



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)

ANNUAL RESULT ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

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 announcement, for which the directors of Seamless Green China (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Seamless Green China (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- The Group recorded total turnover for the year ended 31 December 2009 of HK\$15,729,422.
- The Group recorded an audited loss for the year ended 31 December 2009 of HK\$3,081,494.
- The Directors do not recommend the payment of any dividends for the year ended 31 December 2009.

AUDITED ANNUAL RESULTS

The Directors of Seamless Green China (Holdings) Limited (the “Company” and together with its subsidiaries, hereinafter collectively referred to as the “Group”) are pleased to announce the audited results of the Group for the year ended 31 December 2009 together with the comparative audited figures for the year ended 31 December 2008, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	<i>Note</i>	2009 HK\$	2008 <i>HK\$</i>
Turnover	4(a)	15,729,422	31,036,364
Cost of sales		(15,688,133)	(27,893,686)
Gross profit		41,289	3,142,678
Other income and gains	4(b)	14,818,253	5,640,033
(Loss)/gain on trading marketable securities		(1,456,576)	545,199
Selling and distribution costs		(2,410,370)	(1,557,489)
Administrative and other operating expenses		(13,833,535)	(13,048,437)
Loss from operations		(2,840,939)	(5,278,016)
Finance costs	6	(189,967)	(959,328)
LOSS BEFORE TAXATION	7	(3,030,906)	(6,237,344)
Income tax expense	8	(50,588)	(1,046,588)
LOSS FOR THE YEAR		(3,081,494)	(7,283,932)

	<i>Note</i>	2009 HK\$	2008 <i>HK\$</i>
Other comprehensive income:			
Exchange difference on translation of the financial statements of foreign subsidiaries		<u>(1,592,944)</u>	<u>488,278</u>
Other comprehensive income for the year, net of tax		<u><u>(1,592,944)</u></u>	<u><u>488,278</u></u>
Total comprehensive income for the year		<u><u>(4,674,438)</u></u>	<u><u>(6,795,654)</u></u>
Loss attributable to owners of the Company	<i>9</i>	<u><u>(3,081,494)</u></u>	<u><u>(7,283,932)</u></u>
Total comprehensive income attributable to owners of the Company		<u><u>(4,674,438)</u></u>	<u><u>(6,795,654)</u></u>
Dividends	<i>10</i>	<u><u>NIL</u></u>	<u><u>NIL</u></u>
Loss per share attributable to the owners of the Company			
Basic	<i>11</i>	<u><u>(0.11 cents)</u></u>	<u><u>(2.44 cents)</u></u>
Diluted	<i>11</i>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	<i>Note</i>	2009 HK\$	2008 <i>HK\$</i>
Non-current assets			
Property, plant and equipment	<i>12</i>	8,771,891	8,143,287
Assets under construction	<i>13</i>	–	–
Prepaid land lease payments	<i>14</i>	541,864	557,428
		<u>9,313,755</u>	<u>8,700,715</u>
Current assets			
Marketable securities		–	2,514,000
Inventories	<i>15</i>	6,902,977	4,788,478
Trade and other receivables	<i>16</i>	2,250,947	5,306,550
Cash and bank balances	<i>17</i>	781,813	1,884,956
		<u>9,935,737</u>	<u>14,493,984</u>
Current liabilities			
Trade and other payables	<i>18</i>	6,506,149	8,567,500
Tax payable		2,086,729	2,111,275
Amount due to a director		50,000	–
Short-term loans	<i>19</i>	1,610,477	7,532,414
		<u>10,253,355</u>	<u>18,211,189</u>
Net current liabilities		<u>(317,618)</u>	<u>(3,717,205)</u>
Total assets less current liabilities		<u>8,996,137</u>	<u>4,983,510</u>
Non-current liabilities			
Long-term loans	<i>20</i>	(8,535,172)	–
Convertible bonds		–	(4,267,061)
		<u>(8,535,172)</u>	<u>(4,267,061)</u>
NET ASSETS		<u>460,965</u>	<u>716,449</u>
CAPITAL AND RESERVES			
Share capital	<i>21</i>	4,240,000	299,000
Reserves		(3,779,035)	417,449
TOTAL EQUITY		<u>460,965</u>	<u>716,449</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share capital HK\$	Share premium reserve HK\$	Exchange reserve HK\$	Contributed surplus HK\$	Convertible bonds reserve HK\$	Accumulated losses HK\$	Total HK\$
As at 1 January 2008	60,000,000	1,796,747	2,609,303	14,607,973	–	(77,450,830)	1,563,193
Loss for the year	–	–	–	–	–	(7,283,932)	(7,283,932)
Exchange difference on translation of the financial statements of foreign subsidiaries	–	–	488,278	–	–	–	488,278
Total comprehensive income for the year	–	–	488,278	–	–	(7,283,932)	(6,795,654)
Reduction of share capital	(59,940,000)	–	–	59,940,000	–	–	–
Issue of shares	239,000	2,151,000	–	–	–	–	2,390,000
Issue of convertible bonds	–	–	–	–	3,558,910	–	3,558,910
Transfer	–	–	–	(74,547,973)	–	74,547,973	–
As at 31 December 2008 and at 1 January 2009	299,000	3,947,747	3,097,581	–	3,558,910	(10,186,789)	716,449
Loss for the year	–	–	–	–	–	(3,081,494)	(3,081,494)
Exchange difference on translation of the financial statements of foreign subsidiaries	–	–	(1,592,944)	–	–	–	(1,592,944)
Total comprehensive income for the year	–	–	(1,592,944)	–	–	(3,081,494)	(4,674,438)
Conversion of convertible bonds	761,000	7,216,864	–	–	(3,558,910)	–	4,418,954
Bonus issues	3,180,000	(3,180,000)	–	–	–	–	–
As at 31 December 2009	<u>4,240,000</u>	<u>7,984,611</u>	<u>1,504,637</u>	<u>–</u>	<u>–</u>	<u>(13,268,283)</u>	<u>460,965</u>

