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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)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



PLACING

On 2 June 2011 (after trading hours), the Placing Agreement was entered into between the Company and the Placing Agent, pursuant to which the Company has appointed the Placing Agent to procure altogether not less than six Placings, on a best effort basis, for subscribing up to an aggregate of 35,000,000 Placing Shares at HK\$1.45 per Placing Share. The Placing Price is exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable. The Placing is subject to the condition set out below under the heading “Condition of the Placing”.

The Placing Price represents (i) a discount of approximately 16.67% to the closing price of HK\$1.740 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 15.99% to the average closing price of HK\$1.726 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Last Trading Day.

The total number of Placing Shares represents (i) approximately 19.88% of the existing issued share capital of the Company; and (ii) approximately 16.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

An application will be made to the GEM Listing Committee for the approval of the listing of and permission to deal in the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2011.

Upon completion of the Placing (and assuming all the 35,000,000 Placing Shares are subscribed for), the gross proceeds and net proceeds arising from the Placing are estimated to be HK\$50.8 million and approximately HK\$49.3 million respectively. The Company intends to use the net proceeds as general working capital of the Group.

1. THE PLACING

On 2 June 2011 (after trading hours), the Placing Agreement was entered into between the Company (as issuer) and the Placing Agent (as placing agent). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placees

The Placing Shares will be placed on a best effort basis. The Placing Agent has agreed in the Placing Agreement that it will use its best endeavour to procure the Placing Shares to be placed to altogether not less than six Placees, who (where applicable, and their ultimate beneficial owners) are Independent Third Parties.

It is expected that none of the Placees will become a substantial Shareholder immediately after completion of the Placing.

Pursuant to the Placing Agreement, the Placing Agent may at any time elect that some or all of the Placing Shares are acquired by it as principal from the Company at the Placing Price and, in that event, the Placing Shares may be on-sold by the Placing Agent as principal to purchasers at any price(s) as the Placing Agent may in its discretion determine, without being under any obligation to notify the Company of such election or of the number of Placing Shares so acquired as principal, or of the price(s) at which those Placing Shares are sold to purchasers, provided that any such acquisition by the Placing Agent and/or on-sale shall only be made under circumstances that have resulted or will result in compliance with all applicable laws, regulations and restrictions, and in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong and result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong being required.

Number of Placing Shares

The Placing Agent has agreed to procure, on a best effort basis, Placees to subscribe for up to 35,000,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement.

The aggregate nominal value of all the 35,000,000 Placing Shares is HK\$1,750,000. The number of Placing Shares represents approximately 19.88% of the total number of 176,049,172 existing issued Shares as at the date of this announcement or approximately 16.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing.

Placing Price

The Placing Price is at HK\$1.45 per Placing Share exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable. The price (net of commissions and expenses) is approximately HK\$1.409 per Placing Share.

The Placing Price was agreed after arm’s length negotiations between the Company and the Placing Agent with reference to recent market prices of the Shares. The Placing Price represents (i) a discount of approximately 16.67% to the closing price of HK\$1.740 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 15.99% to the average closing price of HK\$1.726 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Last Trading Day.

Placing Commission

The Placing Agent will receive a placing commission of 2.50% of the aggregate Placing Price of the number of Placing Shares actually placed by the Placing Agent. The placing commission was arrived at arm's length negotiation between the Company and the Placing Agent. The Directors are of the view that the placing commission of 2.50% are on normal commercial terms and is fair and reasonable so far as the Shareholders are concerned.

Disposal and lock-up restriction

The Placing Shares are not subject to any lock-up or other disposal restriction under the terms of the Placing Agreement.

Condition of the Placing

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange agreeing to grant the listing of and permission to deal in the Placing Shares. If the above condition to the Placing is not fulfilled by 31 July 2011 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties to the Placing Agreement shall have any claim against any other in respect of the Placing, save for antecedent breaches of the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place on the third Business Day next following the fulfillment of the above condition precedent to completion of the Placing, or such other date as the Company and the Placing Agent may agree.

Mandate to allot and issue new Shares

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 27 May 2011. The Company is authorised to issue Shares in the aggregate nominal amount of HK\$1,760,491.72 (equivalent to 35,209,834 Shares) under such mandate.

Prior to the date of the Placing Agreement, the Company has not utilised any of the power to allot and issue any new Shares pursuant to such mandate and has the power to issue up to 35,209,834 Shares under such mandate. Accordingly, the issue of the Placing Shares is not subject to the Shareholders' approval.

Ranking

The Placing Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Placing.

Termination

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 11:00 a.m. on the date of completion of the Placing if any of the following occurs:

- (A) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure by the Company to perform its undertakings in the Placing Agreement;
- (B) in the sole and reasonable judgment of the Placing Agent, there shall have been such a change in the national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its judgment be likely to prejudice the success of the Placing or trading in the Shares in the secondary market;
- (C) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (D) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing.

