



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

*(Incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)*  
**Stock Code: 8150**



THIRD QUARTERLY REPORT  
**2017**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE (THE “GEM”)**

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

*This report, for which the directors (the “Directors”) of Seamless Green China (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this 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.*

## QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2017 (the “Period”) together with the relevant comparative unaudited figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	3	15,105	855	25,386	11,021
Cost of sales		(13,025)	(897)	(22,511)	(9,419)
Gross profit/(loss)		2,080	(42)	2,875	1,602
Other income and gains		182	143	550	1,306
Operating expenses:					
Selling and distribution costs		–	–	(44)	(73)
Administrative and other operating expenses		(3,398)	(2,726)	(8,621)	(8,914)
Loss from operations		(1,136)	(2,625)	(5,240)	(6,079)
Share of profit of associates		41	52	41	148
Loss before taxation		(1,095)	(2,573)	(5,199)	(5,931)
Income tax expense	4	–	–	–	–
Loss for the period		(1,095)	(2,573)	(5,199)	(5,931)
Other comprehensive income after tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the consolidated financial statements of foreign subsidiaries		1,263	(12)	2,860	(6)
Change in fair value of available-for-sale financial assets		–	(50)	–	(221)
Other comprehensive income for the period, net of tax		1,263	(62)	2,860	(227)
Total comprehensive income for the period		168	(2,635)	(2,339)	(6,158)
Loss attributable to owners of the Company		(1,095)	(2,573)	(5,199)	(5,931)
Total comprehensive income attributable to owners of the Company		168	(2,635)	(2,339)	(6,158)
Loss per share attributable to owners of the Company					
Basic	6	(0.07) cent	(0.20) cent	(0.37) cent	(0.47) cent
Diluted	6	N/A	N/A	N/A	N/A

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2017

	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Warrant reserve HK\$'000	Exchange reserve HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
<b>At 1 January 2017</b>	<b>64,350</b>	<b>466,013</b>	<b>(842)</b>	<b>-</b>	<b>(5,307)</b>	<b>11,222</b>	<b>(495,270)</b>	<b>(826)</b>	<b>39,340</b>
Loss for the period	-	-	-	-	-	-	(5,199)	-	(5,199)
Exchange difference on translating foreign subsidiaries	-	-	-	-	2,860	-	-	-	2,860
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,860</b>	<b>-</b>	<b>(5,199)</b>	<b>-</b>	<b>(2,339)</b>
Issues of Shares	12,738	17,530	-	-	-	-	-	-	30,268
Exercise of share options	1,538	7,687	-	-	-	(2,460)	-	-	6,765
<b>At 30 September 2017</b>	<b>78,626</b>	<b>491,230</b>	<b>(842)</b>	<b>-</b>	<b>(2,447)</b>	<b>8,762</b>	<b>(500,469)</b>	<b>(826)</b>	<b>74,034</b>
At 1 January 2016	63,690	462,713	(540)	130	(3,629)	14,234	(478,563)	(1,478)	56,557
Loss for the period	-	-	-	-	-	-	(5,931)	-	(5,931)
Exchange difference on translating foreign subsidiaries	-	-	-	-	(6)	-	-	-	(6)
Change in fair value of available- for-sale financial assets	-	-	(221)	-	-	-	-	-	(221)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(221)</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(5,931)</b>	<b>-</b>	<b>(6,158)</b>
<b>At 30 September 2016</b>	<b>63,690</b>	<b>462,713</b>	<b>(761)</b>	<b>130</b>	<b>(3,635)</b>	<b>14,234</b>	<b>(484,494)</b>	<b>(1,478)</b>	<b>50,399</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

Seamless Green China (Holdings) Limited (the “Company”) was a limited liability company incorporated in the Cayman Islands on 18 January 2001 as an exempted company. The issued shares of the Company have been listed on the GEM since 10 August 2001. Pursuant to a special resolution passed on 7 January 2008, the shareholders of the Company resolved to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The re-domicile was completed on 22 January 2008. The change of domicile has no impact on the continuity and the listing status of the Company. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 1604, Seaview Commercial Building, 21-24 Connaught Road West, Sheung Wan, Hong Kong.

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

The Company is an investment holding company. The Group’s principal activities were involved in the manufacture and sale of synthetic sapphire watch crystals and optoelectronic products, trading of liquor, manufacturing and trading of LED lighting products and property investment.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in compliance with the disclosure requirements of the Rules Governing the Listing of Securities on the GEM (“the GEM Listing Rules”) and the Hong Kong Companies Ordinance.

