Seamless Green China (Holdings) Limited
無縫綠色中國（集團）有限公司

(Incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)

(Stock Code: 8150)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

This announcement, for which the directors (the "Directors") of Seamless Green China (Holdings) Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group recorded total turnover for the year ended 31 December 2014 of approximately HK$20.8 million, representing approximately 17% decline over 2013.
- The Group recorded an audited loss attributable to owners of the Company for the year ended 31 December 2014 of approximately HK$200.5 million, representing an increase of loss of approximately 31% as compared to 2013.
- The Directors do not recommend the payment of any dividends for the year ended 31 December 2014.

AUDITED ANNUAL RESULTS

The Directors are pleased to announce the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 (the "Year") together with the comparative audited figures for the year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	**2014** **HK$'000**	2013 HK$'000
Turnover	*5(a)*	**20,837**	25,070
Cost of sales		**(18,634)**	(24,977)
Gross profit		**2,203**	93
Other income and gains	*5(b)*	**20**	675
Selling and distribution costs		**(957)**	(995)
Administrative and other operating expenses		**(35,185)**	(75,297)
Gain on disposal of subsidiaries		**4,987**	–
Change in fair value of investment property		**2,201**	–
Impairment loss on disposal groups classified as held for sale		**–**	(2,223)
Impairment loss on property, plant and equipment		**(9,000)**	–
Impairment losses on interests in associates		**(65,924)**	(61,549)
Impairment losses on trade and other receivables		**(3,100)**	(12,417)
Impairment losses on available-for-sale financial assets		**(80,834)**	–
Loss from operations		**(185,589)**	(151,713)
Share of profits of associates		**338**	3,555
Finance costs	*7*	**(14,545)**	(5,667)
Loss before tax	*8*	**(199,796)**	(153,825)
Income tax expense	*9*	**(691)**	–
Loss for the year		**(200,487)**	(153,825)

	Note	2014 HK$'000	2013 HK$'000
Other comprehensive income after tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of the consolidated financial statements of foreign subsidiaries		**(509)**	1,741
Exchange differences reclassified to profit or loss on disposal of subsidiaries		**(3,646)**	–
Change in fair value of available-for-sale financial assets		**(80,834)**	–
Impairment losses on available-for-sale financial assets		**80,834**	–
Other comprehensive income for the year		**(4,155)**	1,741
Total comprehensive income for the year		**(204,642)**	(152,084)
Loss for the year attributable to:			
Owners of the Company		**(200,487)**	(153,128)
Non-controlling interests		**–**	(697)
		(200,487)	(153,825)
Total comprehensive income attributable to:			
Owners of the Company		**(204,642)**	(151,387)
Non-controlling interests		**–**	(697)
		(204,642)	(152,084)
Loss per share attributable to the owners of the Company			
Basic	11	**(33.22) cents**	(36.50) cents
Diluted	11	**(33.22) cents**	(36.50) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**13,951**	32,635
Investment property		**17,010**	–
Prepaid land lease payments		**–**	530
Interests in associates	*12*	**4,639**	70,225
Available-for-sale financial assets		**2,349**	–
		37,949	103,390
Current assets			
Prepaid land lease payments		**–**	17
Inventories		**2,379**	1,889
Trade and other receivables	*13*	**15,318**	44,035
Cash and cash equivalents		**73,389**	782
		91,086	46,723
Assets of disposal groups classified as held for sale		**–**	15,663
		91,086	62,386
Current liabilities			
Trade and other payables	*14*	**18,043**	20,693
Bank loans and overdrafts		**–**	2,829
Income tax payable		**4**	2,150
Promissory notes		**124,336**	–
		142,383	25,672
Liabilities of disposal groups classified as held for sale		**–**	3,075
		142,383	28,747
Net current (liabilities)/assets		**(51,297)**	33,639
Total assets less current liabilities		**(13,348)**	137,029
Non-current liabilities			
Deferred tax liabilities		**1,459**	134
Promissory notes		**–**	109,923
		1,459	110,057
NET (LIABILITIES)/ASSETS		**(14,807)**	26,972
CAPITAL AND RESERVES			
Share capital		**35,384**	24,256
Reserves		**(48,713)**	4,194
Equity attributable to the owners of the Company		**(13,329)**	28,450
Non-controlling interests		**(1,478)**	(1,478)
(CAPITAL DEFICIENCY)/TOTAL EQUITY		**(14,807)**	26,972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Warrant reserve HK$'000	Exchange reserve HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2013	17,282	160,639	535	–	250	2,578	1,351	(131,790)	–	50,845
Loss for the year	–	–	–	–	–	–	–	(153,128)	(697)	(153,825)
Other comprehensive income for the year:										
Exchange difference on translating foreign subsidiaries	–	–	–	–	–	1,741	–	–	–	1,741
Total comprehensive income for the year	–	–	–	–	–	1,741	–	(153,128)	(697)	(152,084)
Changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	781	(781)	–
Recognition of unlisted warrants	–	–	–	–	641	–	–	–	–	641
Recognition of equity-settled share-based payments	–	–	–	–	–	–	34,225	–	–	34,225
Issue of shares upon:										
– warrant exercised	2,257	23,562	–	–	(651)	–	–	–	–	25,168
– share option	822	4,397	–	–	–	–	(1,044)	–	–	4,175
– shares	3,895	60,107	–	–	–	–	–	–	–	64,002
At 31 December 2013 and at 1 January 2014	24,256	248,705	535	–	240	4,319	34,532	(284,137)	(1,478)	26,972
Loss for the year	–	–	–	–	–	–	–	(200,487)	–	(200,487)
Other comprehensive income for the year:										
Exchange difference on translating foreign subsidiaries	–	–	–	–	–	(509)	–	–	–	(509)
Exchange difference reclassified to profit or loss on disposal of subsidiaries	–	–	–	–	–	(3,646)	–	–	–	(3,646)
Change in fair value of available-for-sale financial assets	–	–	–	(80,834)	–	–	–	–	–	(80,834)
Impairment losses on available-for-sale financial assets	–	–	–	80,834	–	–	–	–	–	80,834
Total comprehensive income for the year	–	–	–	–	–	(4,155)	–	(200,487)	–	(204,642)
Transfer upon disposal of subsidiaries	–	–	(535)	–	–	–	–	535	–	–
Recognition of equity-settled share-based payments	–	–	–	–	–	–	7,031	–	–	7,031
Issue of shares upon:										
– warrant exercised	550	5,390	–	–	(110)	–	–	–	–	5,830
– shares	10,578	139,424	–	–	–	–	–	–	–	150,002
Lapse of options	–	–	–	–	–	–	(19,264)	19,264	–	–
At 31 December 2014	**35,384**	**393,519**	**–**	–	**130**	**164**	**22,299**	**(464,825)**	**(1,478)**	**(14,807)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. Corporate information

Seamless Green China (Holdings) Limited (the "Company") was a limited liability company incorporated in the Cayman Islands on 18 January 2001 as an exempted company. The issued shares of the Company have been listed on the Growth Enterprises Market on The Stock Exchange of Hong Kong Limited (the "GEM") since 10 August 2001. Pursuant to a special resolution passed on 7 January 2008, the shareholders of the Company resolved to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The re-domicile was completed on 22 January 2008. The change of domicile has no impact on the continuity and the listing status of the Company. The addresses of its registered office and principal place of business are disclosed in the corporate information section of the annual report of the Company for the year ended 31 December 2014.

