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Golife Concepts Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8172)

DISCLOSEABLE TRANSACTION FORMATION OF A JOINT VENTURE COMPANY AND RULE 17.10 ANNOUNCEMENT AND RESUMPTION OF TRADING

The Board is pleased to announce that Profit First, a wholly owned subsidiary of the Company, has entered into the Agreement with Zion Worldwide and LOC on 21 February 2007 and the Supplemental Agreement on 23 February 2007, pursuant to which Profit First and Zion Worldwide have agreed to establish 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 will be owned by Profit First and Zion Worldwide in equal shares.

In connection with the Agreement, LOC has entered into the Worldwide Agreement with GOL International and LOC HK has entered into the HK Agreement with GL Trading.

The investment by Profit First under the Agreement (the “**Investment**”) constitutes a discloseable transaction of the Company under Chapter 19 of the Listing Rules. A circular containing details of the Investment will be despatched to the shareholders of the Company within 21 days after publication of this announcement.

This announcement is also made by the Company pursuant to paragraph 17.10 of the GEM Listing Rules.

In the meantime, shareholders of and potential investors in the Company are recommended to exercise caution when dealing in or investing in the Shares.

At the request of the Company, trading in the Shares has been suspended from 9:30 a.m. on 14 February 2007 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. 26 February 2007.

INTRODUCTION

The Board is pleased to announce that Profit First, a wholly owned subsidiary of the Company, has entered into the Agreement with Zion Worldwide and LOC on 21 February 2007 and the Supplemental Agreement on 23 February 2007, pursuant to which Profit First and Zion Worldwide have agreed to establish LOC to operate the Business. LOC will be owned by Profit First and Zion Worldwide in equal shares.

In connection with the Agreement, LOC has entered into the Worldwide Agreement with GOL International and LOC HK has entered into the HK Agreement with GL Trading.

THE AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Date of the Agreement and date of the Supplemental Agreement

21 February 2007 and 23 February 2007

Parties

- (1) Profit First
- (2) Zion Worldwide
- (3) LOC

Term

Four (4) years from the date of the Agreement

Major Terms

Scope of Business of LOC

LOC, a company established under the laws of the British Virgin Islands, will be owned by Profit First and Zion Worldwide in equal shares. LOC will be principally engaged in the Business.

Investment

On 15 February 2007, ONC Consulting Limited, the subscriber of LOC, transferred 1 share in the share capital of LOC to Profit First whilst Profit First and Zion Worldwide subscribed for 499 shares and 500 shares in the share capital of LOC respectively. The profit sharing ratio of Profit First and Zion Worldwide in relation to LOC shall be in proportion to their respective shareholding in LOC.

DY and Zion Worldwide will transfer and assign to LOC the IP Rights and the Existing TM-related Products for the consideration of HK\$1.00 to the effect and intent that LOC shall become the sole and absolute owner of the IP Rights and all Existing TM-related Products.

In consideration of the transfer and assignment of IP rights to LOC by DY and Zion Worldwide, Profit First shall pay Zion Worldwide an earn-out payment (the "Earn-Out Payment") which shall be the higher of:

- (a) "Y" times 50% of Z ("Y" means a P/E ratio of 3.8 and "Z" means average of the annual audited net profits (after tax) as shown in the relevant consolidated audited accounts of LOC and its subsidiaries for the Earn-Out Period; and
- (b) a fixed sum of HK\$3,000,000.

but in any event not exceeding HK\$7,500,000.

The Earn-Out Payment is determined based on normal commercial terms applied by reference to the transactions of similar nature and made by similar entities.

The Earn-Out Payment shall be paid to Party B in one go by way of cash within 7 Business Days of the issuance of the Final Audited Accounts after the Earn-Out Period.

Source of Working Capital

If the financial resources of LOC and its subsidiaries are insufficient to satisfy working capital requirements, as determined by the Board, further capital can be funded by way of third party debt financing and shareholders loan on a pro-rata basis.

No shareholders loan in respect of LOC has been committed as at the date of this announcement.

