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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)**

### **2022 FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2022**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on 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 GEM.**

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*This announcement, 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 GEM of the Stock Exchange (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 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.*

## **HIGHLIGHTS**

1. The Group has recorded total revenue of approximately HK\$19.5 million for the three months ended 31 March 2022 (the “Period”).
2. The Group has recorded a loss attributable to the owners of the Company for the Period of approximately HK\$2.3 million, representing a basic loss per share of HK cent 1.23.
3. The Board does not recommend the payment of an interim dividend for the Period.

## UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) hereby present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2022, together with the relevant comparative unaudited figures as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	19,478	28,609
Cost of sales		(18,292)	(26,655)
<b>Gross profit</b>		<b>1,186</b>	1,954
Other income and other losses, net		11	13
Selling and distribution costs		(266)	(754)
Administrative and other operating expenses		(3,011)	(3,068)
<b>Loss from operations</b>		<b>(2,080)</b>	(1,855)
Finance costs		(179)	(1,227)
<b>Loss before income tax</b>		<b>(2,259)</b>	(3,082)
Income tax expense	4	(1)	(52)
<b>Loss for the period</b>		<b>(2,260)</b>	(3,134)
<b>Loss for the period attributable to:</b>			
– Owners of the Company		(2,277)	(2,881)
– Non-controlling interests		17	(253)
		<b>(2,260)</b>	(3,134)
<b>Loss per share attributable to the owners of the Company</b>			
– Basic (HK cents)	6	(1.23)	(1.83)
– Diluted (HK cents)	6	(1.23)	(1.83)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Loss for the period</b>		<b>(2,260)</b>	(3,134)
<b>Other comprehensive loss</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		466	(324)
		<b>466</b>	(324)
<b>Total comprehensive loss for the period, net of tax</b>		<b>(1,794)</b>	(3,458)
<b>Total comprehensive loss for the period attributable to:</b>			
– Owners of the Company		<b>(1,837)</b>	(3,194)
– Non-controlling interests		43	(264)
		<b>(1,794)</b>	(3,458)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

Attributable to the owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Financial assets at fair value through other comprehensive income reserve HK\$'000	Exchange reserve HK\$'000	Share-based payment reserve HK\$'000	Other reserve HK\$'000	Contributed surplus HK\$'000	Statutory reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
<b>For the three months ended 31 March 2021</b>												
As at 1 January 2021	78,626	491,228	(1,094)	(3,467)	8,762	(776)	-	687	(540,301)	33,665	2,958	36,623
<b>Comprehensive income</b>												
Loss for the period	-	-	-	-	-	-	-	-	(2,881)	(2,881)	(253)	(3,134)
<b>Other comprehensive income</b>												
Exchange difference on translation of foreign subsidiaries	-	-	-	(313)	-	-	-	-	-	(313)	(11)	(324)
<b>Total comprehensive loss for the period</b>	-	-	-	(313)	-	-	-	-	(2,881)	(3,194)	(264)	(3,458)
As at 31 March 2021 (Unaudited)	78,626	491,228	(1,094)	(3,780)	8,762	(776)	-	687	(543,182)	30,471	2,694	33,165
<b>For the three months ended 31 March 2022</b>												
As at 1 January 2022	78,626	491,228	(1,094)	1,346	8,762	(776)	-	687	(552,209)	26,570	3,596	30,166
<b>Comprehensive income</b>												
Loss for the period	-	-	-	-	-	-	-	-	(2,277)	(2,277)	17	(2,260)
<b>Other comprehensive income</b>												
Exchange difference on translation of foreign subsidiaries	-	-	-	440	-	-	-	-	-	440	26	466
<b>Total comprehensive loss for the period</b>	-	-	-	440	-	-	-	-	(2,277)	(1,837)	43	(1,794)
<b>Transaction with owners</b>												
Issue of shares through share subscription (Note 7(a))	15,725	(170)	-	-	-	-	-	-	-	15,555	-	15,555
Arising from the Capital												
Reorganisation as defined in Note 7												
- Capital Reduction (Note 7(b)(ii))	(92,464)	-	-	-	-	-	92,464	-	-	-	-	-
- Share Premium Reduction (Note 7(b)(iv))	-	(491,058)	-	-	-	-	491,058	-	-	-	-	-
As at 31 March 2022 (Unaudited)	1,887	-	(1,094)	1,786	8,762	(776)	583,522	687	(554,486)	40,288	3,639	43,927

# NOTES TO FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Seamless Green China (Holdings) Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and trading of Light Emitting Diode (“LED”) and related products, manufacturing and sale of optoelectronic products and sapphire watch crystals, trading of liquor and property investment.