The consolidated financial statements are presented in Hong Kong dollars (rounded to the nearest thousand except for per share data), which is the same as the functional and presentation currency of the Company.

The Company is an investment holding company. The Group's principal activities were involved in the manufacture and sale of synthetic sapphire watch crystals and optoelectronic products, the trading of liquor, integrated circuits and software trading and development and trading of LED lighting products.

2. Going concern basis

The Group incurred a loss attributable to owners of the Company of HK$200,487,000 for the year ended 31 December 2014 and as at 31 December 2014 the Group had net current liabilities and net liabilities of HK$51,297,000 and HK$14,807,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group's net liabilities and net current liabilities are mainly due to the promissory notes with carrying value of approximately HK$124 million which are all to be matured in 2015. In order to improve the Group's financial position, immediate liquidity, cash flows, profitability and operations, the following measures are adopted:

(a) the Directors are considering to increase the capital base of the Group through various fund-raising exercise, including but not limited to, issuing right shares to the qualifying shareholders and/or placing of new shares;

(b) the Directors are in active negotiation with the promissory notes holders on the repayment schedule;

(c) the Group will focus on the profitable businesses with good prospect in 2015 which the Directors believe can improve the Group overall financial performance and liquidity; and

(d) the Directors have taken action to reduce cost.

In the opinion of the Directors, if the above measures accomplish the expected results, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to return to a commercially viable concern. Therefore the Directors considered that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the Group's financial position as at 31 December 2014.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. Adoption of new and revised Hong Kong Financial Reporting Standards and requirements

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations.

(a) Application of new and revised HKFRSs

The following standards have been adopted by the Group for the first time for the financial year beginning 1 January 2014:

Amendment to HKAS 32, Offsetting financial assets and financial liabilities

This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

Amendment to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less costs of disposal is determined using a present value technique. Additional information is disclosed in accordance to the amendments.

Amendments to HKFRS 13 (Annual Improvements to HKFRSs 2010-2012 Cycle)

This amendment to the standard's basis for conclusions only clarifies that the ability to measure certain short-term receivables and payables on an undiscounted basis is retained.

Other Amendments which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2014. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKAS 12 and HKAS 28	Invest uncut Entities: Applying the Consolidated Eruption[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

(c) New Hong Kong Companies Ordinance

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant.

4. Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the HKICPA and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM.

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties that are measured at fair value).

5. Turnover and other income and gains

(a) Turnover

The Group's turnover represents the sales of goods supplied to customers, net of discounts and sales related tax during the year.

(b) Other income and gains

An analysis of the Group's other income and gains for the year is as follows:

	2014	2013
	HK$'000	HK$'000
Bank interest income	**13**	15
Other interest income	**–**	154
Total interest income on financial assets not at fair value through profit or loss	**13**	169
Others	**7**	506
	20	675

6. Segment information

Segment information reported by the Group's operating division to the chief operating decision maker ("CODM"), i.e. the Directors of the Company, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group's operating and reportable segments under HKFRS 8 are as follows:

(a) The synthetic sapphire watch crystals segment ("Sapphire") is a supplier of watch crystals mainly for use in the manufacture of watch products;

(b) The optoelectronic products segment ("Optoelectronic") is a supplier of optoelectronic products for use in internet cable;

(c) The liquor products segment ("Liquor") is in trading of wine; and

(d) The integrated circuits, software and LED lighting products segment ("Integrated Circuits, Software and LED") is in integrated circuits, software development and reselling, and LED lighting products trading business.

For the purposes of assessing segment performance and resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the year (2013: HK$Nil).

The accounting policies of the operating segments are the same as those described in notes to the financial statements. Segment result represents the loss resulted by each segment without allocation of central administration costs, including directors' remuneration, interest income, gain on disposal of subsidiaries, change in fair value of investment property, impairment losses on trade and other receivables, impairment losses on available-for-sale financial assets, impairment losses on interests in associates, and interest on promissory notes.

Segment assets do not include unallocated corporate assets, including cash and bank balances, investment property, interests in associates, available-for-sale financial assets and current tax assets. Segment liabilities do not include promissory notes, unallocated corporate liabilities and current and deferred tax liabilities.

(a) Segment revenue and results:

For the year ended 31 December 2014:

	Sapphire HK$'000	Optoelectronic HK$'000	Liquor HK$'000	Integrated circuits, software and LED HK$'000	Total for reportable segments HK$'000
Segment revenue	**14,900**	**3,153**	**–**	**2,784**	**20,837**
Segment results	**(4,248)**	**(1,391)**	**(3)**	**(10,313)**	**(15,955)**

Reconciliation:	
Total profit or loss for reportable segments	**(15,955)**
Unallocated corporate income	**7**
Bank interest income	**13**
Share of profits of associates	**338**
Gain on disposal of subsidiaries	**4,987**
Change in fair value of investment property	**2,201**
Impairment losses on interests in associates	**(65,924)**
Impairment losses on trade and other receivables	**(3,100)**
Impairment losses on available-for-sale financial assets	**(80,834)**
Interest on promissory notes	**(14,413)**
Unallocated corporate expenses	
– staff costs	**(20,685)**
– others	**(6,431)**
Consolidated loss before tax	**(199,796)**

For the year ended 31 December 2013:

	Sapphire HK$'000	Optoelectronic HK$'000	Liquor HK$'000	Integrated circuits, software and LED HK$'000	Total for reportable segments HK$'000
Segment revenue	20,423	2,081	1,673	893	25,070
Segment results	(7,433)	(2,477)	(4,070)	(1,489)	(15,469)

