



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

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

Stock Code: 8150



Interim Report 2009



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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which 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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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: (1) the information contained in this report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

1. The Group has recorded total turnover of approximately HK\$8,823,000 for the six months ended 30th June 2009.
2. The Group has recorded a net loss attributable to shareholders for the six months ended 30th June 2009 of approximately HK\$27,878,000, representing a basic loss per share of HK\$1.95 cent.
3. The Directors do not recommend the payment of a dividend for the six months ended 30th June 2009.

FINANCIAL RESULTS (UNAUDITED)

The board of directors (the “Board”) of Seamless Green China (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30th June 2009, together with the comparative unaudited figures for the corresponding periods in 2008 (collectively the “Relevant Periods”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	Three months ended 30th June		Six months ended 30th June	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	2	3,859	8,847	8,823	17,409
Cost of sales		(3,083)	(7,034)	(7,054)	(13,612)
Gross profit		776	1,813	1,769	3,797
Other revenue	2	2,110	779	2,117	1,400
Loss on disposal of marketable securities		-	-	(1,457)	-
Operating expenses					
Distribution costs		(137)	(464)	(387)	(864)
Administrative expenses		(26,725)	(2,047)	(28,313)	(3,581)
Other operating expenses		(890)	(176)	(1,333)	(1,445)
Operating loss		(24,866)	(95)	(27,604)	(693)
Finance costs		(32)	(147)	(190)	(293)



	Notes	Three months ended 30th June		Six months ended 30th June	
		2009	2008	2009	2008
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss before taxation	3	(24,898)	(242)	(27,794)	(986)
Income tax expense	4	–	(81)	(84)	(81)
Loss for the period		(24,898)	(323)	(27,878)	(1,067)
Other comprehensive income:					
Exchange differences on translating foreign operations		(3)	2	(162)	5
Total comprehensive income for the period		<u>(24,901)</u>	<u>(321)</u>	<u>(28,040)</u>	<u>(1,062)</u>
Loss attributable to equity holders of the Company		<u>(24,898)</u>	<u>(323)</u>	<u>(27,878)</u>	<u>(1,067)</u>
Total comprehensive income attributable to equity holders of the Company		<u>(24,901)</u>	<u>(321)</u>	<u>(28,040)</u>	<u>(1,062)</u>
Loss per share					
Basic	6	<u>(1.05) cent</u>	<u>(0.05) cent</u>	<u>(1.95) cent</u>	<u>(0.18) cent</u>
Diluted	6	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	30th June	31st December
	2009	2008
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	6,738	8,143
Prepaid land lease payments	556	557
	7,294	8,700
Current assets		
Marketable securities	–	2,514
Inventories	6,061	4,789
Trade receivables	2,998	4,209
Prepayments, deposits and other receivables	3,291	1,097
Cash and bank balances	1,409	1,885
	13,759	14,494
Current liabilities		
Trade payables	2,760	4,900
Other payables and accruals	2,631	3,668
Tax payable	2,133	2,111
Short-term loans	8,971	7,532
Shareholders' loans	3,600	–
	20,095	18,211
Net current liabilities	(6,336)	(3,717)
Total assets less current liabilities	958	4,983
Non-current liabilities		
Convertible bonds	–	(4,267)
	–	(4,267)
NET ASSETS	958	716
CAPITAL AND RESERVES		
Share capital	4,240	299
Reserves	(3,282)	417
TOTAL EQUITY	958	716



CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th June 2009

	Six months ended	
	30th June	
	2009	2008
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(6,321)	(2,046)
Net cash inflow from returns on investments and servicing of finance	1,058	1
Taxation paid	(62)	(73)
Net cash outflow from investing activities	–	(57)
Net cash inflow from financing	4,849	149
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(476)	(2,026)
Cash and cash equivalent at 1st January	1,885	5,162
	<hr/>	<hr/>
Cash and cash equivalent at 30th June	<u>1,409</u>	<u>3,136</u>
	<hr/>	<hr/>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>1,409</u>	<u>3,136</u>
	<hr/>	<hr/>
	<u>1,409</u>	<u>3,136</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th June 2009

