Rights Issue might have affected the net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the said information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets (the "Unaudited Pro Forma Financial Information") of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2007. The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets of the Group as at 30 June 2007, as extracted from the published Interim Report of the Group for the six months ended 30 June 2007 and is adjusted for the effect of the Rights Issue.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

	Unaudited consolidated net tangible assets of the Group as at 30 June 2007	**Unaudited consolidated net tangible assets of the Group per Share as at 30 June 2007**	**Unaudited pro forma adjusted consolidated net tangible assets of the Estimated net proceeds from the Rights Issue**	**Unaudited pro forma adjusted consolidated net tangible assets per Share immediately Group after completion of the Rights Issue**	**after completion of the Rights Issue**
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*
	HK$'000	*HK$*	*HK$'000*	*HK$'000*	*HK$*
Based on 997,601,190 Rights Shares issued	23,932	0.019	55,000	78,932	0.035

Notes:

1. The unaudited consolidated net tangible assets of the Group as at 30 June 2007 is extracted from the published results announcement of the Company for the six months ended 30 June 2007, which is based on the unaudited equity attributable to equity holders of the Company as at 30 June 2007 of HK$103,868,000 less goodwill and other intangible assets as at 30 June 2007 of HK$75,552,000 and HK$4,384,000 respectively.

2. The calculation of the unaudited consolidated net tangible assets of the Group per Share is based on 1,247,001,488 Shares in issue as at 30 June 2007.

3. The estimated net proceeds from the Rights Issue of approximately HK$55.0 million are based on 997,601,190 Rights Shares to be issued at a subscription price of HK$0.057 per Rights Share and after deduction of estimated related expenses of approximately HK$1.8 million.

4. The calculation of the unaudited pro forma consolidated net tangible assets per Share is based on 2,244,602,678 shares which comprise 1,247,001,488 Shares in issue as at 30 June 2007 and 997,601,190 Rights Shares to be issued.

   The unaudited pro forma consolidated net tangible assets is prepared on the assumption that no Outstanding Options exercisable are exercised on or before the Record Date.

Set out below is the text of a letter in connection with the Rights Issue received from Cheung & Siu, which has been prepared for the purpose of incorporation in this Prospectus:

Cheung & Siu **Certified Public Accountants** (Practising)
張、蕭會計師事務所

14 March 2008

The Board of Directors
Golife Concepts Holdings Limited
Suite A, 15th Floor, Wyndham Place
40-44 Wyndham Street, Central
Hong Kong

Dear Sirs,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the "Unaudited Pro Forma Financial Information") of Golife Concepts Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 76 to 77 under the heading of unaudited pro forma financial information of the Group in Appendix II of the Company's Prospectus dated 14 March 2008 (the "Prospectus") in connection with the proposed rights issue of the Company (the "Rights Issue"). The Unaudited Pro Forma Financial Information relating to the Rights Issue has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the Rights Issue might have affected the consolidated net tangible assets of the Group as at 30 June 2007. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 76 to 77 to the Prospectus.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with rule 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Prospectus" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by rule 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Prospectus Reporting Engagements ("HKSIR") 300 "Accountants' Reports on Pro Forma Financial Information in Investment Prospectus" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 7.31(1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that event will take place in the future and may not be indicative of: i) the financial position of the Group as at 30 June 2007 or any future date; or ii) the consolidated net tangible assets per share of the Group as at 30 June 2007 or any future dates.

Opinion

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 7.31(1) of the GEM Listing Rules.

Yours faithfully,
Cheung & Siu
Certified Public Accountants
(Practising)
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

(a) the information contained in this Prospectus is accurate and complete in all material respects and not misleading;

(b) there are no other matters the omission of which would make any statement in this Prospectus misleading; and

(c) all opinions expressed in this Prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. SHARE CAPITAL AND OPTIONS

(a) Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue (assuming none of the Outstanding Options has been exercised on or before the Record Date) will be, as follows:

Authorised share capital:		*HK$*
10,000,000,000	Shares as at the Latest Practicable Date	100,000,000
Issued and fully paid share capital:		
1,247,001,488	Shares in issue as at the Latest Practicable Date	12,470,015
2,970,000	Shares to be issued upon exercise of all outstanding Share Options on or before the Record Date	29,700
997,601,190	Rights Shares to be issued upon completion of the Rights Issue (assuming all outstanding Share Options are exercised on or before the Record Date)	9,976,012
2,247,572,678		22,475,727

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

The Company had no outstanding convertible debt securities in issue as at the Latest Practicable Date.

Since the end of the last financial year of the Company, being 31 December 2006, the issued share capital of the Company has increased from 526,801,489 Shares to 1,247,001,488 Shares as at the Latest Practicable Date, as the results of conversion of convertible notes and issuance of shares on placing.