Reconciliation:	
Total profit or loss for reportable segments	(15,469)
Unallocated corporate income	239
Bank interest income	15
Share of profits of associates	3,555
Impairment loss on disposal group classified as held for sale	(2,223)
Impairment loss on interest in an associate	(61,549)
Impairment losses on trade and other receivables	(12,417)
Interest on promissory notes	(5,492)
Unallocated corporate expenses	
– staff costs	(43,217)
– others	(17,267)
Consolidated loss before tax	(153,825)

(b) Segment assets and liabilities:

For the year ended 31 December 2014:

	Sapphire HK$'000	Optoelectronic HK$'000	Liquor HK$'000	Integrated circuits, software and LED HK$'000	Total for reportable segments HK$'000
Segment assets	**2,895**	**2,184**	**3,295**	**62,825**	**71,199**
Unallocated assets					
– Investment property					**17,010**
– Interests in associates					**4,639**
– Available-for-sale financial assets					**2,349**
– Cash and bank balances					**27,806**
– Others					**6,032**
Consolidated assets					**129,035**
Segment liabilities	**(7,255)**	**(872)**	**(4)**	**(766)**	**(8,897)**
Unallocated liabilities					
– Promissory notes					**(124,336)**
– Deferred tax liabilities					**(1,459)**
– Others					**(9,150)**
Consolidated liabilities					**(143,842)**

For the year ended 31 December 2013:

	Sapphire HK$'000	Optoelectronic HK$'000	Liquor HK$'000	Integrated circuits, software and LED HK$'000	Total for reportable segments HK$'000
Segment assets	11,415	3,207	1,745	23,857	40,224
Unallocated assets					
– Disposal groups classified as held for sale					14,931
– Interests in associates					70,225
– Cash and bank balances					508
– Others					39,888
Consolidated assets					165,776
Segment liabilities	(8,180)	(658)	(4)	(1,944)	(10,786)
Unallocated liabilities					
– Disposal groups classified as held for sale					(1,131)
– Promissory notes					(109,923)
– Deferred tax liabilities					(134)
– Others					(16,830)
Consolidated liabilities					(138,804)

(c) Other segment information:

For the year ended 31 December 2014:

	Sapphire HK$'000	**Optoelectronic HK$'000**	**Liquor HK$'000**	**Integrated circuits, software and LED HK$'000**	**Unallocated HK$'000**	**Total HK$'000**
Capital expenditure	**–**	**80**	**–**	**5**	**–**	**85**
Interest income	**–**	**–**	**–**	**–**	**13**	**13**
Interest expenses	**132**	**–**	**–**	**–**	**14,413**	**14,545**
Depreciation and amortisation	**97**	**–**	**–**	**1,000**	**195**	**1,292**
Income tax expense	**–**	**–**	**–**	**–**	**691**	**691**

For the year ended 31 December 2013:

	Sapphire HK$'000	Optoelectronic HK$'000	Liquor HK$'000	Integrated circuits, software and LED HK$'000	Unallocated HK$'000	Total HK$'000
Capital expenditure	–	–	–	23,751	1,234	24,985
Interest income	–	–	–	–	15	15
Interest expenses	156	–	–	–	5,511	5,667
Depreciation and amortisation	1,181	342	–	18	42	1,583

(d) Geographical information

The Group's operations are mainly located in Hong Kong and the People's Republic of China (the "PRC").

The Group's revenue from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

	Revenues from external customers		**Non-current assets**	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Hong Kong	**–**	1,118	**1,364**	10,623
PRC	**5,931**	10,887	**34,236**	92,767
Europe	**5,479**	13,065	**–**	–
Bangkok	**9,427**	–	**–**	–
	20,837	25,070	**35,600**	103,390

(e) Information about major customers

The following table set out the information for the Group's customers contributing over 10% total revenue:

	2014 HK$'000	2013 HK$'000
Customer A	**9,427**	4,378
Customer B	**2,967**	2,081
Customer C	**2,586**	825
Customer D	**2,612**	–
	17,592	7,284

Save as disclosed above, there was no other single customer contributing over 10% total revenue of the Group for the years ended 31 December 2014 and 2013.

7. Finance costs

	2014 HK$'000	2013 HK$'000
Interest on promissory notes	**14,413**	5,492
Interest on bank loans and overdrafts	**132**	175
	14,545	5,667

8. Loss before tax

The Group's loss before tax is arrived at after charging/(crediting):

	2014 HK$'000	2013 HK$'000
Amortisation of prepaid land lease payments	**–**	17
Depreciation of property, plant and equipment	**1,292**	1,566
Impairment losses on		
– Disposal groups classified as held for sale	**–**	2,223
– Property, plant and equipment	**9,000**	–
– Interests in associates	**65,924**	61,549
– Trade and other receivables	**3,100**	12,417
– Available-for-sale financial assets	**80,834**	–
Cost of inventories	**18,634**	24,978
Write down of inventories	**367**	–
Minimum lease payment under operating leases		
– Buildings	**1,260**	1,369
Auditors' remuneration		
– Audit services	**600**	750
Foreign exchange (gain)/loss	**(1,729)**	1,388
Other equity-settled share-based payments	**3,515**	4,066
Staff costs *(including directors' remuneration)*		
Wages and salaries	**7,601**	8,992
Discretionary bonuses	**9,585**	158
Retirement scheme contributions	**196**	103
Equity-settled share-based payments	**3,516**	30,159
	20,898	39,412

Cost of inventories sold includes staff costs, depreciation, write down of inventories and operating lease charges of HK$1,841,000 (2013: HK$1,161,000) which are included in the amounts disclosed separately above.

9. Income tax expense

(a) Income tax in the consolidated statement of profit or loss and comprehensive income represents:

	2014	2013
	HK$'000	HK$'000
Provision for current income tax		
– PRC Enterprise Income Tax	**–**	–
– Hong Kong Profits Tax	**–**	–
Under-provision in prior years		
– Hong Kong Profits Tax	**394**	–
Deferred tax	**297**	–
	691	–

Hong Kong Profits Tax is calculated at 16.5% (2013:16.5%) on the estimated assessable profits arising in Hong Kong for the year. PRC Enterprise Income Tax is calculated at 25% (2013: 25%).

No provision for both Hong Kong Profits Tax and PRC Enterprise Income Tax has been provided in the consolidated financial statements as there was no estimated assessable profit for the year ended 31 December 2014 (2013: HK$Nil).