	Share capital	Share premium	Exchange reserve	Contributed surplus	Share based payment reserve	Convertible bonds reserve	Accumulated loss	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2009	299	3,948	3,097	-	-	3,559	(10,187)	716
Convertible bonds converted into shares	761	7,065	-	-	-	(3,559)	-	4,267
Issue of bonus shares	3,180	(3,180)	-	-	-	-	-	-
Recognition of share-based payment	-	-	-	-	24,015	-	-	24,015
Total comprehensive income for the period	-	-	(162)	-	-	-	(27,878)	(28,040)
At 30th June 2009	<u>4,240</u>	<u>7,833</u>	<u>2,935</u>	<u>-</u>	<u>24,015</u>	<u>-</u>	<u>(38,065)</u>	<u>958</u>
At 1st January 2008	60,000	1,797	2,609	14,608	-	-	(77,451)	1,563
Total comprehensive income for the period	-	-	5	-	-	-	(1,067)	(1,062)
At 30th June 2008	<u>60,000</u>	<u>1,797</u>	<u>2,614</u>	<u>14,608</u>	<u>-</u>	<u>-</u>	<u>(78,518)</u>	<u>501</u>



NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The unaudited condensed consolidated accounts have been prepared to comply with the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual accounts for the year ended 31st December, 2008. The Group has adopted new or revised standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards which are effective for accounting periods commencing on or after 1st January, 2009. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the consolidated accounts and does not result in substantial changes to the Group's accounting policies except certain changes on the presentation of the consolidated accounts.

HKAS 1 (Revised), "Presentation of Financial Statements", requires all non-owner changes in equity to be shown in a performance statement, but entities can choose whether to present one performance statement (a statement of comprehensive income) or two statements (a profit and loss account and a statement of comprehensive income). The Group has elected to present a consolidated statement of comprehensive income.

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

2. Turnover, Business and Geographical Segments

Primary reporting format – business segment

Six months ended 30th June 2009

	Synthetic sapphire watch crystals <i>HK\$'000</i>	Optoelectronic products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover	<u>8,215</u>	<u>608</u>	<u>8,823</u>
Segment results	<u>(108)</u>	<u>(456)</u>	(564)
Interest income			1
Unallocated expenses			<u>(27,041)</u>
Loss from operations			(27,604)
Finance costs			<u>(190)</u>
Loss before taxation			(27,794)
Income tax expense			<u>(84)</u>
Loss for the period			<u>(27,878)</u>



Six months ended 30th June 2008

	Synthetic sapphire watch crystals HK\$'000	Optoelectronic products HK\$'000	Consolidated HK\$'000
Turnover	<u>15,121</u>	<u>2,288</u>	<u>17,409</u>
Segment results	<u>1,056</u>	<u>956</u>	2,012
Interest income			1
Unallocated expenses			<u>(2,706)</u>
Loss from operations			(693)
Finance costs			<u>(293)</u>
Loss before taxation			(986)
Income tax expense			<u>(81)</u>
Loss for the period			<u>(1,067)</u>

Secondary reporting format – geographical segment

Turnover for the six months ended 30th June

	2009 HK\$'000	2008 HK\$'000
Europe	5,394	12,220
Hong Kong	1,588	1,942
Taiwan	1,233	959
PRC	608	2,288
	<u>8,823</u>	<u>17,409</u>



3. Loss before taxation

The Group's loss before taxation is arrived at after charging:

	For the six months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Amortisation of prepaid land lease payments	1	7
Depreciation of property, plant and equipment	1,405	1,958
Interest on borrowings	190	293
Share-based payments	24,015	–
	<u>24,015</u>	<u>–</u>

4. Income tax expense

- (a) The amount of taxation charged to the consolidated statement of comprehensive income (unaudited) represents:

		For the six months ended 30th June	
		2009	2008
	<i>Notes</i>	HK\$'000	HK\$'000
Hong Kong profit tax	<i>(i)</i>	84	–
Overseas taxation	<i>(ii)</i>	–	81
		<u>84</u>	<u>81</u>

Notes:

- (i) Hong Kong Profits Tax was provided for at the rate of 16.5% (2008: 16.5%) on the respective estimated assessable profits of the companies within the Group operating in Hong Kong during the year.
- (ii) Overseas profits tax has not been provided as the overseas subsidiaries had no taxable income for the period.
- (b) There are no material unrecognized deferred tax assets and liabilities for the period.



5. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th June 2009 (2008: Nil).

6. Loss per share

The calculation of basic loss per share for the 6 months ended 30th June 2009 is based on the Group's net loss for the period of approximately HK\$27,878,000 (2008: approximately net loss of HK\$1,067,000) and on the weighted average number of 1,429,889,503 (2008: 600,000,000) ordinary shares in issue during the period.

A diluted loss per share for the 6 months ended 30th June 2009 and 6 months ended 30th June 2008 has not been disclosed as the potential shares arising from the exercise and conversion of the Company's outstanding share options and outstanding convertible bonds would decrease in loss per share of the Group for the period and is regarded as anti-dilutive.

7. Trade receivables

The ageing analysis of the trade receivables at reporting date is as follows:

	Unaudited	Audited
	30th June	31st December
	2009	2008
	HK\$'000	HK\$'000
Current	1,287	2,513
31-60 days	700	186
61-90 days	433	664
Over 90 days	578	846
	2,998	4,209

The Group's terms on credit sales primarily range from 30 to 120 days.

8. Trade payables

The ageing analysis of the trade payables at reporting date is as follows:

	Unaudited 30th June 2009 HK\$'000	Audited 31st December 2008 HK\$'000
Current	152	405
31-60 days	22	660
61-90 days	–	2,799
Over 90 days	<u>2,586</u>	<u>1,036</u>
	<u>2,760</u>	<u>4,900</u>

9. Commitments

(a) Capital commitments

At 30th June 2009, the Group had capital commitments contracted but not provided for in the financial statements as follows:

	Unaudited 30th June 2009 HK\$'000	Audited 31st December 2008 HK\$'000
Capital contribution to a joint venture company	<u>4,542</u>	<u>–</u>

(b) Commitments under operating leases

At 30th June 2009, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other fixed assets	
	Unaudited 30th June 2009 HK\$'000	Audited 31st December 2008 HK\$'000	Unaudited 30th June 2009 HK\$'000	Audited 31st December 2008 HK\$'000
Within one year	148	546	–	–
In the second to fifth year inclusive	<u>–</u>	<u>82</u>	<u>–</u>	<u>–</u>
	<u>148</u>	<u>628</u>	<u>–</u>	<u>–</u>



10. Contingent liabilities

At 30th June 2009, the Group had no material contingent liabilities (31st December 2008: Nil).

11. Subsequent events

On 8th August 2009, the Company entered into the Placing Agreement with each of the Placees, pursuant to which the Placees, in aggregate, agreed to subscribe for 200,000,000 Warrants at the Warrant Issue Price of HK\$0.05 per Warrant.

The Subscription Price is HK\$0.95 (subject to adjustment) per New Share.

Upon the exercise of the subscription rights attaching to the Warrants in full, a maximum of 200,000,000 New Shares will be issued and allotted, representing approximately 4.72% of the existing issued share capital of the Company and approximately 4.50% of the issued share capital of the Company as enlarged by the issue and allotment of the New Shares.

The gross proceeds from the Placing will be HK\$10,000,000 (i.e. the Issue Price without taking into account of the exercise of the Warrants). After taking into account the estimated expenses of approximately HK\$150,000 in relation to the Placing (without taking into account of the exercise of the Warrants), the net proceeds of approximately HK\$9,850,000 from the Placing (without taking into account of the exercise of the Warrants) is intended to be used as general working capital and for the development of the energy-efficient street lamps business of the Group. If the Warrants are exercised in full, an additional amount of approximately HK\$190,000,000 will be raised. The additional net proceeds of approximately HK\$190,000,000 (with minimal administrative expenses) is intended to be used as general working capital and as funds for the development of the energy-efficient street lamps business of the Group.

