



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



First Quarterly Report 2011



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET 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.

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This report, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 report 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 report misleading.

HIGHLIGHTS

1. The Group has recorded total turnover of approximately HK\$12,675,000 for the three months ended 31 March 2011.
2. The Group has recorded a net loss attributable to owners of the Company for the three months ended 31 March 2011 of approximately HK\$5,801,000, representing a basic loss per share of HK cents 4.07.
3. The directors do not recommend the payment of a dividend for the three months ended 31 March 2011.

QUARTERLY 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 (hereinafter collectively referred to as the "Group") for the three months ended 31 March 2011 together with the unaudited comparative figures for the corresponding period in 2010, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		Three months ended	
		31 March	
		2011	2010
	Note	HK\$'000	HK\$'000
Turnover	2	12,675	8,195
Cost of sales		<u>(10,747)</u>	<u>(5,805)</u>
Gross profit		1,928	2,390
Other income and gains		802	52
Gain on disposal of subsidiaries		–	447
Loss on disposal of financial assets at fair value through profit or loss		(391)	–
Operating expenses			
Selling and distribution costs		(386)	(22)
Administrative and other operating expenses		<u>(7,725)</u>	<u>(2,784)</u>



		Three months ended	
		31 March	
		2011	2010
	<i>Note</i>	HK\$'000	HK\$'000
Operating (loss)/profit		(5,772)	83
Finance costs		<u>(27)</u>	<u>–</u>
(Loss)/profit before taxation		(5,799)	83
Income tax expense	3	<u>(2)</u>	<u>–</u>
(Loss)/profit for the quarter		(5,801)	83
Other comprehensive income:			
Exchange differences on translating foreign operations		<u>(73)</u>	<u>(43)</u>
Total comprehensive income for the quarter		<u>(5,874)</u>	<u>40</u>
(Loss)/profit attributable to equity shareholders of the Company		<u>(5,801)</u>	<u>83</u>
Total comprehensive income attributable to equity shareholders of the Company		<u>(5,874)</u>	<u>40</u>
			Restated
(Loss)/earnings per share	4		
Basic – for the quarter		<u>(4.07 cents)</u>	<u>0.98 cents</u>
Diluted – for the quarter		<u>N/A</u>	<u>0.98 cents</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31 March 2011

	Share capital	Share premium reserve	Share-based Exchange reserve	Share-based payment reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2010	4,240	7,985	1,504	-	(13,268)	461
Profit for the quarter	-	-	-	-	83	83
Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	(43)	-	-	(43)
Total comprehensive income for the quarter	-	-	(43)	-	83	40
As at 31 March 2010	<u>4,240</u>	<u>7,985</u>	<u>1,461</u>	<u>-</u>	<u>(13,185)</u>	<u>501</u>
As at 1 January 2011	7,083	34,260	1,741	1,020	(24,989)	19,115
Loss for the quarter	-	-	-	-	(5,801)	(5,801)
Exchange differences on translation of the financial statements of foreign subsidiaries	-	-	(73)	-	-	(73)
Total comprehensive income for the quarter	-	-	(73)	-	(5,801)	(5,874)
Recognition of equity-settled share-based payments	-	-	-	1,316	-	1,316
Option lapsed	-	-	-	(170)	170	-
Issue of shares:-						
- option exercised	283	5,052	-	(1,537)	1,537	5,335
- placing of shares	<u>1,400</u>	<u>17,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,110</u>
As at 31 March 2011	<u>8,766</u>	<u>57,022</u>	<u>1,668</u>	<u>629</u>	<u>(29,083)</u>	<u>39,002</u>



NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

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

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 31 December 2010. 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 1 January 2011. 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.

2. Turnover

The Group's turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and sale related tax during the period.

