



Golife Concepts Holdings Limited

(formerly known as Satellite Devices Corporation 衛科創業有限公司)

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8172

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

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Company has changed its name to Golife Concepts Holdings Limited (formerly “Satellite Devices Corporation”) effective from 17 October 2006.

Turnover of the Group was approximately HK\$7,803,000 for the six months ended 30 September 2006, representing an increase of 1,596%. The Group’s results turned around to a profit attributable to shareholders of HK\$1,046,000, from a loss attributable to shareholders of HK\$6,743,000 last corresponding period. During the second-quarter of 2006, ie from 1 July to 30 September, the Group recorded a net profit after tax of 1,828,000.

The improvement of financial results is mainly due to the Group’s acquisition of 100% equity interest in Golife (Hong Kong) Limited (formerly “Hip Kin Retailing Limited”) completed on 31 July 2006 (the “Acquisition”). Golife (Hong Kong) Limited is engaged in the distribution of high-end apparel and accessories.

During the 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 applied for the Acquisition, with the balance of HK\$5.25 million as working capital of the Group. HK\$1.85 million is planned to use for brand marketing. The Group’s financial position has also been strengthened as a result of these transactions.

The Group has consolidated the financial information of Golife (Hong Kong) Limited since the completion of the Acquisition on 31 July 2006. The two month’s operation and results of Golife (Hong Kong) Limited have contributed significantly and positively to the profitability and cash flows of the Group.

The Board is pleased to have appointed Ms. Gouw San Bo, Elizabeth as the Chief Executive Officer of the Group on 22 August 2006. Ms Gouw has been a director of Golife (Hong Kong) Limited since November 2001. The Board believes that Ms. Gouw, with her background and expertise, can provide strong management leadership to the board and lead the Group to future expansion.

Operational review

During the period, turnover of the Group’s apparel and accessories distribution business was HK\$7,315,000. Demand for products under the existing two brands, London-based Anya Hindmarch and Paris-based Paule Ka, was strong as a result of favourable economic conditions in Hong Kong and Taiwan. The Group believes that given the property and rental cycle has already peaked this year, more promising net margins shall be improved should the average rental costs begin to decrease.

Turnover from the Group’s location-based auto-recovery business were HK\$488,000. Competition remained keen from competitors with continuous capital investment and technological innovation. While the Group’s target is to achieve at least operating break-even for this business, the Board will remain vigilant in monitoring the performance of this business on an ongoing basis.

Future Plans and Prospects

With the strong macro economic environment of the Greater China region which is favorable to the Group's high-end fashion distribution business, the Board believes that demand for the Group's products will remain strong for the remaining months of this financial year and the year ahead. With a strong recurrent income and cash flows stream from operations, the Group is focusing on expansion plans for its existing apparel and accessories brands for 2007.

For ladies' handbags and accessories brand Anya Hindmarch, the Group has confirmed orders from a major department store chain in Hong Kong for the first season of 2007 and believes that this new wholesale operation will not only generate additional income but also provide marketing synergies to the existing three stand-alone stores in Hong Kong. Despite the recent political instability in Taiwan, the Group believes that this will not affect the long-term economic strength of Taiwan. The Group confirmed a plan to open a third store in Taipei in mid-2007 and targets a further two to four new stores in Taipei and other cities in Taiwan by 2008.

For ladies' apparel brand Paule Ka, the Group has signed a rental agreement with MTR Corporation Limited for a 1,290 sq.ft. space at Elements shopping mall on Kowloon Station, Hong Kong, to open its second Paule Ka store in mid-2007 as well as is exploring opportunities to commence wholesale business in Hong Kong.

The Group has also formulated a strategy to identify unique fashion accessories and apparel brands with character, market potential and longevity to act as their equity and/or distribution partner. The Group will be very selective in choosing the appropriate designer brands to complement the existing brands in terms of brand awareness and customer profile. The Group will focus on a "vertical brand-raising" model, which will enable it to be the partner of choice for "up-and-coming" brands in Greater China. The Group aims to double the number of brands in its portfolio as well as the number of points of sales in its retail network by 2008.

Negotiations with various parties have been conducted during the period and announcements will be made should the transactions become materialised and which are deemed to be discloseable.