The accounting policies and method of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2016. 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 2017. The adoption of such new or revised standards, amendments to standards and interpretations does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group’s accounting policies.

The condensed consolidated financial statements have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s audit committee (the “Audit Committee”).

The unaudited quarterly financial statements should be read in conjunction with the revised annual report dated 18 July 2017 for the year ended 31 December 2016.

## 3. REVENUE

Revenue represents the sales of goods supplied to customers, net of discount and sales related tax during the Period.

#### 4. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was provided for as the Company and its subsidiaries either had no estimated assessable profits arising in or derived from Hong Kong during the nine months ended 30 September 2017 or with sufficient tax losses brought forward to offset against their respective assessable profits for the Period (2016: Nil).

No provision for the overseas profits tax has been made during the periods as the overseas subsidiaries had no assessable profits for the nine months ended 30 September 2017 or with sufficient tax losses brought forward to offset against their respective assessable profits for the Period (2016: Nil).

There were no material unrecognised deferred tax assets and liabilities for the periods.

#### 5. INTERIM DIVIDEND

The Board does not declare the payment of any dividend for the Period (2016: Nil).

#### 6. LOSS PER SHARE

The calculation of basic loss per share for the nine months ended 30 September 2017 is based on the Group's loss attributable to owners of the Company for the Period of approximately HK\$5,199,000 (2016: approximately HK\$5,931,000) and on the weighted average number of 1,400,053,067 (2016: 1,273,806,044) shares.

Diluted loss per share for the nine months ended 30 September 2017 and 2016 has not been disclosed as the potential shares arising from the exercise of the Company's outstanding share options and warrants would decrease in loss per share of the Group for the Period and are regarded as anti-dilutive.

#### 7. COMMITMENTS

##### Commitments under operating leases

As at 30 September 2017, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>Unaudited</b>	
	<b>As at 30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Within one year	<b>724</b>	835
In the second to fifth year inclusive	<b>914</b>	–
	<b>1,638</b>	835

#### 8. CONTINGENT LIABILITIES

As at 30 September 2017, the Group had no material contingent liabilities (30 September 2016: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Total revenue of the Group for the nine months ended 30 September 2017 (the “Period”) amounted to approximately HK\$25,386,000, representing a 130% increase from that of approximately HK\$11,021,000 generated in the corresponding period in 2016. Loss attributable to owners of the Company for the Period was approximately HK\$5,199,000, compared with the loss attributable to owners of the Company in the corresponding period in 2016 in the amount of approximately HK\$5,931,000.

The Company is an investment holding company. The Group’s principal activities include the manufacture and sale of synthetic sapphire watch crystals and optoelectronic products, trading of liquor, manufacturing and trading of LED lighting products and property investment.

#### **Sapphire watch crystals division**

The Group’s sapphire watch crystals division did not generate any revenue during the Period (2016: Nil), principally due to the sluggish market of traditional watches resulted from competition of smart watches. In addition, the Group’s watch manufacturing facilities were obsolete and need substantial maintenance, upgrade and replacement if the Group is to accept more profitable orders. The Company will review the opportunities and strategy of this division from time to time based on the market trend. If the downward trend of the market of traditional watches persists, the Company may not allocate substantial further resources in this division and may seek product range diversification or discontinuation as the Board considers appropriate and beneficial to the Company as a whole.

#### **Optoelectronics products division**

The Group’s optoelectronics products division did not generate any revenue during the Period (2016: approximately HK\$687,000). The division was also adversely affected by the sluggish market of traditional watches, as already explained above. The Board will continue to monitor the market situation and may consider product range diversification or discontinuation as it sees fit and beneficial to the Company as a whole.

#### **LED lighting products division**

The Group’s LED lighting products division recorded a revenue of approximately HK\$25,386,000 for the Period (2016: approximately HK\$5,697,000), representing a year-on-year increase of approximately 346%. After the disappointing performance of the division in the first quarter, the volume of purchase orders of the Group’s LED division sharply rebounded in the second and third quarters of 2017. The price and supply of raw material has finally stabilized after several months of severe fluctuation on a worldwide basis, enabling the Group to have a better planning on purchase order acceptances. In addition, with the obtaining of TUV accreditation on the Group’s LED lighting devices around the end of 2016, the Group’s new business strategy on the LED division is starting to take effect and make good progress, as reflected by the signing of a few supplier contracts with important customers in the LED lighting industry in the second and third quarters of 2017. Shipment and delivery of these new orders are commenced in the third quarter of 2017, and result in the significant increase in sales during the Period.