Assuming the full exercise of the Subscription Rights attaching to the Warrants, the total net proceeds, including the proceeds raised by the Placing, to be raised is approximately HK\$199.85 million.

The net price of each Warrant, which is calculated by dividing the total net proceeds from the Placing and from the full exercise of the Subscription Rights attaching to all the Warrants by the total number of the Warrant, is approximately HK\$0.999.

The Placing Agreement was entered into after arm's length negotiations between the Company and the Placee and the Board considers that the terms of which (including the Warrant Issue Price and Subscription Price) are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The Board also considers that the Warrant Placing Agreement will strengthen the financial position (in particular, the working capital and cash flow position) of the Group.



INTERIM DIVIDEND

The Board does not recommend the payments of an interim dividend for the six months ended 30th June 2009 (2008: Nil).

BUSINESS REVIEW

Total turnover of the Group for the six months ended 30th June 2009 amounted to approximately HK\$8,823,000, representing a 49.3% decrease from that of approximately HK\$17,409,000 generated in the corresponding period in 2008. Loss attributable to shareholders of the Group for the six months ended 30th June 2009 was approximately HK\$27,878,000 while that of the corresponding period in 2008 was approximately loss of HK\$1,067,000.

During the period, the principal businesses of the Group are manufacturing and sale of synthetic sapphire watch crystals and optoelectronics products.

Sapphire watch crystals division

The turnover of the sapphire watch crystals for the six months ended 30th June 2009 was approximately HK\$8,215,000 (2008: approximately HK\$15,121,000) representing a decrease of approximately HK\$6,906,000.

Optoelectronics products division

The Group recorded a turnover of approximately HK\$608,000 for the six months ended 30th June 2009 (2008: HK\$2,288,000) representing an increase of approximately HK\$1,680,000.

Financial Review

Total turnover of the Group for the six months ended 30th June 2009 amounted to approximately HK\$8,823,000, representing a 49.3% decrease from that of approximately HK\$17,409,000 generated in the corresponding period in 2008. Decrease in total turnover was mainly caused by the decreases of approximately 45.7% and 73.4% in the turnover of the sapphire watch crystals division and optoelectronics products division as compared with the corresponding period in 2008 respectively. Loss attributable to shareholders of the Group for the six months ended 30th June 2009 was approximately HK\$27,878,000 while that of the corresponding period in 2008 was approximately loss of HK\$1,067,000.



Operating costs for the six months ended 30th June 2009 was approximately HK\$30,038,000, representing an increase of approximately HK\$24,148,000 or 410% from the same period of last year. Increase in operating expenses was mainly due to recognition of share-based payment of approximately HK\$24,015,000 (2008: Nil) during the period. During the period, the Company disposed all marketable securities and recorded a loss on the disposal of approximately HK\$1,457,000 (2008: Nil).

Liquidity and Financial Resources

The Group's shareholders funds were increased to HK\$958,000 as at 30th June 2009 (31st December 2008: HK\$716,000). Current assets amounted to HK\$13,759,000 as at 30th June 2009 (31st December 2008: 14,494,000), of which HK\$1,409,000 (31st December 2008: HK\$1,885,000) was cash and bank balances.

During the period, the Company issued bonus shares to the shareholders of the Company on the basis of 3 bonus shares for every 1 existing issued share held by the shareholders, in total 3,180,000,000 bonus shares was issued. During the period, all convertible bonds were converted into 7,610,000 ordinary shares.

As at 30th June 2009, the Group's total borrowings amounted to HK\$12,571,000 (31st December 2008: HK\$11,799,000), of which HK\$12,571,000 (31st December 2008: HK\$7,532,000) were short-term borrowings repayable within one year.