3. Income tax expense

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

		Three months ended 31 March	
		2011	2010
	<i>Note</i>	HK\$'000	HK\$'000
Hong Kong profits tax	<i>(i)</i>	2	–
Overseas profits tax	<i>(ii)</i>	–	–
		2	–
		2	–

Notes:

- (i) Hong Kong profits tax has been provided for in the financial statements at the rate of 16.5% (2010: Nil) on the estimated assessable profits arising in Hong Kong in the period.
 - (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.

4. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share for three months ended 31 March 2011 is based on the Group's loss attributable to equity shareholders of the Company for the period of approximately HK\$5,801,000 (2010: profit of approximately HK\$ 83,000) and on the weighted average number of 142,665,880 (2010: 84,800,000 shares, as adjusted for the effect of share consolidation shares). The comparative figure of basic earning per share for the three months ended 31 March 2010 had been re-calculated to reflect the effect of share consolidation taken place on 13 October 2010.

For three months ended 31 March 2011 diluted loss per share has not been disclosed as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the period and is regarded as anti-dilutive. For three months ended 31 March 2010 there were no diluted potential ordinary shares outstanding during the period, the diluted earning per share for the period ended 31 March 2010 is the same as the basic earnings per share.

5. Subsequent events

On 1 April 2011, The Group had entered into an agreement, pursuant to which the Group will acquire the entire issued share capital of a company and the vendor's shareholders loans at the total consideration of HK\$11,100,000. Details of the transaction has been set out in the Company's announcement dated 6 April 2011.

On 6 May 2011, The Group had entered into agreements, pursuant to which the Group will acquire the properties at the total consideration of HK\$3,550,000. The vendors are connected persons of the Group. Details of the transaction had been set out in the Company's announcement dated 6 May 2011.

6. Contingent liabilities

At 31 March 2011, the Group had no material contingent liabilities (31 March 2010: Nil).



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period the Group recorded an increase in turnover as compared to previous corresponding period. The Group recorded a loss attributable to equity shareholders of the Company for the three months ended 31 March 2011 as compared to a profit for the corresponding period. The turnover was approximately HK\$12,675,000 (2010: approximately HK\$8,195,000), representing an increase of 54.67% as compared to the same period in last year. The increase in turnover was mainly due to the market recovery in the watch sector as compared to last year. Loss attributable to equity shareholders of the Company for the three months ended 31 March 2011 was approximately HK\$5,801,000 while profit attributable to equity shareholders of the Company for the corresponding period in 2010 was approximately HK\$83,000.

During the period, the Company was an investment holding company. The Group's principal activities were involved in manufacture and sale of synthetic sapphire watch crystals and optoelectronic products, and in the trading of liquor.

During the period, the Group recorded a loss on disposal of financial assets at fair value through profit or loss amounted to HK\$391,000 (2010: Nil).

FINANCIAL REVIEW

The Group's unaudited consolidated turnover for the three months ended 31 March 2011 was approximately HK\$12,675,000 representing an increase of approximately HK\$4,480,000 or 54.67% for the same period of last year. Increase in turnover was mainly due to the recovery of market demand from the global economic downturn.

Operating expenses for the three months ended 31 March 2011 were approximately HK\$8,111,000 representing an increase of approximately HK\$5,305,000 or 189.06% for the same period of last year. Increase in operating expenses was mainly due to the facts that there were a recognition of share-based payment of approximately HK\$1,316,000, increase in legal and professional fee of approximately HK\$1,380,000 and increase in the staff costs of approximately HK\$2,931,000 during the period.



Sapphire watch crystals division

The turnover of the sapphire watch crystals for the three months ended 31 March 2011 was approximately HK\$8,690,000 (2010: approximately HK\$6,890,000) representing an increase of approximately HK\$1,800,000 which was mainly due to significant increase in the market demand after the recovery of the global economy.

Optoelectronics products division

The Group's optoelectronics products division recorded a turnover of approximately HK\$1,453,000 for the three months ended 31 March 2011 (2010: approximately HK\$1,305,000) representing an increase of approximately HK\$148,000. Increase in sales was mainly due to the recovery of market demand from the global economic downturn.