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	2014	2013
	HK$'000	HK$'000
Loss before tax	**(199,796)**	(153,825)
Notional tax on loss before tax, calculated at the rates applicable to profits in the countries concerned	**(34,156)**	(24,297)
Tax effect of non-taxable income	**(18,686)**	(592)
Tax effect of non-deductible expenses	**51,850**	17,591
Tax loss not recognised	**1,313**	7,298
Under-provision in current year	**(24)**	–
Under-provision in prior years	**394**	–
Income tax expense	**691**	–

10. Dividends

The Directors do not recommend the payment of any dividends to the owners of the Company for the year ended 31 December 2014 (2013: HK$Nil).

11. Loss per share

(a) Basic loss per share

The basic loss per share is calculated based on the loss attributable to the owners of the Company of HK$200,487,000 (2013:HK$153,128,000) and the weighted average number of 603,476,000 shares (2013: 419,584,000) in issue during the year.

(b) Diluted loss per share

Diluted loss per share for the year ended 31 December 2014 was the same as the basic loss per share as the potential shares arising from the exercise of the Company's warrants and share options would decrease the loss per share of the Group for year and is regarded as anti-dilutive.

12. Interests in associates

	2014	2013
	HK$'000	HK$'000
Cost of investment in associates, unlisted		
At 1 January	**70,225**	64,750
Acquisitions of associates	**–**	63,469
Shares of post-acquisition profit and other comprehensive income, net of dividend received	**338**	3,555
Impairment losses	**(65,924)**	(61,549)
At 31 December	**4,639**	70,225

At 31 December 2014, the management of the Group carried out review on impairment on the carrying amounts of its interests in associates individually as a single asset by comparing their recoverable amounts (higher of value-in-use and fair value less cost of disposal) with their respective carrying amounts. The management has reviewed for any objective evidence of the existence of any impairment on the investments and such evidence including, but not limited to the following:

(a) a significant or prolonged decline in the fair value of the interests in associates;

(b) significant adverse changes in the technological, market, economic, or legal environment in which the associates operated;

(c) structural changes in the industry in which the associates operated;

(d) changes in the level of demand of the products or services of the associates; and

(e) changes in the financial condition of the associates.

In order to perform the above assessments, the management has obtained the unaudited financial information (including the statements of financial position as at 31 December 2014 and statements of profit or loss and other comprehensive income for the year then ended, and any available forecasted financial information) of the associates, discussed with the management the operations of the associates and their future funding requirements, and engaged independent professional valuer to conduct independent valuation on the recoverable amounts of the associates, if necessary.

The reviews led to the recognition of impairment losses of HK$65,924,000 that have been recognised in profit or loss. The recoverable amounts of the associates have been determined on the basis of their fair value less costs of disposal using market approach. The market multiples of public companies and discount for lack of marketability used was 5.55 and 30% respectively.

13. Trade and other receivables

	2014	2013
	HK$'000	HK$'000
Trade receivables	**4,569**	4,889
Less: allowance for doubtful debts	**–**	(990)
	4,569	3,899
Loan receivables *(note (a))*	**3,906**	7,006
Other receivables	**4,719**	3,008
Investment deposit *(note (b))*	**–**	30,000
Deposits and prepayments	**2,124**	122
	15,318	44,035

Notes:

(a) As at 31 December 2014 and 2013, loan receivables comprise of:

(i) the Group granted a loan to Neo Partner Group of HK$5,000,000 which is unsecured, 2% interest per annum and receivable on demand. Impairment loss on loan to Neo Partner Group amounted to HK$3,100,000 has been provided for the year ended 31 December 2014; and

(ii) the Group granted a loan to Full Pace Group of HK$2,006,000, which is unsecured, interest free and receivable on demand.

(b) As at 31 December 2013, the balances represented refundable investment deposits for two proposed investments which comprised of:

(i) the Group paid a refundable deposit of HK$7,000,000 to Chu Chun Kit (朱俊傑) for the proposed acquisition of 49% equity interests in EQM (Int'l) Co. Limited, which was lapsed in 2013. Due to the situation that the proposed investment has been lapsed and the outstanding balance was still outstanding as at 31 December 2013, in the opinion of the directors, the recoverability of the deposit was remote and, accordingly, impairment has been fully provided. The Company will take further legal action to recover the deposit as soon as appropriate; and

(ii) the Group paid a refundable deposit of HK$30,000,000 for the proposed joint venture investments in Power Asia Global Investments Limited, which was guaranteed by the former substantial shareholder of the Company. The project was cancelled and the balance was fully repaid by the guarantor during 2014.

The Group's terms on credit sales primarily ranged from 30 to 90 days (2013: 30 to 120 days). The aging analysis of the trade receivables (net of allowance for doubtful debts) at the end of the reporting period, based on the invoice date, is as follows:

	2014	2013
	HK$'000	HK$'000
0 – 30 Days	**3,584**	1,536
31 – 60 Days	**311**	1,689
61 – 90 Days	**564**	159
Over 90 Days	**110**	515
	4,569	3,899

Movement in allowance for doubtful debts:

	2014	2013
	HK$'000	HK$'000
At 1 January	**990**	990
Disposal of subsidiaries	**(990)**	–
At 31 December	**–**	990

As of 31 December 2014, trade receivables of HK$110,000 (2013: HK$ Nil) were past due but not impaired. These relate to a number of diversified and independent customers for whom there is no recent history of default. The aging analysis of these receivables is as follows:

	2014	2013
	HK$'000	HK$'000
Past due but not impaired:		
– Less than 1 month	**110**	–
– 1 to 3 months	**–**	–
– Over 3 months	**–**	–
	110	–

14. Trade and other payables

	2014	2013
	HK$'000	HK$'000
Trade payables	**706**	4,681
Other payables and accrued charges (note)	**17,337**	16,012
	18,043	20,693

Note:

As at 31 December 2014 and 2013, the balance includes an initial deposit of HK$7,900,000 received for the disposal of entire equity interests in Fullway (China) Limited and its subsidiary. In March 2015, the deposit was fully refunded.

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2014	2013
	HK$'000	HK$'000
0 – 30 Days	**705**	2,334
31 – 60 Days	**–**	980
61 – 90 Days	**–**	752
Over 90 Days	**1**	615
	706	4,681

The trade payables are non-interest bearing and are normally settled on 60 days terms.

15. Disposal of subsidiaries

During the year ended 31 December 2014, the Group entered into disposal agreements for the disposals of the entire equity interests in Arnda Semiconductor Limited and its subsidiary ("Arnda Group") and Oriental Light Industries Limited and its subsidiaries ("Oriental Group").