## **Trading of liquor products division**

The Group's liquor trading division did not generate any revenue during the Period (2016: approximately HK\$4,637,000). The division has been suffering from the market downturn of the trading of Chinese liquor in Hong Kong, due to the decreasing demand and consumption of high-end Chinese liquor and the decrease of Chinese visitors to Hong Kong. The Group is seeking to diversify its product range to include western red wine, brandy and whisky in order to reactivate its liquor trading business. By end of the third quarter 2017, the Group has already entered into supply agreements with several liquor suppliers and an Italian red wine supplier to source western liquor including Cognac and Extra Old Cognac, and Italian red wine respectively. In addition, the Group has also entered into distribution agreements with both online and offline distributors, to set up the platform for the re-launch of the Group liquor trade business. The Group has started to place orders to the suppliers and subject to the ordered goods arrival and procedural clearance of liquor sales licenses, customs, tax and duties issue, the re-launch of the Group liquor trading business is expected to start by end of 2017.

## **CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY**

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the value of its shareholders (the "Shareholders").

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Directors may adjust the dividend payment to the Shareholders, return capital to the Shareholders or issue new shares.

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on funds generated from operations and fund raising activities.

The shareholders' funds of the Group were increased to approximately HK\$74,034,000 as at 30 September 2017 (31 December 2016: approximately HK\$39,340,000), which was mainly resulted from the proceed from exercise of share options and placing of Shares during the Period, offset by the operating loss for the Period. The Group's current assets amounted to approximately HK\$102,463,000 as at 30 September 2017 (31 December 2016: approximately HK\$41,962,000), of which approximately HK\$63,784,000 (31 December 2016: approximately HK\$35,568,000) was cash and cash equivalents.

As at 30 September 2017, the Group had cash and cash equivalents of approximately HK\$63,784,000 (31 December 2016: approximately HK\$35,568,000), of which approximately 53%, 46% and 1% (31 December 2016: approximately 9%, 89% and 2%) were denominated in Hong Kong dollars, Renminbi and United States dollars respectively.

As at 30 September 2017, the Group's borrowing comprised the promissory notes amounting to approximately HK\$15,000,000 (31 December 2016: approximately HK\$15,000,000). The promissory notes were repayable within one year and are denominated in Hong Kong dollars.



The Group's gearing ratio as at 30 September 2017 was -20.5% (31 December 2016: -38.1%). The Group's gearing ratio was kept at a low level as other than the promissory notes of approximately HK\$15,000,000 (31 December 2016: approximately HK\$15,000,000), the Group had no other borrowings. Gearing ratio is calculated by dividing the net debt with the aggregate of total capital and net debt. Net debt includes trade payables, other payables and accruals, and promissory notes, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

After considering the Group's financial results for the Period and existing financial position, the Board will actively seek new additional funding, including but not limited to the issue of new shares and new bank loans to strengthen the Group's financial position and finance new projects.

## LITIGATION

- (i) On 6 March 2012, a writ of summons was issued by JMM Business Network Investments (China) Limited ("JMM") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors; and (b) the Company. In this action, JMM sought to challenge the validity of a notice of special general meeting of the Company dated 9 February 2012, but did not specify any monetary claim against the Company. The Directors have not been aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely to result in any significant financial impact on the Company.
- (ii) On 14 March 2012, a writ of summons was issued by Good Capital Resources Limited ("Good Capital") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors; and (b) the Company. In this action, Good Capital sought to challenge the validity of the issuance of certain warrants and the grant of certain share options of the Company in March 2012, but did not specify any monetary claim against the Company. The Directors have not been aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely to result in any financial impact on the financial statements of the Company.
- (iii) Under action HCA 987/2016, Good Return (BVI) Limited ("Good Return"), a wholly-owned subsidiary of the Company, claims against Wickham Ventures Limited ("Wickham") and Ms. Lee Hei Wun ("Ms. Lee") for, among others, the shortfall of a profit guarantee in a total sum of HK\$16,188,374 pursuant to the sale and purchase agreement under which Good Return acquired Arnda Semiconductor Limited from Wickham.

On 31 May 2016, the Statement of Claim was filed and served to Ms. Lee. On 21 July 2016, Ms. Lee filed a Defence and Counterclaim alleging misrepresentation and breach of contract on the part of Good Return and claiming damages. She also seeks to rectify and rescind previous agreements. The damages claimed by Ms. Lee have not been quantified in her Defence and Counterclaim. On 1 December 2016, Good Return filed and served its Reply and Defence to Counterclaim. On 5 April 2017, Good Return filed and served its Mediation Certificate and Mediation Notice and Good Return has received Ms. Lee's Mediation Certificates and Mediation Responses both dated 10 May 2017. On 11 May 2017, Good Return filed and served its Timetabling Questionnaire. A mediation session will be arranged in due course.