1. Corporate Information

Seamless Green China (Holdings) Limited was a limited liability company incorporated in the Cayman Islands on 18 January 2001 as an exempted company. The shares of the Company have been listed on the GEM since 10 August 2001. Pursuant to the 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 disclosed in the corporate information section of the annual report.

The trading of the Company's shares on GEM has been suspended since 29 October 2009. Details of suspension of trading the company's shares are set out in the announcement dated 29 October 2009.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. The group's principal activities have not changed during the year and were involved in manufacture and sale of synthetic sapphire watch crystals and optoelectronic products.

2. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group and the Company have applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRS (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRS (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has no material effect on the financial statements of the Group and the Company for the current and prior accounting periods.

(a) HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

(b) HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 5) and changes in the basis of measurement of segment profit or loss, segment assets and segment liabilities.

(c) Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in relation to fair value measurements in accordance with the transitional provision set out in the amendments.

The Group and the Company have not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ⁽¹⁾
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ⁽²⁾
HKAS 24 (Revised)	Related Party Disclosures ⁽⁵⁾
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁽¹⁾
HKAS 32 (Amendments)	Classification of Rights Issues ⁽⁴⁾
HKAS 39 (Amendments)	Eligible Hedged Items ⁽¹⁾
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters ⁽³⁾
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ⁽³⁾
HKFRS 3 (Revised)	Business Combinations ⁽¹⁾
HKFRS 9	Financial Instruments ⁽⁷⁾
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement ⁽⁶⁾
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ⁽¹⁾
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity ⁽⁶⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 July 2009.

⁽²⁾ Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

⁽³⁾ Effective for annual periods beginning on or after 1 January 2010.

⁽⁴⁾ Effective for annual periods beginning on or after 1 February 2010.

⁽⁵⁾ Effective for annual periods beginning on or after 1 January 2011.

⁽⁶⁾ Effective for annual periods beginning on or after 1 July 2010.

⁽⁷⁾ Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognized financial assets that are within the scope of HKAS39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might not affect the classification and measurement of the leasehold land.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on financial statements.

3. Basis of Preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), issued by HKICPA. In addition, the financial statements include applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for leasehold buildings and convertible bonds, which have been measured at revalued amount or fair value.

Going concern

The financial statements have been prepared on the basis that the Group will continue to operate as a going concern despite the fact that the Group had net current liabilities of HK\$317,618 as at 31 December 2009. The Board of the Company endeavors to improve the Group's financial position and has taken measures to reduce overheads and costs. Furthermore, the Board of the Company has explored various solutions to enlarge the Group's capital base, which include the proposal to issue new shares in order to provide additional funding to the Group. In addition, lenders of long-term loans have agreed not to demand repayment of the amounts due until the Group is in a position to do so. The directors are in the opinion that future funding will be available and the lenders will continue their financial support to maintain the Group as a going concern.

4. Turnover, other income and gains

(a) Turnover

An analysis of the Group's turnover for the year is as follows:

	2009	2008
	HK\$	HK\$
Sale of goods	<u><u>15,729,422</u></u>	<u><u>31,036,364</u></u>

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

(b) Other income and gains

An analysis of the Group's other income and gains for the year is as follows:

	2009	2008
	HK\$	HK\$
Write-back of other payables and accruals	54,432	1,207,829
Amount waived by a shareholder	–	3,957,705
Short-term loans waived	14,494,295	–
Bank interest income	2,123	158,271
Net exchange gains	66,580	–
Rental income	15,931	–
Gain on change in fair value of marketable securities	–	105,247
Others	<u><u>184,892</u></u>	<u><u>210,981</u></u>
	<u><u>14,818,253</u></u>	<u><u>5,640,033</u></u>

5. Segment information

Segment information reported to the chief operating decision maker, directors of the Company, is the type of goods delivered by the Group's operating division for the purposes of resource allocation and performance assessment. The Group's operating and reportable segments under HKFRS 8 are as follows:

- (a) The Synthetic sapphire Watch Crystals segment ("Sapphire") is a supplier of watch crystals mainly for use in the manufacture of watch products; and
- (b) The Optoelectronic products segment ("optoelectronic") is a supplier of optoelectronic products for use in internet cable.

For the purposes of assessing segment performance and resources between segments, the group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the year (2008: nil).

