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**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)**

**CONNECTED TRANSACTION**  
**PROPOSED ISSUE OF NON-LISTED WARRANTS**

**Financial Adviser to the Company**

 **川盟融資有限公司**  
Chanceton Capital Partners Limited

**Proposed issue of non-listed Warrants**

On 30 December 2010 (after trading hours), the Company entered into the Warrant Subscription Agreement with the Subscriber in connection with the Warrant Subscription, pursuant to which the Subscriber has conditionally agreed to subscribe for 28,000,000 Warrants at the Warrant Issue Price of HK\$0.05 per Warrant, which conferring rights to subscribe for 28,000,000 Warrants Shares at the Warrant Exercise Price of HK\$0.81 per Warrant Share (subject to adjustment upon the occurrence of any of the adjustment events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants). Each Warrant carries the right to subscribe for one (1) Warrant Share.

The Warrant Subscription is conditional upon several conditions as set out in the paragraph headed “Conditions of the Warrant Subscription” in the section headed “The Warrant Subscription Agreement” in this announcement.

The aggregate of the Warrant Issue Price of HK\$0.05 per Warrant and the Warrant Subscription Price of HK\$0.81 per Share, i.e. HK\$0.86, represented (i) the same as the closing price of HK\$0.86 per Share quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 9.41% over the average closing prices of HK\$0.786 per Share for the last five (5) trading days for the Shares prior to and including the Last Trading Day; and (iii) a premium of approximately 9.55% over the average closing prices of HK\$0.785 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

### **Implication of the GEM Listing Rules**

The Subscriber is solely and beneficially owned by Mr. Lam Ping Cheung, Andrew, the chairman of the Company and an executive Director. Accordingly, the Subscriber is a connected person of the Company and the Warrant Subscription constitutes a non-exempt connected transaction for the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements. The Directors have confirmed that no Shareholder is interested in the Warrant Subscription.

### **General**

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of, among others, the Warrant Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, (i) further information on the issue of the Warrant Subscription, (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Warrant Subscription and the transactions contemplated thereunder, (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Warrant Subscription and the transactions contemplated thereunder, (iv) a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

**Shareholders of the Company and investors should be aware of and take note that completion of the Warrant Subscription Agreement is conditional upon satisfaction of certain conditions precedent and may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **THE WARRANT SUBSCRIPTION AGREEMENT**

### **Date**

30 December 2010 (after trading hours)

### **Issuer**

The Company

### **Subscriber**

Equity Reward Limited, is a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Lam Ping Cheung, Andrew, the chairman of the Company and an executive Director. Accordingly, the Subscriber is a connected person of the Company under the GEM Listing Rules.

## **THE WARRANT SUBSCRIPTION**

Pursuant to the Warrant Subscription, the Company has conditionally agreed to issue and allot to the Subscriber and the Subscriber has conditionally agreed to subscribe a total of 28,000,000 Warrants at the Warrant Issue Price of HK\$0.05 per Warrant.

The gross proceeds from the Warrant subscription of HK\$1.4 million will be satisfied by payment of cash by the Subscriber at completion of the Warrant Subscription.

### **Warrant Subscription Price**

HK\$0.81 per Warrant Share, subject to adjustment upon the occurrence of any of the adjustment events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The aggregate of the Warrant Issue Price of HK\$0.05 per Warrant and the Warrant Subscription Price of HK\$0.81 per Share, i.e. HK\$0.86, represented (i) the same as the closing price of HK\$0.86 per Share quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 9.41% over the average closing prices of HK\$0.786 per Share for the last five (5) trading days for the Shares prior to and including the Last Trading Day; and (iii) a premium of approximately 9.55% over the average closing prices of HK\$0.785 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day.

Both the Warrant Issue Price and the Warrant Subscription Price are determined based on negotiations on an arm's length basis between the Company and the Subscriber with reference to the current market sentiment, liquidity flow in the capital market and the historical Share price. The Directors (excluding the Independent non-executive Directors whose views will be given after taken into account the advice from the independent financial adviser) consider that both the Warrant Issue Price and the Warrant Subscription Price are fair and reasonable.