In view of the steady and prudent expansion of its retail and whole operations under existing and potentially new brands, the Group will enhance its operational efficiency by upgrading its human resources as well as implementing appropriate operating and information technology systems. The Group aims to further improve its net profit margin by achieving economies of scale through expansions and improved operating efficiencies.

Liquidity and Financial Resources

The Group had cash and bank balances of HK\$5,672,000 at 30 September 2006. With a view to achieving a higher return for working capital, the Group also held short-term investments, mainly equity investments listed in Hong Kong, of HK\$3,315,000.

The Group will continue to improve its financial position and with the positive cash inflow from operations and its available banking facilities, the Group has sufficient financial resources to meet its commitments and working capital requirements.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

Competing interest

None of the Directors, initial management shareholders and their respective associates of the Company has interest in a business which competes or may compete with the business of the Group.

Corporate Governance

Throughout the period ended 30 September 2006, the Company has been in compliance with the Code on Corporate Governance Practices as set out in Appendix 15 to the Listing Rules.

Remuneration Committee

The Company set up a Remuneration Committee on 22 August 2006 with the following members appointed on the same date:

Mr. Lo Mun Lam, Raymond (<i>Chairman</i>)	Executive Director
Mr. Lum Pak Sum	Independent Non-executive Director
Mr. Sum Chun Ho	Independent Non-executive Director
Mr. Wan Kwok Pan	Independent Non-executive Director

Audit Committee

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management the internal controls and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30 September 2006.

Model Code

Save as except of nomination committee, the Company has adopted a code of conduct regarding securities transactions by Directors with standards not lower than those prescribed by the Stock Exchange under the Model Code. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding securities transactions by Directors throughout the six months ended 30 September 2006.

By the order of the Board

LEUNG TAK WAH

Executive Director

Hong Kong, 13 November 2006

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at 30 September 2006 <i>HK\$'000</i> (unaudited)	As at 31 March 2006 <i>HK\$'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	1,862	–
Goodwill	<i>11</i>	75,552	–
Intangible assets	<i>12</i>	4,888	–
Investment in associates		4	4
		<u>82,306</u>	<u>4</u>
CURRENT ASSETS			
Inventories		5,124	–
Trade receivables	<i>13</i>	1,752	328
Deposit, prepayments and other receivables		1,796	10
Financial assets at fair value through profit or loss	<i>14</i>	3,315	–
Cash and bank balances		5,672	112
		<u>17,659</u>	<u>450</u>
CURRENT LIABILITIES			
Trade payables	<i>15</i>	3,615	–
Other payables and accruals		2,529	1,505
Tax payable		2,612	–
Interest bearing bank and other borrowings	<i>16</i>	8,827	–
		<u>17,583</u>	<u>1,505</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>76</u>	<u>(1,055)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>82,382</u>	<u>(1,051)</u>
NON-CURRENT LIABILITIES			
Interest bearing bank and other borrowings	<i>16</i>	746	4,775
Convertible notes	<i>17</i>	49,521	–
		<u>50,267</u>	<u>4,775</u>
Net assets/(liabilities)		<u><u>32,115</u></u>	<u><u>(5,826)</u></u>
EQUITY			
Share capital	<i>18</i>	5,268	65,850
Reserves		26,847	(71,676)
		<u><u>32,115</u></u>	<u><u>(5,826)</u></u>

CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Three months ended		Six months ended	
		30 September		30 September	
		2006	2005	2006	2005
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover	4	7,618	221	7,803	460
Cost of sales		<u>(2,220)</u>	<u>(7)</u>	<u>(2,220)</u>	<u>(41)</u>
Gross profit		5,398	214	5,583	419
Other revenue	4	1,261	–	1,315	1
Selling and distribution costs		(516)	–	(516)	–
Administrative expenses		(3,967)	(3,089)	(4,988)	(7,163)
Finance costs	5	<u>(79)</u>	–	<u>(79)</u>	–
Profit/(loss) before tax	6	2,097	(2,875)	1,315	(6,743)
Tax	7	<u>(269)</u>	–	<u>(269)</u>	–
Profit/(loss) attributable to shareholders		<u>1,828</u>	<u>(2,875)</u>	<u>1,046</u>	<u>(6,743)</u>
Interim dividend	8	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Earnings/(loss) per share	9				
– basic (cents)		0.43	(2.18)	0.38	(5.12)
– diluted (cents)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Convertible notes reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 April 2005	59,092	34,698	(15)	–	(88,633)	5,142
Loss for the period	–	–	–	–	(6,743)	(6,743)
As at 30 September 2005	<u>59,092</u>	<u>34,698</u>	<u>(15)</u>	<u>–</u>	<u>(95,376)</u>	<u>(1,601)</u>
As at 1 April 2006	65,850	34,698	(15)	–	(106,359)	(5,826)
Capital reorganisation	(64,533)	–	–	–	64,533	–
Issue of shares on open offer	3,951	21,731	–	–	–	25,682
Share issuance costs	–	(786)	–	–	–	(786)
Issue of convertible notes – <i>note 17</i>	–	–	–	11,999	–	11,999
Profit for the period	–	–	–	–	1,046	1,046
As at 30 September 2006	<u>5,268</u>	<u>55,643</u>	<u>(15)</u>	<u>11,999</u>	<u>(40,780)</u>	<u>32,115</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months Ended 30 September 2006 <i>HK\$'000</i> (unaudited)	Six months ended 30 September 2005 <i>HK\$'000</i> (unaudited)
Net cash from/(used in) operating activities	(5,168)	14
Net cash from/(used in) investing activities	(19,469)	–
Net cash from/(used in) financing activities	<u>27,479</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents	2,842	14
Cash and cash equivalents at 1 April	<u>112</u>	<u>122</u>
Cash and cash equivalents at 30 September	<u><u>2,954</u></u>	<u><u>136</u></u>
Analysis of balance of cash and cash equivalents		
Cash and bank balances	5,672	136
Bank overdrafts	<u>(2,718)</u>	<u>–</u>
	<u><u>2,954</u></u>	<u><u>136</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 principal activities of the Group are design, development and sales of location-based technology devices and applications, and distribution of high-end apparel and accessories.

2. Basic of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance and the GEM Listing Rules. 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 the interim financial statements except for the newly acquired intangible assets disclosed below, are consistent with those adopted in annual financial statements for the year ended 31 March 2006.

Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible asset 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 amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

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

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

3. Segment information

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.

	Six months ended 30 September					
	Design, development and sales of location-based technology devices and applications		Distribution of high-end apparel and accessories		Consolidated	
	2006	2005	2006	2005	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER						
External turnover	<u>488</u>	<u>460</u>	<u>7,315</u>	<u>–</u>	<u>7,803</u>	<u>460</u>
RESULTS						
Segment results	<u>460</u>	<u>(5,918)</u>	<u>1,478</u>	<u>–</u>	<u>1,938</u>	<u>(5,918)</u>
Unallocated revenue					244	–
Unallocated expenses					(867)	(825)
Profit/(loss) before tax					1,315	(6,743)
Tax					(269)	–
Profit/(loss) for the period					<u>1,046</u>	<u>(6,743)</u>

4. Revenue

	Three months ended		Six months ended	
	30 September		30 September	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
TURNOVER				
Design, development and sales of location-based technology devices and applications	303	221	488	460
Distribution of high-end apparel and accessories	7,315	–	7,315	–
	<u>7,618</u>	<u>221</u>	<u>7,803</u>	<u>460</u>
OTHER REVENUE				
Fair value gain on financial assets at fair value through profit or loss	187	–	187	–
Gain on disposal of financial assets at fair value through profit or loss	8	–	8	–
Sundry income	1,066	–	1,120	1
	<u>1,261</u>	<u>–</u>	<u>1,315</u>	<u>1</u>
	<u>8,879</u>	<u>221</u>	<u>9,118</u>	<u>461</u>

5. Finance costs

	Three months ended		Six months ended	
	30 September		30 September	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on bank loans and overdrafts repayable within five years	79	–	79	–
	<u>79</u>	<u>–</u>	<u>79</u>	<u>–</u>

6. Profit/(loss) before tax

	Three months ended		Six months ended	
	30 September		30 September	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation	152	2,935	152	5,873
Amortisation of intangible assets	112	–	112	–
Operating lease rentals in respect of land and buildings	1,782	94	1,782	106
Employee benefit expense:				
Salaries and allowances	901	445	1,251	1,099
Retirement scheme contribution	148	(36)	159	(4)
	<u>1,049</u>	<u>409</u>	<u>1,410</u>	<u>1,095</u>

7. Tax

	Three months ended		Six months ended	
	30 September		30 September	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Charge for the period				
Hong Kong	235	–	235	–
Overseas	34	–	34	–
	<u>269</u>	<u>–</u>	<u>269</u>	<u>–</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2005: Nil) 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.