Segment result represents the profit earned by each segment without allocation of corporate income and expense, central administration cost, directors' salaries, interest income, loss on disposal of property, plant and equipment, gain/loss on trading of marketable securities, impairment of property, plant and equipment, short-term loans waived and finance costs.

Segment assets include all tangible, intangible assets and current assets.

Segment liabilities include all trade and other payables other than tax payable.

(a) Segment revenues and results

For the year ended 31 December 2009	Sapphire HK\$	Optoelectronic HK\$	Total for reportable segments HK\$
Segment revenue	<u>12,825,184</u>	<u>2,904,238</u>	<u>15,729,422</u>
Segment result	<u>(6,189,537)</u>	<u>328,315</u>	<u>(5,861,222)</u>
Reconciliation:			
Total loss for reportable segments			(5,861,222)
Unallocated corporate income			14,605,415
Interest income			2,123
Unallocated corporate expenses			(8,325,714)
Loss on trading of marketable securities			(1,456,576)
Loss on disposal of property, plant and equipment			(124,965)
Impairment of property, plant and equipment			(1,680,000)
Finance costs			<u>(189,967)</u>
Consolidated loss before taxation			<u><u>(3,030,906)</u></u>

For the year ended 31 December 2008	Sapphire <i>HK\$</i>	Optoelectronic <i>HK\$</i>	Total for reportable segments <i>HK\$</i>
Segment revenue	<u>28,111,160</u>	<u>2,925,204</u>	<u>31,036,364</u>
Segment result	<u>(6,317,720)</u>	<u>(1,748,805)</u>	<u>(8,066,525)</u>
Reconciliation:			
Total loss for reportable segments			(8,066,525)
Unallocated corporate income			5,376,515
Interest income			158,271
Gain on trading of marketable securities			545,199
Gain on change in fair value of marketable securities			105,247
Unallocated corporate expenses			(3,396,723)
Finance costs			<u>(959,328)</u>
Consolidated loss before taxation			<u><u>(6,237,344)</u></u>

(b) Segment assets and liabilities

As at 31 December 2009	Sapphire <i>HK\$</i>	Optoelectronic <i>HK\$</i>	Total for reportable segments <i>HK\$</i>
Segment assets	<u>12,580,272</u>	<u>7,902,816</u>	20,483,088
Elimination of inter-segment receivables			(1,598,270)
Unallocated assets			<u>364,674</u>
Consolidated assets			<u><u>19,249,492</u></u>
Segment liabilities	<u>(7,026,890)</u>	<u>(778,985)</u>	(7,805,875)
Elimination of inter-segment payables			1,598,270
Unallocated liabilities			<u>(12,580,922)</u>
Consolidated liabilities			<u><u>(18,788,527)</u></u>

As at 31 December 2008	Sapphire HK\$	Optoelectronic HK\$	Total for reportable segments HK\$
Segment assets	17,376,769	2,028,437	19,405,206
Unallocated assets			3,789,493
Consolidated assets			23,194,699
Segment liabilities	15,208,500	571,992	15,780,492
Unallocated liabilities			6,697,758
Consolidated liabilities			22,478,250

(c) **Other segment information**

For the year ended 31 December 2009	Sapphire HK\$	Optoelectronic HK\$	Unallocated HK\$	Total HK\$
Capital expenditure	1,040,000	2,687,976	1,801,091	5,529,067
Depreciation and amortisation	<u>264,608</u>	<u>2,781,395</u>	<u>46,686</u>	<u>3,092,689</u>
For the year ended 31 December 2008	Sapphire HK\$	Optoelectronic HK\$	Unallocated HK\$	Total HK\$
Capital expenditure	69,115	–	232,270	301,385
Depreciation and amortisation	<u>3,508,987</u>	<u>363,832</u>	<u>42,719</u>	<u>3,915,538</u>

(d) **Geographical Information**

The Group's operations are mainly located in the PRC.

The Group's revenue from external customers by geographical location are detailed below:

	2009 HK\$	2008 HK\$
PRC	2,891,758	2,925,204
Hong Kong	4,049,785	1,724,080
Taiwan	1,479,072	3,681,620
Thailand	–	2,626,892
Europe	<u>7,308,807</u>	<u>20,078,568</u>
	15,729,422	31,036,364

Non-current assets are mainly located in PRC.

(e) **Information about major customers**

The Group's customer base is diversified and includes only three customers (2008: two) with whom transactions have exceeded 10% of the group's revenues. In 2009 revenue from sales of synthetic sapphire watch crystals to these customers amounted to approximately HK\$9,593,000 (2008: HK\$14,503,000) and arose in Hong Kong and Europe regions in which the synthetic sapphire watch crystals division is active.