### **The Warrant Subscription Completion Date**

Completion will take place on the Warrant Subscription Completion Date, being on the second Business Day after the fulfillment of the conditions referred to in the section headed "Conditions of the Warrant Subscription" below.

### **Information on the Warrants**

The Warrants will be issued to the Subscriber upon completion of the Warrant Subscription in registered form and constituted by a deed poll. The Warrants will rank *pari passu* in all respects among themselves.

Each Warrant carries the right to subscribe for one (1) Warrant Share at the Warrant Subscription Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of 36 months commencing from the date immediately after the date of issue of the Warrants. The Warrant Shares, when fully paid and allotted, will rank *pari passu* in all respects with the then existing issued Shares of the Company.

A total of 28,000,000 Warrants are proposed to be issued. Upon full exercise of the subscription rights attaching to the Warrants, a total of 28,000,000 Warrant Shares will be issued, representing (i) approximately 19.76% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares upon full exercise of the subscription rights attaching to the Warrants.

The Company will seek the grant of the Specific Mandate from the Independent Shareholders to cater for any Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants.

## **Transferability**

The Warrants are transferable in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the GEM Listing Rules) of the Company, prior approval from the Company and the Stock Exchange will be obtained. The Company undertakes to comply with the relevant GEM Listing Rules and to make necessary announcement(s), where appropriate, if and when the Subscriber makes any transfer of the Warrants to other parties requiring disclosure.

## **Conditions of the Warrant Subscription**

Completion of the Warrant Subscription Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before 5:00 p.m. on 28 February 2011 (or such later time and date as the Company and the Subscriber shall agree in writing):

- (a) the passing by the Independent Shareholders at a special general meeting of the Company to be convened and held, of the necessary resolutions to approve the Warrant Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Warrant Shares to the holder(s) of the Warrants);
- (b) (if required) the GEM Listing Committee shall have approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions; and
- (c) the GEM Listing Committee shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants.

In the event that the above conditions are not fulfilled by 5:00 p.m. on 28 February 2011 or such later date as may be agreed between the Company and the Subscriber, the Warrant Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches hereof.

## **Voting rights for the holders of the Warrants**

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

## **Rights of the holders of the Warrants on the liquidation of the Company**

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

## **Application for listing**

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

## **REASONS FOR THE WARRANT SUBSCRIPTION**

The Company is an investment holding Company. The Group is principally engaged in manufacturing and sale of synthetic sapphire watch crystals and optoelectronic products.

The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers. The Board considers that the Warrant Subscription is a more appropriate means of fund raising for the Company as it does not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that would be raised upon completion of the Warrant Subscription, further capital would be raised upon exercise of the subscription rights attaching to the Warrants. The Board considers that the Warrant Subscription and the issue of the Warrant Share provide opportunities for the Group to strengthen the Group's capital base and financial position to better equipped the Group with the financial flexibility for development of the existing business or any other new business of the Group.

The Directors (excluding the independent non-executive Directors whose views will be given after taken into account the advice from the independent financial adviser) consider that the terms of the Warrant Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

Assuming no further new share of the Company will be issued between the date of this announcement and the date of the SGM, the gross proceeds of the Warrant Subscription will amount to HK\$24,080,000. The net proceeds from the Warrant Subscription, after the deduction of the legal fees, printing expenses and other related expenses, are estimated to be approximately HK\$23 million, representing a net issue price of approximately HK\$0.8214 per Warrant. The Directors intend to apply the net proceeds as general working capital of the Group.

## **EFFECT ON THE SHAREHOLDING STRUCTURE**

As at the date of this announcement:

- (1) the Company had an issued share capital of HK\$7,083,294.10 (representing a total of 141,665,882 Shares);
- (2) there were outstanding Options attaching subscription rights to subscribe for an aggregate of 8,499,948 new Shares granted under the applicable rules of the share option scheme of the Company; and
- (3) apart from the outstanding Options, the Company has no other outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares.