No deferred tax asset has been recognized in respect of the tax losses as they have been arisen in subsidiaries that have been loss-making for some time.

8. Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2006 (six months ended 30 September 2005: Nil).

9. Earnings/(loss) per share

The calculation of basic earnings per share for the six months ended 30 September 2006 is based on the Group's profit attributable to shareholders of approximately HK\$1,046,000 (2005: loss HK\$6,743,000) and weighted average number of 278,514,000 ordinary shares (2005: 131,700,000 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 six and three months ended 30 September 2005 has been retrospectively adjusted for the effect of the share consolidation completed during the period.

Diluted earning/(loss) per share is not presented as there were no diluting events existed during the three months and six months ended 30 September 2006 and the corresponding periods in 2005.

10. Property, plant and equipment

The changes in the net book value of property, plant and equipment for the six months ended 30 September 2006 are analysed as follow:

	<i>HK\$'000</i>
At 1 April 2006 (audited)	–
Acquired on acquisition of a subsidiary	1,946
Additions	68
Depreciation provided for the period	(152)
	<hr/>
At 30 September 2006 (unaudited)	<u>1,862</u>

11. Goodwill

The goodwill arised on acquisition of a subsidiary during the period.

	As at 30 September 2006 <i>HK\$'000</i> (unaudited)	As at 31 March 2006 <i>HK\$'000</i> (audited)
Investment cost of subsidiary	81,180	–
Fair value of net assets acquired	<u>5,628</u>	<u>–</u>
	<u>75,552</u>	<u>–</u>

12. Intangible assets

	Franchise Rights <i>HK\$'000</i>
At 1 April 2006 (audited)	–
Arising from acquisition of a subsidiary	5,000
Amortisation provided for the period	<u>(112)</u>
At 30 September 2006 (unaudited)	<u><u>4,888</u></u>

The intangible assets arise from acquisition of a subsidiary in the period.

These intangible assets have definite useful lives, and are amortised on a straight-line basis over 4 – 10 years.

13. Trade receivables

The Group has a policy of allowing its trade customers with credit period normally ranged from 30 to 90 days.

The aging analysis of the Group's trade receivables at the balance sheet date, based on date of services rendered and goods delivered, is as follows:

	As at 30 September 2006 <i>HK\$'000</i> (unaudited)	As at 31 March 2006 <i>HK\$'000</i> (audited)
0 – 30 days	1,223	283
31 – 60 days	529	45
61 – 90 days	–	–
Over 90 days	<u>12,806</u>	<u>12,719</u>
	14,558	13,047
Less: Provision for doubtful debts	<u>(12,806)</u>	<u>(12,719)</u>
	<u><u>1,752</u></u>	<u><u>328</u></u>

14. Financial assets at fair value through profit or loss

These financial assets represent equity investments listed in Hong Kong and are stated at market value.

15. Trade payables

The aging analysis of the Group's trade payables at the balance sheet date, based on date of goods received, is as follows:

	As at 30 September 2006 <i>HK\$'000</i> (unaudited)	As at 31 March 2006 <i>HK\$'000</i> (audited)
0 – 30 days	1,856	–
31 – 60 days	1,574	–
61 – 90 days	82	–
Over 90 days	103	–
	<u>3,615</u>	<u>–</u>

16. Interest bearing bank and other borrowings

These amounts are interest bearing at a range of HIBOR plus 1% to prime rate minus 1.25% per annum.

17. Convertible notes

Pursuant to the sale and purchase agreement dated 10 October 2005 as part of the total consideration for the acquisition of Hip Kin Retailing Limited, interest-free convertible notes with an aggregate principle amount of HK\$61.52 million were issued to First Vantage Limited on 31 July 2006. First Vantage Limited 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 of 3 years from the date of the issue. These notes are convertible into ordinary shares of the Company at the conversion price of HK\$0.10 per share as adjusted from time to time provided that the conversion price shall not be less than the par value of a share of the Company.