6. Finance costs

	2009	2008
	HK\$	HK\$
Interest on:		
Bank loans wholly repayable within five years	–	719,341
Convertible bonds	151,892	215,971
Other	38,075	24,016
	<u>189,967</u>	<u>959,328</u>

7. Loss before taxation

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

	2009	2008
	HK\$	HK\$
Amortisation of prepaid land lease payments	15,485	15,349
Depreciation of property, plant and equipment	3,092,689	3,915,538
Impairment of property, plant and equipment	1,680,000	–
Loss on disposal of property, plant and equipment	124,965	–
Net exchange losses	–	331,938
Minimum lease payment under operating leases		
– Land and buildings	1,819,504	265,703
Auditors' remuneration		
– Audit services	500,000	430,000
– Other services	90,000	–
Staff costs (including directors' remuneration):#		
Wages and salaries	5,535,509	6,926,712
Retirement scheme contributions	61,431	61,774

Of the total staff costs, HK\$817,229 (2008: HK\$1,083,540) was attributed to research and development activities of the Group.

8. Income tax expense

(a) Taxation in the consolidated statement of comprehensive income represents:

	2009	2008
	HK\$	HK\$
Current tax – Hong Kong Profits Tax		
Charge for the year	–	961,492
Over-provision in previous years	–	(7,825)
	<u>–</u>	<u>953,667</u>
Current tax – PRC Enterprise Income Tax		
Charge for the year	76,013	92,921
Tax rebate	(25,425)	–
	<u>50,588</u>	<u>92,921</u>
	50,588	1,046,588
Deferred tax	–	–
Tax charge	<u>50,588</u>	<u>1,046,588</u>

Hong Kong profits tax has not been provided as the entities of the Group operated in Hong Kong has no assessable profits during the year. Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong in the year 2008.

PRC subsidiaries are subject to PRC Enterprise Tax at the rate of 25% (2008: 25%).

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2009		2008	
	HK\$	%	HK\$	%
Loss before taxation	<u>(3,030,906)</u>		<u>(6,237,344)</u>	
Notional tax on loss before taxation, calculated at the rates applicable to profits in the countries concerned	(659,091)	22	(1,062,262)	17
Tax effect of non-taxable income	(3,559,813)	117	(1,556,864)	25
Tax effect of non-deductible expenses	821,769	(27)	1,079,399	(17)
Tax effect of temporary difference not recognised	(410,586)	13	–	–
Over-provision in prior years	–	–	(7,825)	–
Tax losses utilised from previous periods	–	–	(18,610)	–
Tax benefit not recognised	3,883,734	(128)	2,612,750	(42)
Tax rebate	(25,425)	1	–	–
Tax expense	<u>50,588</u>	<u>(2)</u>	<u>1,046,588</u>	<u>(17)</u>

9. Loss attributable to owners of the Company

	2009	2008
	HK\$	HK\$
Amount of consolidated loss attributable to owners of the Company dealt with in the Company's financial statements	(8,266,291)	(2,826,537)
Impairment losses on amounts due from subsidiaries	<u>(6,152,799)</u>	<u>(1,796,264)</u>
Company's loss for the year	<u>(14,419,090)</u>	<u>(4,622,801)</u>

The consolidated loss attributable to owners of the Company for the year ended 31 December 2009 includes a loss of HK\$8,266,291 (2008: HK\$2,826,537) which has been dealt with in the financial statements of the Company.

10. Dividends

The directors do not recommend the payment of any dividends for the year ended 31 December 2009 (2008: Nil).

11. Loss per share

The basic loss per share is calculated based on the loss attributable to owners of the Company of HK\$3,081,494 (2008: HK\$7,283,932) and the weighted average number of 2,847,454,795 (2008: 299,000,000) ordinary shares in issue during the year.

A diluted loss per share for the years ended 31 December 2009 and 31 December 2008 has not been disclosed as the potential shares arising from the exercise and conversion of the Company's share options and convertible bonds would decrease the loss per share of the Group for the year and is regarded as anti-dilutive.