(b) Share options

Details of the outstanding Share Options as at the Latest Practicable Date were as follows:

Name of grantee	Date of grant	Exercisable period	Exercise price	Number of underlying Shares subject to outstanding Share Options
Mr. Gouw Hiap Kian	3 July 2007	3 July 2007 to 5 March 2012	HK$0.219	990,000
Mr. Richard Yen	3 July 2007	3 July 2007 to 5 March 2012	HK$0.219	990,000
Mr. Duncan Chiu	3 July 2007	3 July 2007 to 5 March 2012	HK$0.219	990,000

In accordance with GEM Rule 23.03(13) and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all listed issuers relating to share option adjustments, upon the Rights Issue becoming unconditional, there will not be any change to the exercise price of and the number of Shares issuable upon exercise in full of the outstanding Share Options (assuming no outstanding Share Options has been exercised or lapsed or granted or cancelled subsequent to the Latest Practicable Date and on or before the Record Date).

	Before Completion of the Rights Issue		After Completion of the Rights Issue	
Date of grant	**Original exercise price per Share** *(HK$)*	**Number of Shares issuable upon exercise in full of the outstanding Share Options**	**Exercise price per Share** *(HK$)*	**Number of Shares issuable upon exercise in full of the outstanding Share Options (Note)**
3 July 2007	0.219	2,970,000	0.219	2,970,000

Note:

In case where the adjusted number of Shares issuable upon exercise in full of the outstanding Share Options by the holder involves fractions of Shares, the number of Shares has been adjusted upwards or downwards to the whole numbers as considered fair and reasonable.

Save as disclosed in this paragraph 2(b), the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

There is no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVES

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

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

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

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

4. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

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

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

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

Notes:

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

2. Goldig Properties Limited is a wholly-owned subsidiary of Chung Chiu Limited, which in turn is wholly- owned by a discretionary trust. The founder of the discretionary trust is Gouw Hiap Kian, and the trustee of the discretionary trust is HSBC International Trustee Limited. In these circumstances, under the Securities and Futures Ordinance (Cap 571) ("SFO"), Guow Hiap Kian and Chung Chiu Limited and HSBC International Trustee Limited are deemed to be interested in the 444,456,000 Shares which Goldig Properties Limited is interested in.

3. Chung Chiu Limited has underwritten 133,038,777 rights shares of the Company. Chung Chiu Limited entered into a subscription agreement to subscribe HK$40 million convertible bonds at a convertible price of HK$0.07 which amounts to 571,428,571 Shares upon conversion in full.

4. Goldig Properties Limited has agreed to accept or procure the acceptance of 197,536,000 rights shares pursuant to an irrevocable Undertaking.

5. Ms. Gouw San Bo Elizabeth, an executive Director, is also a director of Chung Chiu Limited and Goldig Properties Limited respectively.

6. Mr. Duncan Chiu, a non-executive Director, is also the managing director and the chief executive officer of Far East Holdings International Limited.

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

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

Saved as disclosed above, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the businesses of the Group.

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

None of the Directors was or will be given any compensation for loss of office or otherwise in connection with the Underwriting Agreement and/or the Rights Issue.

6. COMPETING INTERESTS

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

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, were entered into by the Company or its subsidiaries during the period commencing two years preceding the date of the Announcement and up to the Latest Practicable Date and are or may be material:

(a) the subscription agreement dated 18 February 2008 as amended by the supplemental agreement dated 7 March 2008 entered into by the Company and Chung Chiu Limited (or its wholly-owned subsidiary) to subscribe for the convertible bonds in principal amount of HK$40,000,000 to be issued by the Company;

(b) an agreement for sale and purchase of shares of CR Hong Kong Limited dated 18 February 2008 entered into by Austen Limited and Better Point Limited for a consideration of HK$770,001;

(c) the underwriting agreement dated 4 February 2008 entered into between the Company, Chung Chiu Limited, Grand Ming Securities Limited and CIMB-GK Securities (HK) Limited in relation to the proposed issue of rights shares by the Company on the basis of 4 rights shares for every 5 existing Shares held on 12 March 2008;

(d) the conditional sale and purchase agreement dated 8 November 2007 (the "Sale and Purchase Agreement") as supplemented by the amendment to share purchase agreement dated 14 February 2008 entered into between the Company, Credit Lyonnais Capital Investissement, Credit Lyonnais Developpement 2, Mr Pierre Hemar, Lion Capital Investissement, Nollius BV and Quilvest France, in relation to the acquisition of i) 1,406,196 shares of EUR 1 each in the issued share capital of Financière Solola, a private French company with a share capital of 1,456,196 shares, with a par value of EUR 1 per share and ii) the 1,400,000 8-year convertible bonds issued by Financière Solola on 27 February 2003 for an amount of EUR1,400,000 bearing an interest of 1% per annum, entitling the holders to convert into 1,400,000 shares of Financière Solola upon conversion until 3 months before 27 February 2011;