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 sheet are calculated as follows:

	As at 30 September 2006 <i>HK\$'000</i> (unaudited)	As at 31 March 2006 <i>HK\$'000</i> (audited)
Face value of convertible notes at the date of issue	61,520	–
Amount classified as equity component	(11,999)	–
	<u>49,521</u>	<u>–</u>

18. Share capital

	Number of shares	HK\$'000
<i>Authorised:</i>		
At 31 March 2006, ordinary shares of HK\$0.1 each (audited)	10,000,000,000	1,000,000
Capital reorganisation (<i>note a</i>)	<u>–</u>	<u>(900,000)</u>
At 30 September 2006, ordinary shares of HK\$0.01 each (unaudited)	<u>10,000,000,000</u>	<u>100,000</u>
<i>Issued and fully paid:</i>		
At 31 March 2006, ordinary shares of HK\$0.1 each (audited)	658,501,863	65,850
Capital reorganisation (<i>note a</i>)	(526,801,490)	(64,533)
Open offer (<i>note b</i>)	<u>395,101,116</u>	<u>3,951</u>
At 30 September 2006, ordinary shares of HK\$0.01 each (unaudited)	<u>526,801,489</u>	<u>5,268</u>

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 30 September 2006, the total issued share capital of the Company after the Open Offer are 526,801,489 shares.

19. Acquisition of a subsidiary

On 31 July 2006, the Company acquired 100% equity interest in Golife (Hong Kong) Limited (formerly “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 <i>HK\$'000</i> (unaudited)	Fair value adjustment <i>HK\$'000</i> (unaudited)	Fair value of the acquiree <i>HK\$'000</i> (unaudited)
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)
Interest bearing bank and other borrowings	(10,247)	–	(10,247)
	<u>628</u>	<u>5,000</u>	<u>5,628</u>
Net assets acquired			
			<u>75,552</u>
			<u>81,180</u>
Goodwill arising on acquisition			
			<u>81,180</u>
Satisfied by:			
Cash consideration			19,660
Convertible notes			<u>61,520</u>
			<u>81,180</u>

20. Commitments

(a) Commitments under operating leases

As at 30 September 2006 and 31 March 2006, the Group had future aggregate minimum lease payment under non-cancelable operating lease in respect of land and buildings.

	As at 30 September 2006 HK\$'000 (unaudited)	As at 31 March 2006 HK\$'000 (audited)
Within one year	6,630	–
In the second to fifth years, inclusive	5,849	–
After five years	–	–
	<u>12,479</u>	<u>–</u>

(b) Commitments under license agreements in respect of two brand name products

	As at 30 September 2006 HK\$'000 (unaudited)	As at 31 March 2006 HK\$'000 (audited)
Minimum purchase:		
Within one year	7,881	–
In the second to fifth years, inclusive	74,847	–
After five years	–	–
	<u>82,728</u>	<u>–</u>

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND DEBENTURES

As at 30 September 2006, the interests, deemed interests, long positions, short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") pursuant to rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

1. Mr. Richard Yen, a non-executive director of the Company, is taken to be interested in 60,000,000 shares in the Company (representing approximately 11.38% of the issued share capital of the Company) within the meaning of Part XV of the SFO through the purchase of convertible notes of the Company in the principal amount of HK\$6,000,000 (under which the conversion price for each share is HK\$0.1) on 21 August 2006 by one Neowin Ltd, a company incorporated in British Virgin Islands and is wholly owned by Mr. Richard Yen.
2. Ms. Ho Hsin Yi, the spouse of Mr. Richard Yen, is deemed to be interested in the 60,000,000 shares in the Company for the purpose of Part XV of the SFO.

Share options

The Company adopted a Share Option Scheme (the "Scheme") on 6 March 2002 for the purpose of providing incentives or rewards to eligible participants for their contributions to the Group. Under the terms of the Scheme, the board of directors of the Company (the "Board") may, at the discretion, invite any employees, directors of the Company and/or any of its subsidiaries, any advisers or consultants, distributors, suppliers, agents, customers, partners, joint venture partners, promoters and service providers to the Group to subscribe for any ordinary shares of HK\$0.10 each in the Company. 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. Upon acceptance of the option, the grantee must pay HK\$1.00 to the Company by way of consideration for the grant.

As at 30 September 2006, no option has been granted or agreed to be granted by the Company under the Scheme.

Saved as disclosed above, none of the directors or their spouses or children under 18 years of age had any right to subscribe for the shares of the Company, or had exercised any right during the period.