The Group's gearing ratios as at 30th June 2009 was 94.6% (31st December 2008: 96.3%). 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, shareholders' loans, convertible bonds and interest-bearing bank loan, less cash and cash equivalents, and excludes discontinued operations. Total capital represents equity attributable to equity holders of the Company.

Foreign Exchange

The Group has transactional currency exposures as the sales and purchases of the Group were mainly transacted in United States dollars, Swiss Franc, Chinese Renminbi, Japanese Yen, Euro, New Taiwan dollars and Hong Kong dollars. While the Group does not currently engaged in hedging to manage its currency risk, as it considers the cost associated with such hedging arrangements would exceed the benefits, management will continue to monitor the relevant circumstances and will take such measures as it deem prudent.



Employees

As at 30th June 2009, the Group had 220 employees. Employees were remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits included free accommodation at the Group's staff quarters in PRC and performance bonus. Total staff costs including directors' remuneration for the period were HK\$25,948,000 (2008: HK\$3,494,000).

Material acquisitions and disposal of subsidiaries and affiliated companies

The Group had no material acquisitions and disposal of subsidiaries and affiliated companies during the period.

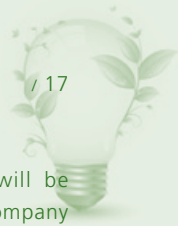
PROSPECTS

Owing to the global economic downturn brought about by the sub-prime mortgage credit crisis in the United States, and the uprising costs of production, the Group believes that the operation in the Group's watches business would remain challenging in year 2009. In order to broaden its income stream and to diversify the risk of reliance on single industry, the Group decided to invest in the energy-efficient street-lamp markets in the PRC and took successfully steps in April 2009.

A remarkable development of the Company is that on 28th April 2009, the Company entered into a Joint Venture ("JV") Agreement with Nei Meng Gu Xin Rui Sheng Mao Co. Ltd (內蒙古鑫睿商貿有限公司) ("Xin Rui") pursuant to which the parties thereto agreed to form a new JV Company, whose equity interest will be owned as to 80% by Xin Rui and as to 20% by the Company.

Xin Rui has been promoting municipal energy-saving road lights and system project in various parts of the PRC, though which it has accumulated enormous experience in the technical application of products, marketing promotion, usage of energy conservation models and brand positioning thereof. It has become an operation investor and professional service provider in respect of municipal development that focus on energy conservation planning as well as implementation, and gradually established the brand "鑫睿節能" among investors.

The Company and Xin Rui will focus on joint development of the eco-road lighting system project in the PRC. Scope of the project includes lamp purchasing project (BT), lamp replacement project (EMC). The Company and Xin Rui will work jointly in respect of project financing, investments and acquisitions.



Pursuant to the JV Agreement, the registered capital of the JV Company will be RMB20,000,000, of which Xin Rui will contribute RMB16,000,000 and the Company will contribute RMB4,000,000 by way of cash in full upon the incorporation of the JV Company. The registered capital of the JV Company has been determined after arm's length negotiations between Xin Rui and the Company with reference to the intended scale of operations of the JV Company. The Company will also arrange for third party(ies) to provide project financing to the JV Company by way of loans in an aggregate amount of not less than RMB200 million to support its eco-road lighting system project and Xin Rui will grant a right of first refusal to the Company for providing the supply of products, technical support and project financing in relation to the project. Such funding will be arranged as and when necessary, and only if the JV Company has successfully executed "Energy-Efficient Street Lamp Replacement and/or Purchasing Agreements" with various municipalities in China.

All project financing capitals arranged by the Company for the JV Company will enjoy the following investment return: (1) for Lamp Purchasing Projects (BT), the annualized return will not be less than 28%, and (2) for Lamp Replacement Projects (EMC), the annual revenue will be equal to 50% of the revenue received by the JV Company on those projects.