(e) the Hong Kong distribution agreement dated 15 August 2007 as amended by the supplemental agreement dated 24 August 2007 and executed between CR Hong Kong Limited and CR Hong Kong (Trading) Limited (formerly known as Nation Trading Limited);

(f) the master license agreement dated 14 August 2007 and executed between CR Hong Kong Limited and CR Licensing LLC;

(g) the shareholders agreement dated 15 August 2007 and executed amongst Better Point Limited, Austen Limited and CR Hong Kong Limited;

(h) the shareholders agreement dated 21 February 2007 as amended by the supplemental agreement dated 23 February 2007 entered into between Profit First Investment Limited, Zion Worldwide Limited and LOC Limited in relation to the establishment of LOC Investments Limited and the operation of its business;

(i) the Hong Kong distribution agreement dated 21 February 2007 entered into between Life of Circle Limited (formerly known as Keen State Trading Limited) and Golife (Trading) Limited; and

(j) the worldwide agent service agreement dated 21 February 2007 entered into between the LOC Limited and GOL (International) Limited.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which the Company or any of its subsidiaries was, or might become, a party.

9. EXPERTS AND CONSENTS

The following are the qualifications of the expert whose statements have been included in this Prospectus:

Cheung & Siu ("C & S")	Certified Public Accountants (Practising)

C & S has given and has not withdrawn its written consents to the issue of this Prospectus with the inclusion herein of its letters or reports or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, C & S did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

C & S does not have any direct or indirect interests in any assets which have been, since 31 December 2006 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, C & S was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

10. SERVICE CONTRACTS

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

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

11. SECRETARY AND QUALIFIED ACCOUNTANT OF THE COMPANY

The secretary and the qualified accountant of the Company is Mr. Tsang Yin Chiu, Stanley who is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Chartered Financial Analyst, Mr. Tsang holds a bachelor degree in business administration and has over 11 years of experience in accounting financial management and auditing. Prior to joining the Company, Mr. Tsang was a manager of a company listed on the Main Board of the Stock Exchange of Hong Kong.

12. CORPORATE INFORMATION

Registered office	Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands
Company secretary	Mr. Tsang Yin Chiu, Stanley
Qualified accountant	Mr. Tsang Yin Chiu, Stanley
Compliance Officer	Ms. Gouw San Bo, Elizabeth
Authorised representatives	Mr. Tsang Yin Chiu, Stanley Mr. Lo Mun Lam, Raymond
Legal advisers to the Company	Coudert Brothers in association with Orrick, Herrington & Sutcliffe LLP 39/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong
Financial adviser	CIMB-GK Securities (HK) Ltd. 25/F, Central Tower, 28 Queen's Road, Central, Hong Kong
Auditors	Cheung & Siu, Certified Public Accountants (Practising) Room A, 15/F, Fortis Bank Tower, 77-79 Gloucester Road, Wanchai, Hong Kong
Cayman Islands principal share registrar and transfer office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands

Hong Kong Branch registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited Industrial and Commercial Bank Of China (Asia) Limited Dah Sing Bank Limited Shanghai Commercial Bank Limited

13. EXPENSES

The expenses in connection with the Rights Issue, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses are estimated to be approximately HK$1.8 million and will be payable by the Company.

14. PARTICULARS OF THE DIRECTORS

(a) Name and address

Name	**Address**
Executive Directors:	
Mr. LO Mun Lam, Raymond	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Ms. GOUW San Bo, Elizabeth	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Mr. Richard YEN	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Non-executive Directors:	
Mr. Duncan CHIU	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Ms. YU Wai Yin, Vicky	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Independent non-executive Directors:	
Mr. LAM Pak Sum	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Mr. SUM Chun Ho	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong
Mr. WAN Kwok Pan	Suite A, 15/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong

(b) Qualification and position held

Chairman & Executive Director

LO Mun Lam, Raymond

Aged 54, Mr. Lo has been an Executive Director of the Group since 2005 and as Chairman since 2006.

Mr. Lo has over 27 years of management experience, including finance, manufacturing and distribution, hospitality, real estate and direct investments. He is a fellow member of the Institute of Chartered Accountants in England & Wales; a member of the Institute of Chartered Accountants of Ontario, Canada; a member of the Hotel & Catering International Management Association of the United Kingdom and a Counselor of Real Estate of the United States of America and a fellow member of the Royal Institution of Chartered Surveyors.