12. Property, plant and equipment

	Buildings <i>HK\$</i>	Leasehold improvements <i>HK\$</i>	Plant and machinery <i>HK\$</i>	Furniture, fixture and equipment <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Total <i>HK\$</i>
At cost or valuation:						
Balance at 1 January 2008	4,500,000	173,665	84,032,989	3,260,126	663,186	92,629,966
Additions	–	166,620	45,437	87,074	–	299,131
Transfer from assets under construction	–	–	2,254	–	–	2,254
Exchange realignment	–	15,423	11,289,607	410,637	66,147	11,781,814
Balance at 31 December 2008 and at 1 January 2009	4,500,000	355,708	95,370,287	3,757,837	729,333	104,713,165
Additions	–	1,855,970	3,522,860	111,004	–	5,489,834
Disposals	–	(179,641)	–	–	–	(179,641)
Transfer from assets under construction	–	–	39,233	–	–	39,233
Exchange realignment	–	(13)	(10,811)	(397)	(83)	(11,304)
Balance at 31 December 2009	<u>4,500,000</u>	<u>2,032,024</u>	<u>98,921,569</u>	<u>3,868,444</u>	<u>729,250</u>	<u>110,051,287</u>
Accumulated depreciation and impairment:						
Balance at 1 January 2008	450,000	57,251	76,796,728	3,196,804	449,259	80,950,042
Charge for the year	225,000	162,889	3,355,110	66,788	105,751	3,915,538
Exchange realignment	–	10,603	11,260,992	408,384	24,319	11,704,298
Balance at 31 December 2008 and at 1 January 2009	675,000	230,743	91,412,830	3,671,976	579,329	96,569,878
Charge for the year	225,000	43,955	2,687,164	61,649	74,921	3,092,689
Impairment	–	1,680,000	–	–	–	1,680,000
Written back	–	(54,676)	–	–	–	(54,676)
Exchange realignment	–	24	(8,174)	(351)	6	(8,495)
Balance at 31 December 2009	<u>900,000</u>	<u>1,900,046</u>	<u>94,091,820</u>	<u>3,733,274</u>	<u>654,256</u>	<u>101,279,396</u>
Net carrying amount:						
As at 31 December 2009	<u>3,600,000</u>	<u>131,978</u>	<u>4,829,749</u>	<u>135,170</u>	<u>74,994</u>	<u>8,771,891</u>
As at 31 December 2008	<u>3,825,000</u>	<u>124,965</u>	<u>3,957,457</u>	<u>85,861</u>	<u>150,004</u>	<u>8,143,287</u>
Analysis of cost or valuation:						
At 31 December 2009						
At cost	–	2,032,024	98,921,569	3,868,444	729,250	105,551,287
At valuation	4,500,000	–	–	–	–	4,500,000
	<u>4,500,000</u>	<u>2,032,024</u>	<u>98,921,569</u>	<u>3,868,444</u>	<u>729,250</u>	<u>110,051,287</u>
At 31 December 2008						
At cost	–	355,708	95,370,287	3,757,837	729,333	100,213,165
At valuation	4,500,000	–	–	–	–	4,500,000
	<u>4,500,000</u>	<u>355,708</u>	<u>95,370,287</u>	<u>3,757,837</u>	<u>729,333</u>	<u>104,713,165</u>

The Group's buildings are located in the PRC under medium lease terms.

The Group's buildings were stated at HK\$4,500,000 based on a valuation carried out by an independent firm of professional valuer, Malcolm & Associates Appraisal Limited, at 31 December 2005 on the depreciated replacement cost approach basis.

The carrying amount of the Group's buildings would have been HK\$3,717,555 (2008: HK\$3,949,515) had they been stated at cost less accumulated depreciation.

Due to the default of payment of rent arising from the lease of a property by a subsidiary during the year, expenses of leasehold improvements incurred for this property during the year were recognized as impairment loss.

13. Assets under construction

**Plant and
Machinery**
HK\$

Cost:

At 1 January 2008	–
Additions	2,254
Transfers to Property, plant and equipment (<i>Note 12</i>)	<u>(2,254)</u>
At 31 December 2008 and at 1 January 2009	–
Additions	39,233
Transfers to Property, plant and equipment (<i>Note 12</i>)	<u>(39,233)</u>
At 31 December 2009	<u><u>–</u></u>

14. Prepaid land lease payments

The Group's prepaid lease payments represented its interest in land use rights and their net carrying value is analysed as follows:

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Carrying amount at 1 January	557,428	544,721
Amortisation during the year	(15,485)	(15,349)
Exchange realignment	(79)	28,056
	<u>541,864</u>	<u>557,428</u>
Carrying amount at 31 December	<u>541,864</u>	<u>557,428</u>

The Group's land use rights are related to a piece of land situated in the PRC and are held under medium term leases that are to be expired on 14 October 2043.

15. Inventories

	2009	2008
	HK\$	HK\$
Raw Materials	112,823	640,809
Work in progress	2,927,840	783,860
Finished goods	3,862,314	3,363,809
	<u>6,902,977</u>	<u>4,788,478</u>

All of the inventories are expected to be recovered within one year.

16. Trade and other receivables

	2009	2008
	HK\$	HK\$
Trade receivables	2,986,794	5,131,518
Impairment	(922,226)	(922,226)
	<u>2,064,568</u>	<u>4,209,292</u>
Other receivables	106,208	870,678
Deposits and prepayments	80,171	226,580
	<u>2,250,947</u>	<u>5,306,550</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Overdue balances are review regularly by senior management. In view of the aforementioned and the fact that the Group's trading receivables related to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

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

An aged analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	HK\$	HK\$
Current	934,784	2,513,298
31 – 60 Days	340,991	185,789
61 – 90 Days	215,681	663,713
Over 90 Days	573,112	846,492
	<u>2,064,568</u>	<u>4,209,292</u>

The aged analysis of the trade receivables that are not (or neither individually nor collectively) considered to be impaired is as follows:

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Neither past due nor impaired	1,002,194	1,973,900
Less than 1 month past due	142,552	990,075
1 to 3 months (or other appropriate time bands) past due	862,677	809,566
Over 90 Days	57,145	435,751
	<u>2,064,568</u>	<u>4,209,292</u>

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

None of the prepayment, deposits and other receivables is either past due or impaired. The financial assets included in the above balances relate to receivables for which there were no recent history of default.