The JV Company will engage in the 中國綠色道路照明 business, which involves the systematic promotion of selected energy-efficient street lamps, such as High-Frequency Electrode-Less Lamps, to municipalities throughout China, and also of the accelerated replacement of the over 40 million energy-wasting High-Pressure Sodium Street Lamps in China by the selected energy efficient alternatives. The JV Company is expected to sign "Energy-Efficient Street Lamp Replacement and/or Purchasing Agreements" with 12 municipalities in 2009 alone, including cities in Hubei, Jiangxi, Sichuan, Shanghai, Anhui, Yunnan, Tibet, Liaoning, Qinghai, and Ningxia.

A professional management team, includes aspects of technical, marketing, project management and research and development, has been appointed so as to enrich the business operation of the JV Company.



Currently, most of the street lamps in the PRC are High-Pressure Sodium Lamps, which consume much more electricity than the energy-efficient street lamps being developed and marketed by Xin Rui. In recent years, the PRC government has been putting a lot of emphasis on energy efficiency and has promulgated policies and rules to encourage and promote urban energy saving. However, up to now, less than 5% of the 48 million High-Pressure Sodium Lamps in China has been replaced by the much more energy-efficient High Frequency Electrode-Less Lamps, which reduces energy consumption by at least 40%. The Board believes that with the continuing economic growth, urbanization and building of roads and highways in the PRC, and that the global trend, as well as the trend in China, will be to accelerate the promotion of energy conservation and sustainable economic development. The formation of the JV Company will create the best opportunity for the Group to exploit the significant profit opportunities provided by the energy-efficient street-lamp markets in the PRC.

In order to go in line with Company's business pace, the Board considers that the recent change of Company Name will benefit the Company's future business development as the proposed new English and Chinese names of the Company provide a more accurate reflection of the Company's principal businesses that have been diversified to include its engagement in the 中國綠色道路照明 business, which involves the systematic promotion of selected energy-efficient street lamps to municipalities throughout China, and also the accelerated replacement of the over 40 million energy-wasting High-Pressure Sodium Street Lamps in China by the selected energy-efficient alternatives.

Another remarkable development of the Company is that, on 25th June 2009, the Company entered into the Project Cooperation Agreement with 成都市中錦城市道路照明工程有限公司 (Chengdu City Zhong Jin City Road Lighting Engineering Company Limited) ("Zhong Jin"). Pursuant to the Project Cooperation Agreement, the Company will cooperate with Zhong Jin for the purpose of carrying out energy-efficient city road lighting reform engineering projects in Chengdu City and the other cities in Sichuan Province.



According to the Project Cooperation Agreement, Zhong Jin will be responsible for (i) developing the market of energy-efficient street lamps in Chengdu City and the other cities in Sichuan Province; (ii) liaising and contracting with the relevant government departments for installation of energy-efficient street lamps; and (iii) installing energy-efficient street lamps in Chengdu City and the cities hit by earthquake in Sichuan Province, for example 都江堰市 (Du Jiang Yan City) and 綿陽市 (Mian Yang City). The total contract sum of the energy-efficient street lamps projects to be undertaken by Zhong Jin is estimated to be about RMB19,300,000.

The Board believes that the development of city roads and rebuilding of the cities hit by earthquake in Sichuan Province will generate great demand for energy-efficient street lamps in the coming years.

The Board is confident that the signing of the Project Cooperation Agreement will greatly enhance the Group's development of energy-efficient street lamps market in the cities of Sichuan Province. The Board also believes that such development will be financially beneficial to the Company and its Shareholders as a whole.

In view of the upcoming funds to be invested in energy-efficient street-lamp markets in the PRC, the Board may consider to further enlarge the group's capital base, which include the proposal to issue new shares or to issue convertible notes in order to provide additional funding to the Group. The Company will also intend to seek project financing through third party(ies).

Although the global economic downturn may continue to exit throughout year 2009, the Board believes that energy-efficient products and environmental protection markets will be the blue ocean in the world wide business, especially in the PRC. The Board believes that the signing of the abovementioned agreements are a breakthrough investment to broaden the Group's experience in energy-efficient products and environmental protection markets.