- (iv) On 11 February 2015, the Company and Silver Bonus Limited, a wholly-owned subsidiary of the Company and the purchaser to the acquisition of equity interests in Neo Partner Investment Ltd. (the “Target Company”), issued a writ of summons in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region against (i) Shinning Team Investment Limited (the second vendor) as the 1st defendant; (ii) Mr. Lau Hin Chung (the first vendor) as the 2nd defendant; (iii) the Target Company as the 3rd defendant; (iv) Harvest View (China) Limited as the 4th defendant; (v) Mr. Chen Zai as the 5th defendant; (vi) two former executive Directors, namely Mr. Ho Chun Kit, Gregory and Mr. Lee Tat Wing as the 6th and 7th defendants, respectively, claiming for, among other things, the following reliefs:
- (1) damages for breach of the sale and purchase agreement and its supplemental agreement (collectively, the “Agreements”) against the 1st and 2nd defendants;
  - (2) damages and/or rescission of the Agreements for misrepresentation against the 1st to 5th defendants;
  - (3) damages for negligence and breach of fiduciary duties as Directors against the 6th and 7th defendants;
  - (4) a declaration that the promissory notes issued under the Agreements are null and void and unenforceable;
  - (5) costs; and
  - (6) further and/or other relief.
- (v) On 20 April 2016, a writ of summons was issued and filed in the High Court of Hong Kong by an individual, namely Zhu Jun Min (the “Claimant”) against the Company for claiming a sum of approximately HK\$3.5 million, being the face value of a promissory note allegedly issued by the Company to the Claimant in 2013.

The Company agreed with the Claimant to have the proceedings further stayed till 6 January 2018. The court has requested the Claimant to explain the ground of stay and the stay is yet to be approved by the court.

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

## **FINANCIAL REVIEW**

Total revenue of the Group for the Period amounted to approximately HK\$25,386,000, representing a 130% increase from that of approximately HK\$11,021,000 generated in the corresponding period in 2016. Increase in revenue was mainly due to the increase in sales of LED lighting products by approximately HK\$19,689,000, but was partially offset by decrease in sales on liquor products and optoelectronic products. Loss attributable to owners of the Company for the Period was approximately HK\$5,199,000 while that of the corresponding period in 2016 was approximately HK\$5,931,000.

Selling and distribution costs, administrative and other operating expenses for the Period were approximately HK\$8,665,000 representing a decrease of approximately HK\$322,000 or 4% from the same period of last year.

### **Employees and remuneration policies**

As at 30 September 2017, the Group had 75 employees (31 December 2016: 53). Employees were remunerated according to their performance and work experience. In addition to the basic salaries and retirement scheme, staff benefits include free accommodation at the Group's staff quarters in Hong Kong, performance bonus and share options. The total staff costs including Directors' remuneration for the Period were approximately HK\$2,938,000 (2016: approximately HK\$2,588,000).

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

The Group had no significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the Period.

### **Exposure to fluctuations in exchange rates or any related hedges**

During the Period, the Group had no significant exposure to fluctuations in foreign exchange rates or any related hedges.

### **Pledge of assets and contingent liabilities**

As at 30 September 2017, the Group had no pledge of assets and contingent liabilities (31 December 2016: Nil).

### **Placing of new shares**

On 9 June 2017, a placing agreement (the "Placing Agreement") was made between the Company and Head & Shoulders Securities Limited (the "Placing Agent"), pursuant to the Placing Agreement the Company has appointed the Placing Agent to procure altogether not less than six placees, on a best effort basis, for subscribing up to an aggregate of 254,761,208 Shares at HK\$0.120 per Share. On 26 June 2017, 254,761,208 Shares have been successfully placed by the Placing Agent to seven placees. The net proceeds arising from the above placing amounted to HK\$30.17 million, net of expenses, which will be used as general working capital of the Group and repayment of debts, borrowings or promissory notes.

Please refer to the Company's announcements dated 9 June 2017 and 26 June 2017 for details.

## **Event after reporting period**

There were no important events affecting the Group which have occurred since the end of the Period.

## **PROSPECTS**

The Company has been continuously reviewing its business operations and financial position for the purpose of formulating business plans and strategies for its future business development, which would enable the Group not only to develop its existing business divisions but also to capture business opportunities, diversify its businesses and broaden its income sources. During this process, the Company may streamline or restructure the business divisions which did not perform well in the past and are unlikely to turn around in near future. The Company will endeavour to allocate its resources in an efficient and effective manner and in the best interest of the Company and its Shareholders as a whole.