17. Cash and cash equivalents

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Cash and bank balances	781,813	1,830,067
Time deposits	–	54,889
	<u>781,813</u>	<u>1,884,956</u>

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$214,975 (2008: HK\$500,118). The RMB is not freely convertible into other currencies. However, under Mainland China’s Foreign Exchange Control Regulation and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

18. Trade and other payables

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Trade payables	2,606,062	4,899,509
Other payables and accrued charges	3,900,087	3,667,991
	<u>6,506,149</u>	<u>8,567,500</u>
	2009	2008
	<i>HK\$</i>	<i>HK\$</i>
Current	194,907	404,977
31 – 60 Days	41,225	660,224
61 – 90 Days	27,941	2,798,940
Over 90 Days	2,341,989	1,035,368
	<u>2,606,062</u>	<u>4,899,509</u>

The trade payables are non-interest bearing and are normally settled on 60 days terms.

19. Short-term loans

Short-term loans are unsecured, interest free and are repayable on or before 31 December 2010.

20. Long-term loans

Long-term loans represent amount due to certain shareholders of the Company which are unsecured and non-interest bearing. The lenders have agreed not to demand repayment of the loans until the Group has sufficient funds available to do so and in any event will not demand repayment within the next twelve months.

21. Share capital

	Number of share		Share capital	
	2009	2008	2009 HK\$	2008 HK\$
Authorised:				
1,000 Billion ordinary shares of HK\$ 0.001 each (<i>note a</i>)	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid:-				
At the beginning of year	299,000,000	600,000,000	299,000	60,000,000
Capital re-organisation (<i>note a</i>)	-	(540,000,000)	-	(59,940,000)
Issue of shares (<i>note b</i>)	-	239,000,000	-	239,000
Conversion of convertible bonds (<i>note c</i>)	761,000,000	-	761,000	-
Bonus issue (<i>note d</i>)	<u>3,180,000,000</u>	<u>-</u>	<u>3,180,000</u>	<u>-</u>
At the end of year	<u>4,240,000,000</u>	<u>299,000,000</u>	<u>4,240,000</u>	<u>299,000</u>

Note (a): Pursuant to the special resolution passed on 15 August 2008, the shareholders of the Company approved the capital reorganisation which involved:

- (i) the consolidation of every ten existing shares of HK\$0.10 each into one Consolidated Share of HK\$1.00 each;
- (ii) the reduction of the issued share capital through canceling the paid-up capital to the extent of HK\$0.999 on each of the issued Consolidated Share so that the nominal value of each issued Consolidated Share will be reduced from HK\$1.00 into HK\$0.001;
- (iii) the subdivision of each authorised but unissued Consolidated Share of HK\$1.00 each into 1,000 New Shares of HK\$0.001 each; and
- (iv) the transfer of the credit arising from the Capital Reduction to the contributed surplus account.

Details of the capital reorganisation and subscription for new shares are set out in the circular dated 22 July 2008.

Note (b): Pursuant to the ordinary resolution passed on 15 August 2008, the shareholders of the Company approved to allot and issue 239,000,000 new shares at a price of HK\$0.01 to subscribers in accordance with the subscription agreements entered between the Company and the subscribers on 5 June 2008.

Note (c): During the year, the bondholders have converted all convertible bonds at an amount in whole multiple of HK\$50,000 of the principal amount of the convertible bonds into 761,000,000 ordinary shares of HK\$0.001 each in the share capital of the Company at nil conversion price.

Note (d): Pursuant to the announcement issued on 27 March 2009, bonus issue has been made on the basis of 3 bonus shares, credited as fully paid, for every 1 existing issued share held by the shareholders.

Details of the bonus issue are set out in the circular dated 27 March 2009.

22. Commitments

(a) Operating lease commitments

At the end of the reporting period, the total future minimum lease payments under non- cancelable operating leases are as follows:–

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Properties		
Within 1 year	3,163,611	545,760
After 1 year but within 5 years	<u>4,239,324</u>	<u>82,110</u>
	<u><u>7,402,935</u></u>	<u><u>627,870</u></u>

(b) Capital commitments

At the end of the reporting period, the Group had capital commitments contracted but not provided for in the financial statements as follows:

	2009 <i>HK\$</i>	2008 <i>HK\$</i>
Capital contribution to A joint venture company	<u><u>4,542,000</u></u>	<u><u>–</u></u>

23. Contingent liabilities

At the end of the reporting period, the Group had contingent liability of approximately HK\$7 million in respect of the default of payment of rent arising from the lease of a property by a subsidiary, namely Seamless Green China (HK) Limited (the “subsidiary”), in Hong Kong since September 2009. The amount of this contingent liability has been accounted for in the commitments under operating leases as set in note 22(a) above. However, the subsidiary was disposed of by the Group on 28 January 2010.

24. Litigation

In respect of the default of payment of rent as set out in note 23 above, legal action was taken by landlord to claim for the outstanding rent amounting to HK\$471,036 against Seamless Green China (HK) Limited in November 2009.