Executive Directors

GOUW San Bo, Elizabeth

Aged 36, Ms. Gouw has been an Executive Director of the Group since 2007 and Chief Executive Officer of the Group since 2006. She is currently responsible for the overall strategy and business development of the Group.

Ms. Gouw is the founder of Golife (Hong Kong) Limited and has been serving as Managing Director since 2001. She was a Chartered Financial Analyst and previously held the position of fund manager for an asset management company based in the United Kingdom. She also served as a research analyst for a major European securities firm.

Ms. Gouw holds a master's degree in accounting and finance from the London School of Economics and Political Science.

YEN Richard

Aged 39, Mr. Yen had been a Non-Executive Director of the Group since 2006, has been redesignated as the Executive Director of the Group since 2007 and appointed as the Chief Operations Officer in 2008.

Mr. Yen has over 16 years of partnership, merger and acquisition experience in the region, working mostly with Japanese conglomerates and Fortune 500 companies. He also possesses extensive knowledge of intellectual property, marketing and product development and devising strategies with relation to information technology and consumer goods.

Mr. Yen holds a bachelor's degree in aerospace engineering and an MBA in International Management from Boston University.

Non-executive Directors

CHIU Duncan

Aged 33, Mr. Chiu has been a Non-Executive Director of the Group since 2006.

Mr. Chiu currently serves as Vice Chairman and Treasurer of The Chamber of Hong Kong Listed Companies, Vice President of Innovation & Technology Association and is a Committee Member of the All-China Youth Federation.

Mr. Chiu also serves as the Managing Director and Chief Executive Officer of Far East Holdings Limited, and as a Non-Executive Director of both Far East Hotels & Entertainment Limited and Chinasoft International Limited, all of which are listed on The Stock Exchange of Hong Kong Limited.

Mr. Chiu graduated with a bachelor's degree in Business Administration from Pepperdine University of California in 1996.

YU Wai Yin, Vicky

Aged 28, Ms. Yu had been appointed as an Executive Director of the Group since 2005, and has been re-designated as a Non-Executive Director since 2007.

Ms. Yu has over 9 years of experience in sales and merchandising in the textiles trading and fashion retailing sectors.

Independent non-executive Directors

LUM Pak Sum

Aged 46, Mr. Lum has been an Independent Non-Executive Director of the Group since 2005 and has been the Chairman of the Audit Committee of the Group since 2006.

Mr. Lum is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has over 19 years of experience in corporate finance.

Mr. Lum holds a master's degree in Business Administration degree from the University of Warwick and a bachelor of laws degree (Honors) from the University of Wolverhampton.

SUM Chun Ho

Aged 36, Mr. Sum has been an Independent Non-Executive Director of the Group since 2005.

He is currently the sole proprietor of Messrs. C.H. Sum & Co., Certified Public Accountants (Practicing). Mr. Sum has over 11 years of experience in the professional accounting services field.

Mr. Sum holds a master's degree in accounting from Monash University. He is also a member of Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

WAN Kwok Pan

Aged 37, Mr. Wan has been an Independent Non-Executive Director of the Group since 2006.

Mr. Wan has over 11 years of experience in the Electronics Services field. He holds a MBA degree from The University of Hong Kong.

15. BINDING EFFECT

This Prospectus shall have the effect, if an application is made pursuant thereto, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Rights Issue Documents and the written consents of Cheung & Siu as referred to in the paragraph headed "Experts and consents" in this appendix have been delivered to the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at 22/F., Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong from the date of this Prospectus up to and including 28 March 2008, the last day for payment and acceptance of the Rights Shares:

(i) the Underwriting Agreement;

(ii) this Prospectus;

(iii) the memorandum and articles of association of the Company;

(iv) the letter signed by Cheung & Siu setting out their opinion on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out on pages 78 to 79 of this Prospectus;

(v) the written consent referred to in the section headed "Experts and consents" in this appendix;

(vi) the material contracts referred to in the section headed "Material Contracts" in this appendix;

(vii) the service contracts referred to in the section headed "Service Contracts" in this appendix;

(viii) the annual reports of the Company for each of the financial year ended 31 March 2005, 2006 and 31 December 2006;

(ix) the third quarterly report of the Company for the nine months ended 30 September 2007;

(x) a circular of the Company dated 8 March 2008 in relation to the acquisition of 96.57% interest in Financière Solola;

(xi) a circular of the Company dated 25 February 2008 in relation to, among other things, the Rights Issue; and

(xii) a circular of the Company dated 18 September 2007 in relation the distribution agreement and the supplemental agreement to the distribution agreement dated 15 August 2007 and 24 August 2007 respectively and between CR Hong Kong Limited and CR Hong Kong (Trading) Limited (formerly known as Keen State Trading Limited).