The effect of the Warrant Subscription on the shareholding structure of the Company immediately upon (i) completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants and (ii) completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants and full exercise of the subscription rights attaching to the Outstanding Options is set out below (assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately prior to completion of the Warrant Subscription):

Shareholders	As at the date of this announcement		Assuming completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants (Note 3)		Assuming (i) completion of the Warrant Subscription and full exercise of the subscription rights attaching to the Warrants; and (ii) full exercise of the subscription rights attaching to the outstanding Options	
	(No. of shares)	(%)	(No. of shares)	(%)	(No. of shares)	(%)
<b>Directors</b>						
Wong Pak Fai Philip	7,400	0.01	7,400	0.01	7,400	0.01
Tang Man Lai (Note 1)	35,032,833	24.73	35,032,833	20.65	36,449,491	20.46
Subscriber	–	–	28,000,000	16.50	28,000,000	15.72
Other Directors	–	–	–	–	5,666,632	3.16
<b>Public</b>						
Other option holders (Note 2)	–	–	–	–	1,416,658	0.79
Other public Shareholders	106,625,649	75.26	106,625,649	62.84	106,625,649	59.86
Total:	<u>141,665,882</u>	<u>100.00</u>	<u>169,665,882</u>	<u>100.00</u>	<u>178,165,830</u>	<u>100.00</u>

Notes:–

- 1: 35,032,833 Shares are held by Good Capital Resources Limited, a company beneficially owned by Tang Man Lai.
- 2: 1,416,658 Options granted to employee of the Company under the share option scheme of the Company dated 23 November 2010.
- 3: It is for illustration purpose only in the event that no Options have been exercised and the Warrants are fully exercised.

The Directors have confirmed that so far as they are aware, the Subscriber has no intention to, nor have it entered into any agreement, arrangement or understanding with any other person to, transfer, charge or pledge any of the Warrant Shares to be allotted and issued to the Subscriber upon exercise (in full or in part) of the subscription rights attaching to the Warrants.

## **IMPLICATION OF THE LISTING RULES**

The Subscriber is wholly owned by Mr. Lam Ping Cheung, Andrew, the chairman of the Company and an executive Director. Accordingly, the Subscriber is a connected person of the Company and the Warrant Subscription constitutes a non-exempt connected transaction for the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements. The Directors have confirmed that no Shareholder is interested in the Warrant Subscription.

## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

Save for (i) the open offer of 1,995,294,112 shares of HK\$0.001 each in the share capital of the Company at the issue price of HK\$0.01 per such share, which raised a net proceeds of approximately HK\$19.5 million to be used for general working capital of the Company (details of the open offer was disclosed in the Company's announcement dated 25 August 2010 and the prospectus dated 17 September 2010), and (ii) placing of 16,960,000 shares of HK\$ 0.05 each in the share capital of the Company at the issue price of HK\$0.62 per such share under the general mandate, which raised a net proceeds of approximately HK\$10.1 million to be used for general working capital (details of the placing was disclosed in the Company's announcement dated 15 November 2010), the Company had not conducted any other capital fund raising activities in the past twelve months immediately prior to the date of this Announcement.

### **General**

Pursuant to Rule 20.11 of the GEM Listing Rules, the Subscriber and his associates are required to abstain from voting on the resolution at the SGM of the Company to approve the Warrant Subscription.