Net assets/(liabilities) at the dates of disposals were as follows:

	Oriental Group	**Arnda Group**	**Amounts Derecognised**
	HK$'000	HK$'000	HK$'000
Property, plant and equipment	8,353	238	8,591
Prepaid land lease payments	451	–	451
Inventories	–	22	22
Trade and other receivables	6,398	323	6,721
Bank and cash balances	221	149	370
Trade and other payables	(10,983)	(1,708)	(12,691)
Income tax payable	(2,110)	(236)	(2,346)
Deferred tax liabilities	(94)	–	(94)
Net assets/(liabilities) disposed of	2,236	(1,212)	1,024
Release of foreign currency reserve	(3,655)	9	(3,646)
Gain on disposal of subsidiaries	3,749	1,238	4,987
Total	2,330	35	2,365
Consideration satisfied by			
Cash	2,330	35	2,365
Net cash inflow/(outflow) arising on disposals			
Cash consideration received	2,330	35	2,365
Cash and cash equivalents disposed of	(221)	(149)	(370)
	2,109	(114)	1,995

EXTRACT OF INDEPENDENT AUDITOR'S REPORT
BASIS FOR QUALIFIED OPINION

(a) Opening balances and corresponding figures

The preceding auditor was not able to obtain sufficient appropriate audit evidence to provide a basis for an unqualified audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2013, which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, because of the limitation on their audit scope concerning a disposal group, Arnda Semiconductor Limited and its subsidiaries ("Arnda Group"), classified as held for sale as at 31 December 2013. The preceding independent auditor's report dated 28 March 2014 included a disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 December 2013. We were unable to obtain sufficient appropriate audit evidence to remove a qualification on the opening balances and corresponding figures.

(b) Gain on disposal of subsidiaries

As disclosed in note 37(b) to the consolidated financial statements, the Group disposed of Arnda Group during the year and a gain on the disposal amounting to approximately HK$1,238,000 was recognised in the consolidated statement of profit or loss and other comprehensive income. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the assets and liabilities of Arnda Group at the date of disposal and gain arising from the disposal. Any adjustments to the figures might have a consequential effect on the Group's results, the movement in the Group's cash flows and the related disclosures in note 37(b) for the year ended 31 December 2014.

QUALIFIED OPINION

In our opinion, except for the possible effects of any adjustments necessary concerning the matters as described in the basis for qualified opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2014, and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

Without qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately HK$200,487,000 for the year ended 31 December 2014 and as at 31 December 2014 the Group had net current liabilities and net liabilities of approximately HK$51,297,000 and HK$14,807,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

BUSINESS AND FINANCIAL REVIEW

Total turnover of the Group for the year ended 31 December 2014 amounted to approximately HK$20.8 million, representing a 17% decrease from that of approximately HK$25.1 million generated in 2013. Loss attributable to owners of the Company for the Year was approximately HK$200.5 million while in 2013 was approximately HK$153.1 million.

During the Year, the Company was an investment holding company. The Group's principal activities were involved in the manufacturing and sale of synthetic sapphire watch crystals and optoelectronic products, the trading of liquor, integrated circuits and software trading and development and trading of LED lighting products.

Sapphire watch crystals division

The turnover of the sapphire watch crystals for the Year was approximately HK$14.9 million (2013: approximately HK$20.4 million), representing a decrease of approximately HK$5.5 million.

Optoelectronics products division

The Group recorded a turnover of approximately HK$3.2 million for the Year (2013: approximately HK$2.1 million) representing an increase of approximately HK$1.1 million.

Integrated circuits, embedded software trading and development, and LED lighting products division

The Group recorded a turnover of approximately HK$2.8 million for the year (2013: approximately HK$0.9 million) representing an increase of approximately HK$1.9 million.

Trading of liquor products division

The Group did not generate any revenue during the Year (2013: HK$1.7 million).

Other income and gains

Other income and gains for the Year amounted to HK$20,000, representing a decrease of approximately HK$655,000 from that of HK$675,000 generated from the year ended 31 December 2013.

Selling and distribution costs, administrative and other operating expenses for Continuing Operations

Selling and distribution costs for the Year amounted to HK$957,000. This represents a decrease of HK$38,000 from that recorded for the year ended 31 December 2013.

Total administrative and operating expenses were approximately HK$35.2 million for the Year (2013: HK$75.3 million).

The decrease in the total administrative and operating expenses was mainly attributable to the decrease in the equity-settled share-based payment expenses recorded for the Year.

Impairment losses on loan receivable and refundable deposit

The Group granted a loan to Mr. Lee Kai Ming (李啟明), a third party independent of the Company and its connected persons (as defined in the GEM Listing Rules), of approximately HK$3,800,000, which was unsecured with an interest rate of 4% per annual and matured on 14 December 2012. The recoverability of the loan was in doubt and accordingly, impairment had been fully provided in 2013. As at the date of this annual report, by the best efforts of the executive Directors to chase up the outstanding balances, the loan receivable had been fully settled by Mr. Lee Kai Ming. Therefore, such impairment will be reversed and reflected in the statement of comprehensive income for the year ending 31 December 2015.

The Group paid a refundable deposit of HK$7,000,000 to Mr. Chu Chun Kit (朱俊傑) for the proposed acquisition of 49% equity interests in EQM (Int'l) Co. Limited, which lapsed in 2013. Due to the situation that the proposed investment had lapsed and the outstanding balances were still outstanding as at 31 December 2013, the Directors were of an opinion that the recoverability of the deposit was in doubt and, accordingly, impairment had been fully provided in 2013. By the best effort of the executive Directors to follow up, the deposit would highly likely be fully refunded by Mr. Chu Chun Kit to the Company. Therefore, the related impairment will be reversed and reflected in the statement of comprehensive income for the year ending 31 December 2015 upon the receipt of the deposit.

Impairment of Investments

At 31 December 2014, the management of the Group carried out review on impairment on the carrying amounts of its unlisted investments in associates and available-for-sale financial assets individually as a single assets by comparing their recoverable amounts (higher of value-in-use and fair value less cost of disposal) with their respective carrying amounts. The management has reviewed for any objective evidence of the existence of any impairment on the investments and such evidence including, but not limited to the following:

(a) a significant or prolonged decline in the fair value of the interest in the investments;

(b) significant adverse changes in the technological, market, economic, or legal environment in which the investee companies operated;

(c) structural changes in the industry in which the investee companies operated;

(d) changes in the level of demand of the products of the investee companies; and

(e) changes in the financial condition of the investee companies.