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

MODIFIED AUDITORS' REPORT

In forming the auditors' opinion, the auditors have considered the adequacy of the disclosures made in note 3 to the financial statements regarding the going concern of the Group and the steps being taken by the directors to improve the position. As stated in note 3 to the financial statements, the Group had net current liabilities of HK\$317,618 as at 31 December 2009. The Board of the Company endeavors to improve the Group's financial position and has taken measures to reduce overheads and costs. Furthermore, the Board of the Company has explored various solutions to enlarge the Group's capital base, which include the proposal to issue new shares in order to provide additional funding to the Group. In addition, lenders of long-term loans have agreed not to demand repayment of the amounts due until the Group is in a position to do so. The directors are in the opinion that future funding will be available and the lenders will continue their financial support to maintain the Group as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available and the continue financial support given by the lenders of long-term loans. The financial statements do not include any adjustments that would result from the failure by the Group to obtain such future funding or financial support. Should the Group be unable to continue in business as a going concern, adjustments would have to be made which may have a consequential adjustment effect on the financial position of the Group and the Company as at 31 December 2009 and the Group's results for the year then ended. The auditors consider that the fundamental uncertainty has been properly disclosed in the financial statements and their opinion is not qualified in this respect.

OPINION

In auditors' opinion, the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the loss and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

FINANCIAL REVIEW

The turnover of the Group for the year ended 31 December 2009 decreased by HK\$15.31 million; cost of sales during the same period decreased to HK\$15.69 million for the year ended 31 December 2009 from that of HK\$27.9 million for the year ended 31 December 2008. Gross profit margin decreased to 0.2% for the year ended 31 December 2009 from 10.13% for the year ended 31 December 2008. The decrease in gross profit margin was primarily due to the decrease in product selling price.

Since there was decrease in the market demand of high-end products, the Company had to sell low-end products in order to maintain its market share.

In addition, due to the global financial crisis, the Group recorded a loss on trading marketable securities of approximately HK\$1.5 million (2008: gain of HK\$0.5 million). Net loss attributable to shareholders amounted to approximately HK\$3.1 million (2008: net loss HK\$7.3 million). Basic loss per share for the year was HK0.11 cents (2008: HK2.44 cents).

Sapphire watch crystals division

The turnover of the sapphire watch crystals for the year 31 December 2009 decreased by HK\$15.3 million; cost of sales of the sapphire watch crystals during the same period decreased to HK\$13.7 million from that of HK\$24.1 million in the year ended 31 December 2008.

Turnover generated from European customers decreased to HK\$7.3 million for the year ended 31 December 2009, representing a decrease of approximately 63.7% from that of HK\$20.1 million generated from the year ended 31 December 2008. Sales to customers in Taiwan decreased to HK\$1.5 million for the year ended 31 December 2009, representing a decrease of approximately 59.8% from that of HK\$3.7 million for the year ended December 2008. Turnover from Hong Kong customers increased to HK\$4.0 million for the year ended 31 December 2009, representing an increase of approximately 134.9% from that of HK\$1.7 million generated for the year ended 31 December 2008. There was no turnover generated from the market in Thailand from which the turnover for the year ended 31 December 2008 was HK\$2.6 million.

Optoelectronics products division

There was no significant change in the division, both the sales of ferrules for the year ended 31 December 2009 and 2008 were amounted to HK\$2.9 million. Cost of sales for the corresponding periods were HK\$1.9 million and HK\$3.7 million respectively.

Other income and gains

Other income and gains for the year ended 31 December 2009 amounted to HK\$14.8 million, representing an increase of approximately 162.7% from that of HK\$5.6 million generated from the year ended 31 December 2008. This was mainly due to the waive of short-term loans of HK\$14.5 million.

Selling and distribution costs, administrative and other operating expenses for Continuing Operations

Selling and distribution costs for the year ended 31 December 2009 amounted to HK\$2.41 million. This represents an increase of HK\$0.85 million from that recorded for the year ended 31 December 2008.

Total administration and operating expenses was HK\$13.83 million for the year ended 31 December 2009 and HK\$13.05 million for the year ended 31 December 2008. There were no significant change in administration and operating expenses.

Financial resources and liquidity

The Group's shareholders funds were reduced to HK\$460,965 as at 31 December 2009 (2008: HK\$716,449). Current assets amounted to HK\$9.9 million as at 31 December 2009 (2008: HK\$14.5 million), of which HK\$0.78 million (2008: HK\$1.88 million) was cash and bank balances.

As at 31 December 2009, the Group's total borrowings amounted to HK\$10.2 million (2008: HK\$11.8 million), of which HK\$1.6 million (2008: HK\$7.5 million) were short-term borrowings repayable within one year.

The Group's gearing ratios as at 31 December 2009 was 97.2% (2008: 96.3%). Gearing ratio is calculated by dividing the net debt with the aggregate of total capital and net debt. Net debt includes trade payables, other payable and accruals, short-term loans, convertible bonds and interest-bearing bank loan, less cash and cash equivalents, and excludes discontinued operations. Total capital represents equity attributable to equity holders of the Company.

Foreign currency risk

During the year, the Group has transactional currency exposures as the sales and purchases of the Group were mainly transacted in United States dollars ("USD"), Swiss Franc ("CHF"), Chinese Renminbi ("RMB"), Japanese Yen ("Yen"), Euro ("Euro"), New Taiwan dollars ("NTD") and Hong Kong dollars ("HKD"). Approximately 98% (2008: 93%) of the Group's sales are denominated in currencies other than the functional currency of the operating units making the sale, and almost 99% (2008: 96%) of costs are denominated in currencies other than the units' functional currency.