The Group had started its LED lighting business since 2014. During these years, LED lighting products become more and more popular, but the competition of LED manufacturing and trading industry in China was severe. Smaller LED producers have been struggling in the price war, squeezing profit margin to a dangerously low level. To survive the competition, the Group has decided to upgrade its production methodology. By the end of 2016, the Group successfully obtained TUV accreditation for our LED lighting devices. Since then, the Group has secured a few supplier contracts with important customers in the LED lighting industry in the second quarter of 2017. We have commenced shipment and delivery of these new orders in the third quarter of 2017, and two phases of production line expansion are commenced in third quarter of 2017 and planned to commence in the first quarter of 2018, respectively. The Group will continue to focus on the LED lighting business in 2017. With the expected increase in business turnover of our LED division, the Board and the management believe that the financial performance of the division will improve as a matter of economy of scale.

In the second half of 2017, the Group will continue to adjust the business strategy of our liquor trading division, through diversifying our product range to include not only Chinese liquor but also western red wine, brandy and whisky. Subject to clearance of legal and tax issues, we have entered into several distribution agreements with business partners in China to establish online and offline sales channels on wholesale and retail scales. The Board and the management is hopeful for a grand re-launch of the Group's new liquor trading business in the last quarter in 2017.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, the interests and short positions of the Directors and the chief executive of the Company (the "Chief Executive") in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

### Interests in ordinary shares of the Company (the "Shares")

Name of Director/ chief executive	Capacity/Nature of interests	No. of Shares Held	Underlying Shares	Long/Short Position	Approximate percentage of the Company's issued Shares <i>(Note)</i>
Wong Kin Hong	Beneficial owner	25,500,000	–	Long Position	1.62%

*Note:* The percentage represents the number of Shares interested divided by the number of the Company's issued Shares as at 30 September 2017.

As at 30 September 2017, save as disclosed above, none of the Directors and the Chief Executive had 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 would have to be: (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) recorded in the Register; or (c) notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

### DIRECTORS' RIGHT TO ACQUIRE SHARES

At no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate 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 or their respective spouse or minor children to acquire such rights in the Company or any other body corporate.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

As at 30 September 2017, so far as the Directors are aware, the persons (other than a Director or the Chief Executive) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were 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 were substantial shareholders as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

<b>Name of shareholder</b>	<b>Capacity/Nature of interests</b>	<b>Number of Underlying Shares Held</b>	<b>Long/Short Position</b>	<b>Approximate percentage of the Company's issued Shares</b> <i>(Note)</i>
Elisabeta Ling	Beneficial owner	118,500,000	– Long Position	7.54%

*Note:* The percentage represents the number of Shares interested divided by the number of the Company's issued Shares as at 30 September 2017.

So far as is known to any Director, there was no person (other than a Director or the Chief Executive) who, as at 30 September 2017, had an interest or short position in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was 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 were 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 OR REDEMPTION OF LISTED SECURITIES**

The Company did not redeem any of its Shares listed and traded on GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

## **DIRECTORS' SECURITIES TRANSACTIONS**

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

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

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules throughout the Period, except for code provision A.2.1 of the CG Code, which stipulates that the role of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Wong Kin Hong has held both positions since his appointment as chairman of the Board in 2014. The Board believes that vesting the roles of both chairman and chief executive officer in the same person would allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans.

## COMPETING INTERESTS

During the Period, none of the Directors and controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had an interest in a business that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group.

## REVIEW BY 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 set out clearly its authority and duties. The principal duties of the Audit Committee are to review and supervise the Company’s financial reporting process and internal control systems. As at the date of this report, the Audit Committee comprises four independent non-executive Directors, namely Mr. Yan Guoniu (chairman of the Audit Committee), Mr. Tang Rong Gang, Mr. Ou Wei An and Mr. Ng Yu Ho, Steve.

The Company’s unaudited condensed consolidated financial statements for the Period and the 2017 third quarterly report have been reviewed by the Audit Committee. The Audit Committee considered that the relevant financial statements had been prepared in compliance with the applicable accounting standards and principles, requirements of the GEM Listing Rules and other applicable legal requirements and that adequate disclosure had been made.

By order of the Board  
**Seamless Green China (Holdings) Limited**  
**Wong Kin Hong**  
*Executive Director and Chairman*

Hong Kong, 13 November 2017

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

*This report will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication. This report will also be published on the website of the Company (<http://www.victoryhousefp.com/lchp/8150.html>).*