Liquor products division

The Group's liquor products division recorded a turnover of approximately HK\$2,532,000 for the three months ended 31 March 2011.

Foreign Exchange

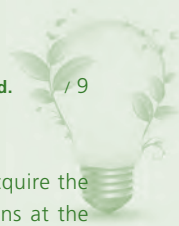
The Group has transactional currency exposures as the sales and purchases of the Group were mainly transacted in United States dollars, Swiss Franc, Chinese Renminbi, Japanese Yen, Euro, New Taiwan dollars and Hong Kong dollars. While the Group is not currently engaged in hedging to manage its currency 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.

Material acquisitions and disposal of subsidiaries and affiliated companies

During the period, the Group had no material acquisitions and disposal of subsidiaries and affiliated companies.

PROSPECTS

Since the China and global economies remained to be recovering, the Board expects the sales from sapphire and optoelectronics distribution division may be benefited. Accordingly the Board expects there will be a moderate growth in the production and sales of watches in 2011. The Board will continue to keep its effort on those watches markets that have less competition and controlling its labor and production costs.



On 1 April 2011, the Group entered into an agreement to which the Group will acquire the entire issued share capital of a target company and the vendor's shareholders loans at the total consideration of HK\$11,100,000. The Board expects that the acquisition can diversify the Group's products and expand the customer base of the Group in the near future. The Board also believed that, with the expertise of the management of the target company, the collaboration between the Target Company and Hong Kong Applied Science and Technology Research Institute Company Limited (a company who possesses particular engineering knowledge and technologies pertaining to the design and development of LED lighting driver integrated circuits ("Products")) will soon be able to bring revenue to the Target Company. The Directors also believe that the Products will eventually be widely used in energy-efficient street lamps, a product which may have a good potential in the mainland China market.

In order to diversify risk and broaden the sources of income of the Group, on 28 April 2011, The Group entered into a memorandum of understanding with the vendor in relation to a possible acquisition of 51% of the issued share capital of Rosy Sino Holdings Limited ("Rosy Sino"). Before the Group's acquisition, Rosy Sino will acquire 80% of the issued share capital of Abocom (China) Group Co. Limited ("Abocom"). Abocom is engaged in the development and production of mobiles phones and will become the flagship of expansion of the smart-phones market in PRC. The consideration will be determined based on the valuation of Rosy Sino.

To facilitate the development in liquor and red wine market, on 6 May 2011, the Group entered into agreements, pursuant to which the Company will acquire two properties at the total consideration of HK\$3,550,000. The vendors are connected persons of the Group. The properties are acquired by the Group for the storage and as showrooms of red wines and liquor. The Directors expect that it will enhance the turnover and profits of red wines and liquor trading of the Group.

In additions, on 9 May, 2011, the Company entered into the another memorandum of understanding with Shenzhen DongYu Investment Development Company Limited ("Shenzhen DongYu") in relation to the formation of a sino-foreign joint venture company ("JV Company"). The principal business activities of the JV Company will be in the planting of jatropha curcas and the sale and production of biodiesel fuel. Jatropha curcas seeds contain oil that can be processed to produce a high-quality biodiesel fuel which is usable in standard diesel engines. The Board believes that the formation of the JV Company with Shenzhen DongYu, if successful, will diversify the revenue bases of the Group and will allow the Group to enter into the market of biodiesel fuel which the Board trusts will be of substantial growth potential.



The Group will continue its effort in developing its business in both the energy-efficient streetlamp markets and red wine market and has confident that these markets will soon contribute cash inflows to the Group. In the meantime, with the lead of our management team, the Company is actively exploring for business opportunities in other sector to diversify risk and broaden the sources of income of the Company. The Company has adequate resources to continue with business operations, and will continue to centralize corporate objective of developing current businesses in order to strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to our equity holders.