SHARE OPTION SCHEME

On 21st July 2001, the Company adopted a share option scheme (the “Share Option Scheme”), the principal terms of which are set out in the section headed “Share Option Scheme” in appendix IV to the Company’s prospectus dated 27th July 2001. The following Options were outstanding under the Share Option Scheme during the six months ended 30th June 2009:

	Number of Options			Exercise price HK\$	Grant Date	Exercisable from	Exercisable until
	Options held at 1st January 2009	Options granted during the period	Options held at 30th June 2009				
Directors							
Ms. Yu Man Wai Sandy	-	35,000,000	35,000,000	0.704	18th June 2009	18th June 2009	17th June 2019
Mr. Wong Pak Fai Philip	-	25,000,000	25,000,000	0.704	18th June 2009	18th June 2009	17th June 2019
Mr. Chen Jun Nong	-	20,000,000	20,000,000	0.704	18th June 2009	18th June 2009	17th June 2019
Total Directors	-	80,000,000	80,000,000				
Continuous contract employees	-	35,050,000	35,050,000	0.704	18th June 2009	18th June 2009	17th June 2019
	-	115,050,000	115,050,000				

* *The closing price of the Company’s shares immediately before the date on which the options were granted was HK\$0.68 per share.*

The fair value of share options granted on 18th June 2009 determined using the Black-Scholes valuation model was HK\$24,015,000. The Group recognised a total share option expense of HK\$24,015,000 during the period ended 30th June 2009. The significant inputs into the model are as follows:

Share price at the grant date	HK\$0.70
Exercise price	HK\$0.704
Expected volatility	77%
Expected dividend yield	Nil
Expected life of options	1 year
Risk free interest rate	0.12%



The expected life of the options is based on the historical data over the previous years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Subsequent to the balance sheet date, on 2nd July 2009, a total of 35,000,000 Options were granted to Mr. Chan Chung Keung Jackson and Mr. Zhao Wen Tao, the Executive directors of the Company. These share options vested on 2nd July 2009 and have an exercise price of HK\$0.76 per share and an exercise period ranging from 2nd July 2009 to 1st July 2019. The price of the Company's shares at the date of grant was HK\$0.66 per share.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30th June 2009, the interests and short positions of the Directors and Chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations are as follows:–

Name of director	Capacity	No. of shares	Approximate percentage of total relevant class of shares in shares
Wong Pak Fai Philip	Beneficial owner	28,000,000	0.66%
Yu Man Wai Sandy	Beneficial owner	10,000,000	0.24%

As at 30th June 2009, save as disclosed above and the paragraph headed "Share Option Scheme" above, none of the directors and chief executive of the Company has any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions in which they are taken or deemed to have under such provisions of the SFO) or 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 pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the paragraph headed "Directors' and chief executive's interests in securities" above, at no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDER'S INTERESTS IN SECURITIES

As at 30th June 2009, so far as the Directors are aware the persons who have an interest or short position in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company under section 336 of the SFO, are as follows:

Name of shareholders	Capacity	Number of shares	Underlying Shares	Percentage of issued shares
Good Capital Resources Limited <i>(Note 1)</i>	Corporate	840,000,000	–	19.81%
Ma Chung Wo Cameron <i>(Note 1)</i>	Beneficial owner	840,000,000	–	19.81%
iReady 360 Media Networks Limited <i>(Note 2)</i>	Corporate	760,000,000	–	17.92%
Wong Yee Wah Edward <i>(Note 2)</i>	Beneficial owner	760,000,000	–	17.92%
Evening Triumph Holdings Limited <i>(Note 3)</i>	Corporate	440,000,000	–	10.38%