In order to perform the above assessments, the management of the Group has obtained the market price of its listed investments as at 31 December 2014; and for the Group unlisted equity investments, the management has obtained the unaudited financial information (including the statements of financial position as at 31 December 2014 and the statements of profit or loss and other comprehensive income for the year then ended, and any available forecasted financial information) of the investee companies, discussed with the management the operations of investee companies and their future funding requirements, and engaged independent professional valuer to conduct independent valuation on the recoverable amounts of the investee companies, if necessary.

According to the assessments performed above, the management considered the investments of the Group are being impaired and the results are as follow:

Investment classified as available-for-sale financial assets

(a) Gowin New Energy Group Limited ("Gowin")

The shares of Gowin is listed on the Alternative Investment Market of the London Stock Exchange and according to the closing market price of the shares as of 31 December 2014, the market value of the investments was approximately HK$2.3 million, and an impairment of approximately HK$12.8 million was recognised in the profit and loss.

(b) World Sheen International Group Limited ("World Sheen") and Central Tech Asia Limited ("Central Tech")

World Sheen and Central Tech are both private companies and as at 31 December 2014, the Group has 18% and 20% equity interests in World Sheen and Central Tech respectively. Based on the unaudited financial information provided by the respective management of the investee companies, full provisions for impairment were made for both investments and were recognised in profit or loss due to the insolvent financial position of the investee companies as at 31 December 2014 and there are uncertainties in raising new funds to continue the operations of the investee companies. The unaudited financial statements of World Sheen and Central Tech for the year ended 31 December 2014 both indicate the companies with net losses for the year, and net current liabilities and net liabilities positions as at year end date.

Investment in associates

(a) Great Steer Limited and its subsidiaries (collectively "Great Steer Group") and Neo Partner Investments Limited and its subsidiaries (collectively "Neo Partner Group")

Great Steer Group and Neo Partner Group are both private groups and as at 31 December 2014, the Group has 20% and 28% equity interests in Great Steer Group and Neo Partner Group respectively. Based on the unaudited financial information provided by the respective management of the investee groups, full provisions for impairment were made for both investments and were recognised in profit or loss due to the insolvent financial position of the investee groups as at 31 December 2014 and there are uncertainties in raising new funds to continue the operations of the investee groups. The unaudited consolidated financial statements of Great Steer Group and Neo Partner Group for the year ended 31 December 2014 both indicate the groups with net losses for the year, and net current liabilities and net liabilities positions as at year end date.

(b) Full Pace Holdings Limited and its subsidiaries (collectively "Full Pace Group")

Full Pace Group is a private group and the Group has 45% equity interest in Full Pace Group. Based on an independent valuation performed by Ascent Partner Valuation Service Limited ("Ascent Partners"), the fair value of 100% equity interest of Full Pace Group was approximately HK$11 million and applying the Group's equity interest of 45% in Full Pace Group, the fair value of the investment in Full Pace Group was HK$5 million. Please refer to note 17 to the consolidated financial statements for details of the independent valuation including valuation techniques and relevant key assumptions applied. Provision for impairment of approximately HK$43 million was made accordingly and recognised in profit or loss.

Impairment of property, plant and equipment

At 31 December 2014, the management of the Group carried out review on impairment on the carrying amounts of its property, plant and equipment, by assessing on any impairment indications existed on particular assets or group of assets.

For any assets or group of assets with impairment indications existed, the management has reviewed the carrying amounts of the subject assets and compared their respective recoverable amounts (higher of value-in-use and fair value less cost of disposal). As at 31 December 2014, the management identified that impairment indication exist for certain of the LED display panels with carrying value of HK$21.5 million and the recoverable amount was determined to be HK$12.5 million and provision for impairment of HK$9.0 million was made and recognised in profit or loss.

Capital structure, financial resources and liquidity

The capital structure of the Group consists of bank borrowings, promissory notes and equity reserves, which comprise issued share capital and various reserves, attributable to owners of the Company.

Considering the uncertainties in the global financial market during the Year, in order to strengthen the financial position (in particular, the working capital and cash flow position) of the Group, the Company has entered into a placing agreement and several subscription agreements, details of which are as follows:

i) on 19 February 2014, the Company entered into subscription agreements with Liang Yong Hong and Ip King Fun respectively for a subscription of 4,000,000 and 1,000,000 ordinary shares of the Company of HK$0.05 each in the share capital of the Company respectively at a subscription price of HK$1 per subscription share. The aggregate nominal value of the subscription shares was approximately HK$0.25 million. The subscription was completed in March 2014. The net proceeds of approximately HK$4.9 million from the subscription (representing a net price of approximately HK$0.98 per subscription share) were intended to be used as general working capital of the Group;

ii) on 27 May 2014, the Company entered into a subscription agreement with Wong Kin Hong for the subscription of 17,000,000 ordinary shares of the Company of HK$0.05 each in the share capital of the Company at a subscription price of HK$0.65 per subscription share. The aggregate nominal value of the subscription shares was approximately HK$0.85 million. The subscription was completed in June 2014. The net proceeds of approximately HK$10.9 million (representing a net price of approximately HK$0.64 per subscription share) from the subscription were intended to be used as general working capital of the Group; and

iii) on 5 September 2014, the Company entered into a placing agreement with a placing agent, whereby the placing agent would procure not less than six independent placees, on a best effort basis, to subscribe up to an aggregate of 115,000,000 placing shares at a price of HK$0.44 per placing share. The aggregate nominal value of the placing shares under the placing agreement was approximately HK$5.75 million. The placing were fully subscribed and completed in the same month. The net proceeds of approximately HK$48.5 million (representing a net price of HK$0.42 per placing share) from the placing were intended to be used as general working capital of the Group and for any possible acquisition when opportunities arise in the future.

The Directors review the capital structure on a timely basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issuance of new shares or sell assets to reduce debts.

The Group incurred a loss attributable to owners of the Company of HK$200.5 million for the year ended 31 December 2014 and as at 31 December 2014 the Group had net current liabilities and net liabilities of HK$51.3 million and HK$14.8 million respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group's net liabilities and net current liabilities are mainly due to the promissory notes with carrying value of approximately HK$124 million which are all to be matured in 2015. In order to improve the Group's financial position, immediate liquidity, cash flows, profitability and operations, the following measures are adopted:

(a) the Directors are considering to increase the capital base of the Group through various fund-raising exercise, including but not limited to, issuing right shares to the qualifying shareholders and/or placing of new shares;

(b) the Directors are in active negotiation with the promissory notes holders on the repayment schedule;

(c) the Group will focus on the profitable businesses with good prospect in 2015 which the Directors believe can improve the Group overall financial performance and liquidity; and

(d) the Directors have taken action to reduce cost.