Non-Competition

During the term of the Agreement and for a period of twelve months thereafter, Zion Worldwide shall not, and shall procure DY not to design or sell any Products the final published retail price of which is HK\$25,000 or below per piece whether or not under or relating to the Trademarks.

WORLDWIDE AGREEMENT

Date of Agreement

21 February 2007

Parties

- (1) LOC
- (2) GOL International

Term

Five (5) years from the date of the Worldwide Agreement

Major Term

LOC will appoint GOL International to act as an exclusive agent for the marketing, distribution, promotion of or dealing with the Products in Territory A during the continuance of the Worldwide Agreement. In consideration of GOL International accepting such appointment, GOL International shall be entitled to a commission during the term of its appointment equivalent to 10% of the aggregate sales of the Products meaning the net proceeds receivable from the issue of invoices by GOL International to a third party customer for Territory A.

HK AGREEMENT

Date of Agreement

21 February 2007

Parties

- (1) LOC HK
- (2) GL Trading

Term

Four (4) years from the date of the HK Agreement

Major Terms

Grant of Right

LOC HK will grant GL Trading the free and exclusive right to operate the business of the sale of Products in Territory B during the continuance of the HK Agreement.

Opening of Shops

GL Trading shall, within four years from the date of the HK Agreement, open and maintain a minimum of four points of sales in Hong Kong which shall be stand alone shop or shop within a shop.

China Business

LOC shall have the right to operate the business of sale of Products in PRC if GL Trading decides not to operate such business.

REASONS AND BENEFITS FOR THE INVESTMENT

Since August 2006, the Group has principally engaged in the distribution of branded luxury apparel and accessories in the PRC region.

In the Management Discussion and Analysis of the Group's Interim Report 2006, the Group mentioned that it has formulated a strategy to identify unique fashion accessories and apparel brands with character, market potential and longevity to act as its equity and/or distribution partner. It is also stated that 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 the PRC.

The Group considers that the Brand, its artistic and cultured nature and the talent and flair of DY, has vast potential not only in the PRC region but throughout the world. The customer profile, price range and target distribution locations of the Brand are also very similar to the Group's existing brands, providing operational synergies.

The Brand has up to the date of the announcement been used by DY in the marketing and distribution of lifestyle consumer products including but not limited to jewellery and accessories under the Brand through prestigious stores worldwide, including Hong Kong, Tokyo, London, Saudi Arabia and the USA.

The Directors consider that the Investment together with the execution of the Worldwide Agreement and HK Agreement will enable the Group to immediately obtain equity ownership in a unique "up and coming" concept jewellery brand as well as participate in the Hong Kong and worldwide distribution of the Brand's products.

On such basis, the Directors are of the opinion that the terms of the Investment (including the Earn-Put Payment) are fair and reasonable and that the Investment is in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE COMPANY

The Company is an investment holding company and the principal business of the Company is distribution and brand management engaged in the franchised sales of (i) London-based Anya Hindmarch, a brand offering chic designer ladies' handbag, leather accessories, luggages, shoes and apparel and (ii) Paris-based Paule Ka, a women's wear design house offering a "young couture" style that appeal to women who opt for subtly elegant designer apparel.

INFORMATION ON PROFIT FIRST

Profit First is an investment holding company and a wholly owned subsidiary of the Company.

INFORMATION ON ZION WORLDWIDE

Zion Worldwide is an investment holding company. Zion Worldwide and its beneficial owners are third parties independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company as at the Latest Practicable Date.

INFORMATION ON LOC

LOC is a company established under the laws of the British Virgin Islands which will be owned by Profit First and Zion Worldwide in equal shares. LOC will be principally engaged in the Business.

Through LOC and LOC HK, the Group will be involved in the brand management and product development of the Brand. Under the HK Agreement, the Group will open up to 4 mono-brand stores in premium malls in Hong Kong as well as to be involved in wholesale arrangements with other prestigious multi-brand stores.

Through the efforts of DY, the Brand has gained significant recognition worldwide. The Brand has received the DTC Diamond Award in 2004, and the stores operated by DY under the Brand was selected as one of the top 25 stores in the world by Forbes magazine in 2005.