During the years ended 31 December 2009, the exchange rate of USD and RMB were quite stable and the exchange rate of CHF, Yen, NTD and EURO were comparatively volatile. Approximately 78% (2008: 82%) of the Group's sales are denominated in these currencies.

As at 31 December 2009, the Group had not hedged any foreign currency sales to reduce such foreign currency risk. The management will monitor this risk, if the exchange rates of these foreign currencies have continuous fluctuation, the management will consider using forward currency contracts to reduce these risks.

Contingent liabilities

Details of the Group's contingent liabilities at the end of the reporting period are set out in note 23 to the financial statements.

Litigation

Save as disclosed in note 24 to the financial statements, neither the Company nor any of its subsidiaries was involved in any litigation at the end of the reporting period.

Capital structure

During the year, the Company issued bonus shares to the shareholders of the Company on the basis of 3 bonus shares for every 1 existing issued share held by the shareholders, in total 3,180,000,000 bonus shares was issued. During the year, all convertible bonds were converted into 761,000,000 ordinary shares.

Employees

As at 31 December 2009, the Group had 198 (2008: 210) employees. Employees were remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits included free accommodation at the Group's staff quarters in PRC and performance bonus. Total staff costs including directors' remuneration for 2009 were HK\$5.6 million (2008: HK\$7 million).

Material acquisitions and disposal of subsidiaries and affiliated companies

The Group had no material acquisitions and disposal of subsidiaries and affiliated companies during the year ended 31 December 2009.

Segmental Information

An analysis of the Group's performance for the year by principal activities and geographical segments is set out in note 5 to the financial statements and further elaborated under "Financial Review" of this section.

Change of company name

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

BUSINESS REVIEW

During the year, the principal businesses of the Group are manufacturing and sale of synthetic sapphire watch crystals and optoelectronics products. However, in light of its poor performance in 2009, the Group decided to invest in the energy-efficient street-lamp markets in the PRC and took successful steps during the year.

The Company entered into a Joint Venture (“JV”) Agreement with Nei Meng Gu Xin Rui Sheng Mao Co. Ltd (內蒙古鑫睿商貿有限公司) (“Xin Rui”) pursuant to which the parties thereto agreed to form a new JV Company, whose equity interest will be owned as to 80% by Xin Rui and as to 20% by the Company. The JV Company will engage in the 中國綠色道路照明 business, which involves the systematic promotion of selected energy-efficient street lamps, such as High-Frequency Electrode-Less Lamps, to municipalities throughout China, and also of the accelerated replacement of the over 40 million energy-wasting High-Pressure Sodium Street Lamps in China by the selected energy efficient alternatives. The JV Company is expected to sign “Energy-Efficient Street Lamp Replacement and/or Purchasing Agreements” with 12 municipalities, including cities in Hubei, Jiangxi, Sichuan, Shanghai, Anhui, Yunnan, Tibet, Liaoning, Qinghai, and Ningxia. In additions, the Company entered into the Project Cooperation Agreement with 成都市中錦城市道路照明工程有限公司 (Chengdu City Zhong Jin City Road Lighting Engineering Company Limited) (“Zhong Jin”). Pursuant to the Project Cooperation Agreement, the Company will cooperate with Zhong Jin for the purpose of carrying out energy-efficient city road lighting reform engineering projects in Chengdu City and the other cities in Sichuan Province.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exists under the Company’s articles of association or under the laws in the Bermuda.

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 share during the year ended 31 December 2009.

COMPETING INTERESTS

During the year ended 31 December 2009, none of the directors or the management shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in a business that competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE

Adapting and adhering to recognized standards of corporate governance principles and practices have always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Company has complied throughout the period under review with the provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules.

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 year 31 December 2009.

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.

Audit committee, currently comprises four independent non-executive directors, namely Mr. Liu Chun Ning Wilfred, Mr. Tso Chip, Mr. Lee Tao Wai and Mr. Tsui Siu Hung, has been established to make recommendation to the Board on the Company's policy. Mr. Tsui Siu Hung is the Chairman of the audit committee.

The Company's financial statements for the year ended 31 December 2009 have been reviewed by the audit committee. The audit committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

During the year ended 31 December 2009, the audit committee held three meetings and performed duties including reviewing the Group's annual report, half-yearly and quarterly reports.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

All information required by paragraphs 45(1) to 45(8) of Appendix 16 of the Listing Rules will be published on the website of the Stock Exchange (<http://www.hkex.com.hk>) in due course.

On Behalf of the Board
Chan Chung Keung Jackon
Chairman

Hong Kong, 4 March 2010

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

- (1) Mr. Chan Chung Keung Jackon, as an Executive Director;
- (2) Mr. Wong Kwok Wai, as an Executive Director;
- (3) Mr. Zhao Wen Tao, as an Executive Director;
- (4) Mr. Chung Ming Tru Daniel, as an Executive Director;
- (5) Ms. Chan Yim Kum, as an Executive Director;
- (6) Mr. Wong Pak Fai Philip, as an Executive Director;
- (7) Mr. Gao Zhiwei, 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.

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.aplushk.com/clients/8150SGC/>.