PLACING OF SHARES

On 17 March 2011, a placing agreement was entered into between the Company and the placing agent, pursuant to which the Company appointed the placing agent to procure altogether not less than six placees, who were independent third parties, on a best effort basis, for subscribing up to an aggregate of 28,000,000 placing shares at HK\$0.70 per placing share. All the placing shares were issued and allotted on 30 March 2011.

SHARE OPTION SCHEME

The Previous Share Option Scheme was adopted by the Company on 21 July 2001 and was terminated during the period. A New Share Option Scheme was adopted on 8 March 2011. Upon termination of the Previous Share Option Scheme, no further Options will be granted thereunder, but the provisions of the Previous Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of Options (to the extent not already exercised) granted prior to its termination or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme. Options (to the extent not already exercise) granted prior to such termination will continue to be valid and exercisable in accordance with the Existing Share Option Scheme. Details of the above and the principal terms of the New Share Option Scheme were set out in the Company's circular and its appendix I dated 21 February 2011. Details of the principal terms of the Previous Share Option Scheme were set out in appendix IV to the Company's prospectus dated 27 July 2001.



The following table disclosed movements of the Company's share options held by employees and directors during the period ended 31 March 2011:

Participant	Date of grant	Exercise price HK\$	Exercisable period	At 1/1/2011	Number of options			Lapsed during the year	At 31/3/2011
					Granted during the year	Exercised during the year	Cancelled during the year		
Directors	23/11/2010	0.772	23/11/2010 – 21/7/2011	7,083,290	–	2,833,316	–	1,416,658	2,833,316
Employees	23/11/2010	0.772	23/11/2010 – 21/7/2011	1,416,658	–	1,416,658	–	–	–
	24/3/2011	1.45	24/3/2011 – 23/3/2021	–	1,816,658	1,416,658	–	–	400,000
				<u>8,499,948</u>	<u>1,816,658</u>	<u>5,666,632</u>	<u>–</u>	<u>1,416,658</u>	<u>3,233,316</u>

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 March 2011, 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	Underlying Shares	Long/Short Position	Approximate percentage of total relevant class of shares in shares
Wong Pak Fai Philip	Beneficial owner	7,400	–	Long position	0.004%
Liu Chun Ning Wilfred	Beneficial owner	380,000	–	Long position	0.22%
Lam Ping Cheung Andrew	Beneficial owner	–	28,000,000	Long position	15.97%
Chan Chung Keung Jackson	Beneficial owner	1,416,658	–	Long position	0.81%
Chan Yim Kum	Beneficial owner	1,416,658	–	Long position	0.81%
Chung Ming Tru Daniel	Beneficial owner	–	1,416,658	Long position	0.81%
Wong Kwok Wai	Beneficial owner	–	1,416,658	Long position	0.81%

As at 31 March 2011, 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 SHAREHOLDERS’ INTERESTS IN SECURITIES

As at 31 March 2011, so far as the Directors were aware the persons who had 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	Long/Short Position	Percentage of
					issued shares (Note 7)
Good Capital Resources Limited (Note 1)	Beneficial owner	16,800,000	–	Long position	9.58%
	Beneficial owner	16,800,000	–	Short position	9.58%



Name of shareholders	Capacity	Number of shares	Underlying Shares	Long/Short Position	Percentage of issued shares (Note 7)
Tang Man Lai (Note 1)	Beneficial owner and interest in a controlled corporation	26,708,235	–	Long position	15.23%
	Interest in a controlled corporation	16,800,000	–	Short position	9.58%
Sun Finance Company Limited (Note 2)	Security interest	16,800,000	–	Long position	9.58%
Sino Harvest Investment Holdings Limited (Notes 2 & 3)	Interest in a controlled corporation	16,800,000	–	Long position	9.58%
Cheng Ting Kong (Note 3)	Interest in a controlled corporation	16,800,000	–	Long position	9.58%
Chau Cheek Wa (Note 3)	Interest in a controlled corporation	16,800,000	–	Long position	9.58%
Equity Reward Ltd (Note 4)	Beneficial owner	–	28,000,000	Long position	15.97%
Lam Ping Cheung Andrew (Note 4)	Interest in a controlled corporation	–	28,000,000	Long position	15.97%
iReady360 Media Networks Limited (Notes 5 & 8)	Beneficial owner	15,202,800	–	Long position	8.67%
Ng Wai Lok, Raylot (Notes 5 & 8)	Interest in a controlled corporation	15,202,800	–	Long position	8.67%
Chong Wai Moon Joe	Beneficial owner	10,518,823	–	Long position	6.00%