Name of shareholders	Capacity	Number of shares	Underlying Shares	Percentage of issued shares
Li Na <i>(Note 3)</i>	Beneficial owner	440,000,000	–	10.38%
JMM Business Network Investments (China) Limited <i>(Note 4)</i>	Corporate	440,000,000	–	10.38%
Zhou Yuan Xin <i>(Note 4)</i>	Beneficial owner	440,000,000	–	10.38%
Chong Wai Moon Joe <i>(Note 5)</i>	Beneficial owner	344,000,000	–	8.11%
Wealth China & HK Growth Fund <i>(Note 5)</i>	Corporate	344,000,000	–	8.11%

Notes:

1. Good Capital Resources Limited, a company incorporated in the British Virgin Islands which is beneficially owned as to 75% and 25% by Dr. Ma Chung Wo, Cameron and Ms. Ou Kuei Mei respectively.
2. iReady 360 Media Networks Limited is beneficially owned by Wong Yee Wah Edward.
3. Evening Triumph Holdings Limited is beneficially owned by Li Na.
4. JMM Business Network Investments (China) Limited is beneficially owned by Zhou Yuan Xin.
5. Mr. Chong Wai Moon Joe is the director and controlling shareholder of Wealth China & HK Growth Fund.
6. The number of shares has been adjusted as result of the consolidation of every ten issued and unissued existing shares into one consolidated share took place on 15th August 2008.



So far as is known to any director or supervisor, there is no person other than a Director or supervisor or chief executive who, as at 30th June 2009, have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other substantial shareholders whose interest or short position were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE, REDEMPTION OR CANCELLATION OF SHARES BY THE COMPANY AND/OR SUBSIDIARIES

Neither the Company nor its subsidiaries has purchased, sold, redeemed or cancelled any of the Company's shares during the six months ended 30th June 2009.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding securities transactions by directors 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. Having made specific enquiry of all directors, all directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the period ended 30th June 2009.

BONUS ISSUE OF SHARE

The Board proposed the bonus issue to the shareholders of the Company on the basis of 3 bonus shares for every 1 existing issued share held by the shareholders. The proposed issue was approved by shareholders at annual general meeting held on 6th May 2009. Details of the issue were disclosed in the circular of the Company dated 2nd April 2009.



CHANGE OF COMPANY NAME

The change of the english name of the Company from “Fast Systems Technology (Holdings) Limited” to “Seamless Green China (Holdings) Limited” and the adoption of the new chinese name “無縫綠色中國(集團)有限公司” as the Company’s secondary name have become effective on 18th June 2009.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE PRACTICE

For the six months ended 30th June 2009, the Company fully complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules.

COMPETING INTERESTS

During the six months ended 30th June 2009, none of the directors or the management shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in a business that competed with or might compete with the business of the Group.

AUDIT COMMITTEE

As required by Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee with written terms of reference which deal clearly with its authority and duties. The audit committee’s principal duties are the review and supervision of the Company’s financial reporting process and internal control systems. The audit committee comprises four independent non-executive directors, namely Mr. Liu Chun Ning, Wilfred, Mr. Wong Kwok Wai, Mr. Tsui Siu Hung and Mr. Tso Chip.

The Company’s financial statements for the six months ended 30th June 2009 have been reviewed by the audit committee. The audit committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the GEM Listing Rules.

By Order of the Board
Yu Man Wai Sandy
Director

Hong Kong, 13th August 2009

As at the date of this report, the Board comprises:

- (1) Ms. Yu Man Wai Sandy, as an Executive Director;
- (2) Mr. Wong Pak Fai Philip, as an Executive Director;
- (3) Mr. Chan Chung Keung Jackson, as an Executive Director;
- (4) Mr. Chen Jun Nong, as an Executive Director;
- (5) Mr. Zhao Wen Tao, as an Executive Director;
- (6) Mr. Liu Chun Ning, Wilfred, as an Independent Non-executive Director;
- (7) Mr. Wong Kwok Wai, as an Independent Non-executive Director;
- (8) Mr. Tsui Siu Hung, as an Independent Non-executive Director; and
- (9) Mr. Tso Chip, as an Independent Non-executive Director.