As at the date of this announcement, to the extent that the Company is aware of and having made all reasonable enquiries:

- (a) Mr. Lam Ping Cheung, Andrew and his associates are not interested in any of the shares of the Company; and
- (b) There is no other shareholder who is required to abstain from voting at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Warrant Subscription. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, (i) further information on the issue of the Warrant Subscription, (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Warrant Subscription and the transactions contemplated thereunder, (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Warrant Subscription and the transactions contemplated thereunder, (iv) a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

**Shareholders of the Company and investors should be aware of and take note that completion of the Warrant Subscription Agreement is conditional upon satisfaction of certain conditions precedent and may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Seamless Green China (Holdings) Ltd., a company incorporated in the Cayman Islands and re-domiciled and continued in the Bermuda with limited liability, the issued Shares of which are listed on GEM
“connected persons”	has the meaning ascribed thereto in the GEM Listing rules

“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors
“Independent Shareholders”	Shareholders other than the Subscriber, its associates and those who are required to abstain from voting in respect of the Warrant Subscription under the GEM Listing Rules and their respective associates (if any)
“Last Trading Day”	30 December 2010, being the last trading day for the Shares before the entering into the Warrant Subscription Agreement
“Option”	the 8,499,948 options in aggregate was granted at 23 November 2010 under the share option scheme adopted by the Company
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be convened and held at Unit 1906-07, 19/F., Cosco Tower, 183 Queen’s Road Central, Hong Kong to consider and, if thought fit, pass the resolutions to approve, among others, the proposed issue of non-listed warrants

“Share(s)”	Share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holders of Shares
“Specific Mandate”	The Board will seek Shareholders’ approval to grant the special mandate to allot, issue and deal with the Warrant Shares at the SGM. The Specific Mandate, if granted, will be utilized by the Board in accordance with the terms of the Warrant Subscription Agreement.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Equity Reward Limited, is a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Lam Ping Cheung, Andrew, the Chairman of the Company and an executive Director
“Warrant(s)”	28,000,000 non-listed warrants to be issued by the Company at the Warrant Issue Price, each entitles the holder thereof to subscribe for one Warrant Share at the Warrant Subscription Price (subject to adjustment) at any time during a period of thirty six (36) months commencing from the date of issue of the Warrants
“Warrant Subscription Price”	An initial exercise price of HK\$0.81 per Warrant Share subject to adjustment) at which holder of the Warrants may subscribe for the Warrant Share(s)
“Warrant Share(s)”	Up to 28,000,000 new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“Warrant Subscription”	The subscription for 28,000,000 Warrants pursuant to the terms of the Warrant Subscription Agreement
“Warrant Subscription Agreement”	The conditional subscription agreement dated 30 December 2010 and entered into between the Company and the Subscriber in relation to the Warrant Subscription

“Warrant Subscription Completion Date”	The second Business Day following the date on which the conditions precedent set out in the Warrant Subscription Agreement are fulfilled
“Warrant Issue Price”	HK\$0.05, being the issue price per Warrant payable in full on application under the Warrant Subscription Agreement
“%”	per cent

By Order of the Board of  
**Seamless Green China (Holdings) Limited**  
**Chan Chung Keung Jackon**  
*Executive Director*

Hong Kong, 30 December 2010

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

- (1) Mr. Lam Ping Cheung Andrew, as an executive director;
- (2) Mr. Chan Chung Keung Jackon, as an executive director;
- (3) Mr. Wong Kwok Wai, as an executive director;
- (4) Mr. Zhao Wen Tao, as an executive director;
- (5) Mr. Chung Ming Tru Daniel, as an executive director;
- (6) Ms. Chan Yim Kum, as an executive director;
- (7) Mr. Wong Pak Fai Philip, as an executive director;
- (8) Ms. Tang Man Lai as an executive director;
- (9) Mr. Liu Chun Ning Wilfred, as an independent non-executive director;
- (10) Mr. Tsui Siu Hung, as an independent non-executive director;
- (11) Mr. Tso Chip, as an independent non-executive director; and
- (12) Mr. Lee Tao Wai, as an independent non-executive director.

*This announcement, for which the Directors 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 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.*

*This announcement will remain on the “Latest Company Announcement” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of this posting and on the website of the Company at <http://www.aplushk.com/clients/8150SGC/>.*