The Group's shareholders' funds were decreased from HK$27.0 million in 2013 to a capital deficiencies of approximately HK$14.8 million. Current assets amounted to approximately HK$91.0 million as at 31 December 2014 (2013: HK$62.4 million), of which approximately HK$73.4 million (2013: HK$0.8 million) were cash and cash equivalents and approximately HK$15.3 million (2013: HK$44.0 million) were trade and other receivables.

As at 31 December 2014, the Group's total borrowings amounted to approximately HK$124.3 million (2013: HK$112.8 million), of which HK$124.3 million (2013: HK$2.8 million) were short-term borrowings repayable within one year.

The Group's gearing ratio for the Year was 123.9% (2013: 82.3%). Gearing ratio is calculated by dividing the net debt with the aggregate of total capital and net debt. Net debt includes trade payables, other payable and accruals, short-term loans and interest-bearing bank loan and promissory notes, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

Foreign currency risk

During the Year, the Group had transactional currency exposures as the sales and purchases of the Group were mainly transacted in United States dollars ("USD"), Swiss Franc ("CHF"), Chinese Renminbi ("RMB"), Euro ("Euro") and Hong Kong dollars ("HKD").

During the Year, the exchange rate of RMB was quite stable and the exchange rate of CHF comparatively volatile.

As at 31 December 2014, the Group had not hedged any foreign currency sales to reduce such foreign currency risk. The management will, however, monitor this risk and if the exchange rates of these foreign currencies have continuous fluctuation, the management will consider using forward currency contracts to reduce these risks.

Contingent liabilities

At 31 December 2014, the Group had no material contingent liabilities.

Employees and remuneration policies

As at 31 December 2014, the Group had 46 employees (2013: 103). Employees were remunerated according to their performance and work experience. In addition to the basic salaries and retirement scheme, staff benefits include free accommodation at the Group's staff quarters in the People's Republic of China (the "PRC"), performance bonus and share options. The total staff costs including directors' remuneration for 2014 were approximately HK$20.9 million (including equity-settled share-based payment expenses of approximately HK$3.5 million) (2013: HK$39.4 million (including equity-settled share-based payment expenses of approximately HK$30.1 million)). The decrease in the staff costs was primarily due to the decrease of equity-settled share-based payment expenses.

Litigation

i) On 6 March 2012, a writ of summons was issued by JMM Business Network Investments (China) Limited ("JMM") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors of the Company; and (ii) the Company. In this action, JMM sought to challenge the validity of a notice of special general meeting of the Company dated 9 February 2012, but did not specify any monetary claim against the Company. The Directors are not aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely to result in any significant financial impact on the Company.

ii) On 14 March 2012, a writ of summons was issued by Good Capital Resources Limited ("Good Capital") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors of the Company; and (ii) the Company. In this action, Good Capital sought to challenge the validity of the issuance of certain warrants and the grant of certain share options of the Company in March 2012, but did not specify any monetary claim against the Company. The Directors are not aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely any financial impact on the financial statements of the Company.

iii) Excel Energy Holdings Limited ("Excel Energy"), a wholly owned subsidiary of the Company, and the Company were named as the 1st defendant and 2nd defendant (collectively the "Defendants"), respectively, in a writ of summons dated 28 February 2014 issued by Long China Holdings Limited (the "Plaintiff").

The Plaintiff alleged that the Defendants failed and/or refused to honour their respective obligations under a sale and purchase agreement dated 3 December 2013 entered into between the Plaintiff (as purchaser), Excel Energy (as vendor) and the Company (as guarantor) for the disposal of the entire equity interests in Fullway (China) Limited at a consideration of HK$13,800,000, for which the Plaintiff paid HK$7,900,000 as deposit to the Defendants. The Plaintiff now claims for the return of the said deposit.

On 6 March 2015, the Plaintiff and the Defendants executed a deed of settlement (the "Deed") for a full and final settlement of all claims arising out of or in connection with the sale and purchase agreement and the proceedings. Pursuant to the Deed, the Defendants have returned the initial deposits in the sum of HK$7,900,000 to the Plaintiff and the Plaintiff has returned certain legal documents to the Company. The Company's legal representatives have arranged the signing of a consent summons by the Plaintiff to dismiss the claim.

iv) On 27 March 2014, Good Return (BVI) Limited ("Good Return"), a wholly-owned subsidiary of the Company, issued writs of summons against Wickham Ventures Limited ("Wickham") and Ms. Lee Hei Wun ("Ms. Lee") for claiming, inter alia, the shortfall of a profit guarantee in a sum of HK$3,000,000 as a result of the inability of Arnda Semiconductor Limited ("Arnda") to make any profit during the year ended 31 December 2012. Reference is made to the Company's announcements dated 6 April 2011, 19 March 2012 and 24 March 2014. Pursuant to the sale and purchase agreement under which Good Return acquired Arnda from Wickham in 2011, Wickham and Ms. Lee guaranteed to pay Good Return the difference between the actual amount of net profit after tax of Arnda and the guaranteed profit in a sum of HK$3,000,000 for the year ended 31 December 2012. According to the audited accounts of Arnda for the year ended 31 December 2012, Arnda made a loss of HK$1,252,101 and thus the shorfall of the profit guarantee is HK$3,000,000, which Wickham and Ms. Lee have failed to pay to Good Return despite the demand of Good Return. On 25 June 2014, the High Court of the Hong Kong Special Administrative Region, Court of First Instance issued a final judgement against Ms. Lee for the payment to Good Return the sum of HK$3,000,000 together with interests, and a fixed cost of HK$10,500. The Company has instructed its legal advisers to take legal action against Ms. Lee for the payment of the above sum of HK$3,010,500 and the relevant interest of HK$71,014 but no payment was received. Accordingly, the Group has filed an application of a bankruptcy petition against Ms. Lee.