Name of shareholders	Capacity	Number of shares	Underlying Shares	Long/Short Position	Percentage of issued shares (Note 7)
Evening Triumph Holdings Limited (Notes 6 & 8)	Beneficial owner	8,800,000	–	Long position	5.02%
Kwok Sze Nga (Notes 6 & 8)	Interest in a controlled corporation	8,800,000	–	Long position	5.02%
JMM Business Network Investments (China) Limited (Note 8)	Beneficial owner	8,800,000	–	Long position	5.02%

Notes:

1. Good Capital Resources Limited, a company incorporated in the British Virgin Islands, which is beneficially owned by Tang Man Lai.
2. Sun Finance Company Limited is wholly owned by Sino Harvest Investments Holdings Limited.
3. Sino Harvest Investments Holdings Limited is owned as to 50% by Cheng Ting Kong and 50% by Chau Cheok Wa.
4. Equity Reward Limited is wholly owned by Lam Ping Cheung Andrew. Pursuant to the warrant subscription agreement signed on 30 December 2010, the Company has conditionally agreed to issue and allot 28,000,000 warrants to Equity Reward Limited upon fulfillment of several conditions. Each warrant can subscribe for one new share of the Company. As at the date of this report, no warrant has been issued.
5. Mr. Ng Wai Lok, Raylot is the controlling shareholder of iReady360 Media Networks Limited.
6. Miss Kwok Sze Nga is the controlling shareholders of Evening Triumph Holdings Limited.
7. The percentage is calculated based on 175,332,514 shares.
8. Pursuant to the order granted by the High Court of Hong Kong on 8th December 2009, JMM Business Network Investments (China) Limited, iReady360 Media Networks Limited, Evening Triumph Holdings Limited, Mr. Ng Wai Lok, Raylot (as the controlling shareholder of iReady360 Media Networks Limited) and Miss Kwok Sze Nga (as the controlling shareholder of Evening Triumph Holdings Limited) are restrained and prohibited, until further order of the court, from exercising any voting right in and from disposing of, selling transferring, mortgaging, assigning, charging or otherwise dealing with any of the ordinary shares of the Company registered in the name of JMM Business Network Investments (China) Limited, iReady360 Media Networks Limited and Evening Triumph Holdings Limited except in accordance with the instructions of consent of Good Capital Resources Limited.



So far as is known to any director or supervisor, there was no person other than a Director or supervisor or chief executive who, as at 31 March 2011, had 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 would 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 three months ended 31 March 2011.

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 31 March 2011.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE PRACTICE

For the three months ended 31 March 2011, 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 three months ended 31 March 2011, 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. Tsui Siu Hung, Mr. Lee Tao Wai and Mr. Tso Chip.

The Company's financial statements for the three months ended 31 March 2011 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
Lam Ping Cheung Andrew
Chairman

Hong Kong, 12 May 2011

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

- (1) Mr. Lam Ping Cheung Andrew, as an executive director;
- (2) Mr. Chan Chung Keung Jackson, 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) Mr. Liu Chun Ning Wilfred, as an independent non-executive director;
- (9) Mr. Tsui Siu Hung, as an independent non-executive director;
- (10) Mr. Tso Chip, as an independent non-executive director; and
- (11) Mr. Lee Tao Wai, as an independent non-executive director.