Saved as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2006, the register of substantial shareholders maintained pursuant to Section 336 of the SFO showed that other than interests disclosed in “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Debentures”, the following shareholders had notified the Company of their relevant interests or deemed interests in the issued share capital of the Company:

Long Position in the Shares of the Company

Name of Shareholders	Number of New Shares interested or deemed to be interested	Approximate percentage of the shareholding held in the Company
First Vantage Limited (<i>note 1</i>)	325,900,000	61.86%
Chung Chiu Limited (<i>note 1</i>)	325,900,000	61.86%
HSBC International Trustee Limited (<i>note 1</i>)	325,900,000	61.86%
Gouw Hiap Kian (<i>notes 1 & 2</i>)	335,500,000	63.69%
Ng Choy Yue Mary (<i>note 2</i>)	335,500,000	63.69%
Far East Technology International Limited	137,223,600	26.05%
Galaxy China Opportunities Fund	124,800,000	23.69%
Deutsche Bank Aktiengesellschaft (<i>note 3</i>)	102,840,000	19.52%
Ho Yau Lung Lawrence (<i>note 4</i>)	108,000,000	20.50%
Lo Sau Yan Sharen (<i>note 4</i>)	108,000,000	20.50%
Melco Financial Group Limited (<i>note 4</i>)	108,000,000	20.50%
Melco International Development Limited (<i>note 4</i>)	108,000,000	20.50%
Value Convergence Holdings Limited (<i>note 4</i>)	108,000,000	20.50%
VC Brokerage Limited (<i>note 4</i>)	108,000,000	20.50%
VC Financial Group Limited (<i>note 4</i>)	108,000,000	20.50%
Neowin Ltd (<i>note 5</i>)	60,000,000	11.38%
Richard Yen (<i>note 5</i>)	60,000,000	11.38%
Ho Hsin Yi (<i>note 5</i>)	60,000,000	11.38%

Notes:

1. First Vantage 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”), Chung Chiu Limited, GOUW Hiap Kian and HSBC International Trustee Limited are deemed to be interested in the 325,900,000 shares of Golife Concepts Holdings Limited (the “Company”).

2. GOUW Hiap Kian is the beneficial owner of another 9,600,000 shares of the Company. Adding the 325,900,000 shares he is deemed to be interested in through First Vantage Limited, he is interested in a total of 335,500,000 shares of the Company. Being the spouse of GOUW Hiap Kian, NG Choy Yue Mary is deemed to be interested in the 335,500,000 shares of the Company pursuant to the SFO.
3. Deutsche Bank Aktiengesellschaft is having security interests in the 102,840,000 shares of the Company.
4. VC Brokerage Limited, a wholly owned subsidiary of Value Convergence Holdings Limited, is the beneficial owner of 108,000,000 shares of the Company. VC Brokerage Limited is also a controlled corporation of VC Financial Group Limited and Ho Yau Lung Lawrence. Melco Financial Group Limited, a wholly owned subsidiary of Melco International Development Limited, is in turn holding 63.66% of the shares of Value Convergence Holdings Limited. Therefore, Value Convergence Holdings Limited, VC Financial Group Limited, and Ho Yau Lung Lawrence, Melco Financial Group Limited and Melco International Development Limited are each deemed to have interests in the 108,000,000 shares of the Company pursuant to the SFO. Further, being the spouse of Ho Yau Lung Lawrence, Lo Sau Yan Sharen is also deemed to have interests in the 108,000,000 shares of the Company pursuant to the SFO.
5. As to the interests of Neowin Ltd, Richard Yen and Ho Hsin Yi, please refer to the section on “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Debentures”.

By Order of the board of directors
Golife Concepts Holdings Limited
Leung Tak Wah
Executive Director

Hong Kong, 13 November 2006

As at the date of this announcement, the Board consists of Mr. LO Mun Lam Raymond, Mr. LEUNG Tak Wah and Ms. YU Wai Yin Vicky as Executive Directors, Mr. Richard YEN and Mr. Duncan CHIU as Non-Executive Directors and Mr. LUM Pak Sum, Mr. SUM Chun Ho and Mr. WAN Kwok Pan as Independent Non-Executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– 1. the information contained in this announcement is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this announcement misleading; and 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will be published on the Company’s website and will remain on the GEM website on the “Latest Company Announcement” page for at least 7 days from the date of publication.