(v) On 11 February 2015, the Company and Silver Bonus Limited, a wholly-owned subsidiary of the Company and the purchaser to the acquisition of equity interests in Neo Partner Investment Ltd. (the "Target Company"), issued a writ of summons in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region against (i) Shinning Team Investment Limited (the second vendor) as the 1st defendant; (ii) Mr. Lau Hin Chung (the first vendor) as the 2nd defendant; (iii) the Target Company as the 3rd defendant; (iv) Harvest View (China) Limited as the 4th defendant; (v) Mr. Chen Zai as the 5th defendant; (vi) two former executive Directors of the Company, namely Mr. Ho Chun Kit, Gregory and Mr. Lee Tat Wing as the 6th and 7th defendants, claiming for, among other things, the following relief:

(1) damages for breach of the sale and purchase agreement and its supplemental agreement (collectively, the "Agreements") against the 1st and 2nd defendants;

(2) damages and/or rescission of the Agreements for misrepresentation against the 1st to 5th defendants;

(3) damages for negligence and breach of fiduciary duties as Directors against the 6th and 7th defendants;

(4) a declaration that the promissory notes issued under the Agreements are null and void and unenforceable;

(5) costs; and

(6) further and/or other relief.

Save as disclosed above, neither the Company nor any of its subsidiaries was involved in any litigation at the end of the reporting period.

Significant investments, material acquisitions and disposal of subsidiaries and affiliated companies

(i) On 30 January 2014, Mr. Lee Man Bun and the Company entered into a sale and purchase agreement, pursuant to which the Company would acquire 16,595,000 ordinary shares of ￡0.01 each in the issued share capital of Gowin New Energy Group Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Alternative Investment Market of the London Stock Exchange at a consideration of HK$15,725,280. This consideration would be satisfied in full by the allotment and issue of 13,556,276 ordinary shares of the Company of HK$0.05 each in the share capital of the Company at the then market price of HK$1.12 per share. The transaction was completed on 2 April 2014 and the investment was accounted for as available-for-sale financial assets.

(ii) On 28 February 2014, Silver Bonus Limited ("Silver Bonus"), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, He A Jiao and Dai Zhongjin and the Company entered into a sale and purchase agreement whereby Silver Bonus has conditionally agreed to acquire from He A Jiao and Dai Zhongjin their 20 shares in the issued share capital of Central Tech Asia Limited ("Central Tech"), representing 20% of the issued share capital of Central Tech, for a consideration of HK$26,000,000 which shall be satisfied by the allotment and issue of 20,000,000 ordinary shares of the Company of HK$0.05 each in the share capital of the Company at the then market price of HK$1.04 per share to He A Jiao and Dai Zhongjin on the completion date.

    The transaction was completed on 25 April 2014 and the investment was accounted for as available-for-sale financial assets.

(iii) During the Year, the Group disposed of certain subsidiaries, which resulted in a gain on disposal of approximately HK$4,987,000.

(iv) During the Year, the Group acquired 18% of the issued share capital of World Sheen International Group Limited for a consideration of HK$52,000,000, which was satisfied by the allotment and issue of 40,000,000 ordinary shares of the Company of HK$0.05 each in the share capital of the Company at the then market price of HK$1.18 per share. The transaction was completed on 10 January 2014 and the investment was accounted for as available-for-sale financial assets.

Save as disclosed above, the Group had no significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the Year.

Pledge of assets

As at 31 December 2014, the Group had no pledge of assets.

Segmental Information

An analysis of the Group's performance for the Year by the type of goods sold is set out in note 6 to the consolidated financial statements and further elaborated under "Financial Review" of this section.

PROSPECTS

The Company will conduct a review on the business operations and financial position of the Company for the purpose of formulating business plans and strategies for its future business development which would enable the Group to diversify its business and broaden its income sources. In addition, the Company will divest in the business areas which did not perform well in past years and/or do not have good business prospects with a view to allocating the resources of the Company to and concentrating on business areas which have better business prospects and exploring other business and investment opportunities.

With the lead of the management team, the Company is actively exploring business opportunities in other sectors to diversify risks and broaden the sources of income of the Company. The Company has adequate resources to continue with its business operations, and will continue to focus on its corporate objective to develop current businesses in order to strengthen its competitiveness, integrate its capital resources and contribute a maximum wealth to our equity holders.

The Company is also actively exploring for investment opportunities through potential acquisitions and joint ventures.

The Group will take possible opportunities in the financial markets to raise funds to facilitate future merger and acquisition activities and/or increase the working capital of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES BY THE COMPANY AND/OR SUBSIDIARIES

During the Year, the Company had entered into a placing agreement and several subscription agreements, details of which are disclosed in the paragraph headed "Capital structure, financial resources and liquidity" on pages 22 and 23 of this announcement.

Save as disclosed above, the Company did not redeem any of its Shares listed on the GEM of the Stock Exchange nor the Company or any of its subsidiaries purchase or sell any of such Shares during the Year.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the Year (2013: Nil).

ANNUAL GENERAL MEETING (THE "AGM")

The 2015 AGM will be held on Thursday, 28 May 2015 at 10:00 a.m. and the AGM notice will be published and dispatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the shareholders' entitlement to attend and vote at the AGM, the register of members will be closed from Tuesday, 26 May 2015 to Thursday, 28 May 2015 (both dates inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for attending the forthcoming AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2015.

CORPORATE GOVERNANCE

The Company is committed to implementing good corporate governance practices and emphasizing on transparency and accountability to its shareholders and stakeholders.

The Company had complied with all the code provisions as set out in the Code Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules throughout the Year except for the following as stated:

Code provision A.2.1 of the CG Code stipulates that roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Fok Ching Fung as the chief executive officer of the Company on 28 May 2014, Mr. Wong Kin Hong has held both positions since his appointment as the chairman of the board of directors (the "Board") on 28 June 2014. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person would allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans.

REVIEW BY THE AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. The Audit Committee's principal duties are to review and supervise the Company's financial reporting process and internal control systems.

The Audit Committee has reviewed the audited consolidated financial statements of the Company for the Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "Securities Code") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Following a specific enquiry made by the Company on the Directors, all of them have confirmed that they had complied with the required standard of dealings and the Securities Code throughout the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (www.victoryhousefp.com/lchp/8150.html). The annual report of the Company for the Year will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Seamless Green China (Holdings) Limited
Wong Kin Hong
Chairmen

Hong Kong, 27 March 2015

As at the date of this announcement, the Board comprises: Mr. Wong Kin Hong (Chairman), Mr. Huang Yonghua, Mr. Wong Tat Wa, Ms. Leung Po Yee, Mr. Thomas Ng Cheng Kiong and Mr. Leung Hoi as executive Directors; and Mr. Yan Guoniu, Mr. Tang Rong Gang, Mr. Ou Wei An and Mr. Ng Yu Ho as independent non-executive Directors.

This announcement will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at http://www.victoryhousefp.com/lchp/8150.html.