2. CHANGES TO THE SHAREHOLDING STRUCTURE AS A RESULT OF THE PLACING

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming there is no change to the shareholding structure of the Company from the date of this announcement and up to completion of the Placing other than the allotment and issue of the Placing Shares) are as follows:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	% (Note 4)	No. of Shares	% (Note 5)
Directors (Note 1)	2,833,316	1.60	2,833,316	1.34
Tang Man Lai (Note 2)	21,708,235	12.33	21,708,235	10.29
Public				
Placees (Note 3)	0	0	35,000,000	16.58
Other public Shareholders	<u>151,507,621</u>	<u>86.06</u>	<u>151,507,621</u>	<u>71.79</u>
Total:	<u><u>176,049,172</u></u>	<u><u>100.00</u></u>	<u><u>211,049,172</u></u>	<u><u>100.00</u></u>

Notes:

1. These Shares were held as to 1,416,658 Shares by Chan Chung Keung Jackson and as to 1,416,658 Shares by Chan Yim Kum, both are executive directors of the Company.
2. Out of the 21,708,235 Shares, 21,705,882 Shares were held by Good Capital Resources Limited, a company beneficially wholly owned by Tang Man Lai.
3. It is expected that each of the Placees is an Independent Third Party and none of them will become a substantial Shareholder of the Company upon completion of the Placing. Accordingly, the Placees shall be regarded as public Shareholders (as defined in the GEM Listing Rules).
4. The percentage is calculated based on 176,049,172 Shares in issue.
5. The percentage is calculated based on 211,049,172 Shares.

As disclosed in the above shareholding table, immediately after the completion of the Placing, over 25% of the then issued share capital of the Company will be in public hands (including the Placees).

3. REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in manufacturing and sale of synthetic sapphire watch crystals and optoelectronic products. Upon completion of the Placing (and assuming all the 35,000,000 Placing Shares will be placed), the gross proceeds arising from the Placing are estimated to be HK\$50.8 million and the net proceeds, after deducting related Placing commission, professional fees and all related expenses, arising from the Placing are estimated to be approximately HK\$49.3 million, which is intended to be used as general working capital of the Group.

The Board is of the view that the Placing will strengthen the financial position (in particular, the working capital and cash flow position) of the Group.

The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement to be fair and reasonable so far as the Shareholders are concerned and the Placing is in the best interests of the Company and the Shareholders as a whole.

Fund raising activities in the past 12 months

In the past twelve months immediately prior to the date of this announcement, the Company conducted:

- (i) an open offer of 1,995,294,112 shares of HK\$0.001 each in the share capital of the Company at the subscription 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 announcements dated 25 August 2010 and 13 October 2010 and the prospectus dated 17 September 2010);
- (ii) a placing of 16,960,000 Shares at the subscription price of HK\$0.62 per such Share under the general mandate granted to the Directors at the annual general meeting of the Company held on 15 April 2010, which raised a net proceeds of approximately HK\$10.1 million (details of the placing was disclosed in the Company's announcement dated 15 November 2010);
- (iii) a proposed issue of 28,000,000 non-listed warrants at the warrant issue price of HK\$0.05 per such warrant which conferring rights to subscribe for 28,000,000 warrant Shares at the exercise price of HK\$0.81 per warrant Share (subject to adjustment), which will raise a net proceeds of approximately HK\$23 million (details of the proposed issue of non-listed warrants was disclosed in the Company's announcement dated 30 December 2010). As at the date of this announcement, the warrants subscription has not been completed, and the Company has agreed to postpone the completion date to a day not later than 31 August 2011; and

- (iv) a placing of 28,000,000 Shares at the subscription price of HK\$0.70 per such Share under the general mandate granted to the Directors at the special general meeting of the Company held on 8 March 2011, which raised a net proceeds of approximately HK\$18.6 million (details of the placing was disclosed in the Company’s announcement dated 17 March 2011).

Save as disclosed above, the Company had not conducted any other capital fund raising activities in the past twelve months immediately prior to the date of this announcement.

4. APPLICATION FOR LISTING

Application will be made to the GEM Listing Committee for the approval for the listing of, and permission to deal in, the Placing Shares.

5. DEFINITIONS

The following defined terms are used in this announcement:

“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks generally are open for business in Hong Kong
“Company”	Seamless Green China (Holdings) Limited, a company incorporated in Cayman Islands and re-domiciled and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM
“connected person”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Committee”	the GEM listing committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is(are) independent of and not connected with the Directors, chief executive or substantial shareholders of the Company or its subsidiaries or associated companies, or any of their respective associates
“Last Trading Day”	2 June 2011, being the last trading day in the Shares pending the release of this announcement
“Placees”	the placees to be procured by the Placing Agent pursuant to the terms and conditions of the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Metro Capital Securities Limited, a licensed corporation licensed to conduct type 1 (dealing in securities) regulated activity under the SFO and being the placing agent
“Placing Agreement”	a placing agreement dated 2 June 2011 and made between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the price of HK\$1.45, being the subscription price of each Placing Share
“Placing Shares”	up to 35,000,000 new Shares to be subscribed by the Placees in accordance with the terms of the Placing Agreement
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.05 in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 2 June 2011

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. Chung Ming Tru Daniel, as an executive director;
- (4) Ms. Chan Yim Kum, as an executive director;
- (5) Mr. Nee, Henry Pei Ching, as an executive director;
- (6) Mr. Liu Chun Ning Wilfred, as an independent non-executive director;
- (7) Mr. Tsui Siu Hung, as an independent non-executive director; and
- (8) Mr. Lee Tao Wai, as an independent non-executive director.

This announcement, for which the directors of the Company (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 for at least 7 days from the date of this posting and on the website of the Company at <http://www.victoryhouse.co.cc/lchp/8150.html>.