LOC will employ DY as the chief designer of the Business. DY was born in Hong Kong in 1971, studied at the Fashion Institute of Technology in New York, USA, specializing in photography and jewellery design. He also practices fine arts and his artworks have been collected by the Heritage Museum of Hong Kong and the City of Montpellier in France. Through LOC, DY will be able to concentrate on the product designs for the Brand.

LOC will follow on the established recognition as one of the world's premium jewellery brands that are influenced by Eastern philosophy and Chinese culture. LOC will expand its product range based on new design concepts of DY and the Existing TM-related Products. The Products will be predominately made in silver, gold, precious stones and diamonds.

GENERAL

The Investment constitutes a discloseable transaction of the Company under Chapter 19 of the Listing Rules. A circular containing, among other things, further details of the Investment will be despatched to the Shareholders within 21 days after publication of this announcement.

This announcement is also made by the Company pursuant to paragraph 17.10 of the GEM Listing Rules.

In the meantime, shareholders of and potential investors in the Company are recommended to exercise caution when dealing in or investing in the Shares.

At the request of the Company, trading in the Shares has been suspended from 9:30 a.m. on 14 February 2007 pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. 26 February 2007.

DEFINITIONS

“Agreement”	the shareholders agreement dated 21 February 2007 entered into among Profit First, Zion Worldwide and LOC in relation to the establishment of LOC and the operation of the Business
“Board”	the board of Directors of the Company
“Brand”	“Life of Circle”
“Company”	Golife Concepts Holdings Limited (Stock code: 8172), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the GEM Board of the Stock Exchange
“Directors”	directors of the Company
“DY”	Yewn Dik Sum Dickson, the sole shareholder of Zion Worldwide
“Earn-Out Period”	the period from (and inclusive) 1 March 2007 to (and inclusive) 31 December 2010
“Existing TM-Related Products”	any and all products made, designed, manufactured and howsoever created under or relating to the IP Rights

“Final Audited Accounts”	the audited accounts of LOC and its subsidiaries for the Earn-Out Period
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“GL Trading”	Golife (Trading) Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of Profit First
“GOL International”	GOL (International) Limited, a company incorporated under in the British Virgin Islands and a wholly owned subsidiary of Profit First
“Group”	the Company and its subsidiaries
“HK Agreement”	the distribution agreement dated 21 February 2007 entered into between LOC HK and GL Trading
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IP Rights”	the Trademarks and all the intellectual property subsisting in or relating to business, products and the brand name of the Trademarks
“Latest Practicable Date”	14 February 2007
“LOC”	LOC Limited, a company incorporated in the British Virgin Islands on 6 February 2007
“LOC HK”	Life of Circle Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of LOC
“PRC”	the People’s Republic of China
“Products”	lifestyle consumer products including but not limited to jewelry and accessories under the IP Rights
“Profit First”	Profit First Investments Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Shares”	shares of HK\$0.10 of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement”	the supplemental agreement to the Agreement dated 23 February 2007 entered into among Profit First, Zion Worldwide and LOC
“Territory A”	any country in the world except Hong Kong and PRC
“Territory B”	HK and PRC
“Trademarks”	“Life of Circle”, “Circle of Life”, and “No Man’s Land”
“Worldwide Agreement”	the worldwide agency agreement 21 February 2007 entered into between LOC and GOL Trading Limited
“USA”	the United States of America
“Zion Worldwide”	Zion Worldwide Limited, a company incorporated in the British Virgin Islands on 3 January 2007
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
LEUNG TAK WAH
Executive Director

Hong Kong, 23 February 2007

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lo Mun Lam, Raymond, Mr. Leung Tak Wah and Ms. Yu Wai Yin, Vicky; two non-executive Directors, namely Mr. Richard Yen and Mr. Duncan Chiu; and three independent non-executive Directors, namely Mr. Wan Kwok Pan, Mr. Sum Chun Ho and Mr. Lum Pak Sum.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, 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.