The Company was incorporated in the Cayman Islands on 18 January 2001 as an exempted company with limited liability. The issued shares of the Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited 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 deregistration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The redomicile 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 HM 11, Bermuda and Room 1604, Seaview Commercial Building, 21-24 Connaught Road West, Sheung Wan, Hong Kong respectively.

These unaudited condensed consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in compliance with the disclosure requirements of the GEM Listing Rules.

The accounting policies and method of computation used in the preparation of these results are consistent with those used in the annual financial statements for the year ended 31 December 2021. 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 2022. 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 Group has not applied any new and amended standards or interpretation that is not yet effective for the current accounting period.

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the investment property and financial asset at fair value through other comprehensive income, which are carried at fair value.

The preparation of the unaudited condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

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.

### 3. REVENUE

	Three months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Revenue from customers and recognised at point in time</b>		
Sales of LED and related products	17,958	28,111
Sales of optoelectronic products	1,500	497
Sales of liquor products	20	1
	<b>19,478</b>	<b>28,609</b>

### 4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Provision for current income tax		
– PRC Corporate Income Tax ("CIT")	1	52
– Hong Kong Profits Tax	–	–
	<b>1</b>	<b>52</b>

Hong Kong profits tax has been provided for as there is business operation that is subject to Hong Kong profits tax. Under the two-tiered profits tax rates regime, for the three months ended 31 March 2022 and 2021, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% remaining on the estimated assessable profits. The profits of group entities not qualified for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

For the three months ended 31 March 2022 and 2021, CIT is provided on the assessable income of entities within the Group incorporated in the PRC. The applicable CIT tax rate is 25% unless preferential tax rates were applicable.

There were no material unrecognised deferred tax assets and liabilities as at 31 March 2022 (31 December 2021: Nil).

### 5. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: Nil).

## 6. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to the owners of the Company ( <i>HK\$'000</i> )	<b>(2,277)</b>	(2,881)
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> ) (Note)	<b>185,557</b>	157,252
Basic loss per share attributable to owners of the Company ( <i>HK cents</i> )	<b>(1.23)</b>	(1.83)

Note:

The weighted average number of ordinary shares and basic loss per share for the three months ended 31 March 2021 has been adjusted retrospectively to reflect the impact of Share Consolidation effected on 18 March 2022 (Note 7(b)(i)).

### (b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share options. For the share options, a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the three months ended 31 March 2022, the share options issued were not assumed to be exercised as they would have an anti-dilutive impact to the basic loss per share (three months ended 31 March 2021: Same).



## 7. SHARE CAPITAL

	Number of shares (thousand) (Unaudited)	Share capital HK\$'000 (Unaudited)
<b>Authorised:</b>		
At 1 January 2022 at HK\$0.05 each	20,000,000	1,000,000
Capital Reorganisation implemented on 18 March 2022 comprised:		
– Share Consolidation (Note b(i))	80,000,000	–
At 31 March 2022 at HK\$0.01 each	100,000,000	1,000,000
<b>Issued and fully paid:</b>		
At 1 January 2022 at HK\$0.05 each	1,572,517	78,626
Issue of share through share subscription (Note a)	314,503	15,725
Capital Reorganisation implemented on 18 March 2022 comprised:		
– Share Consolidation (Note b(i))	(1,698,318)	–
– Capital Reduction (Note b(ii))	–	(92,464)
At 31 March 2022 at HK\$0.01 each	188,702	1,887

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

### Note

- (a) On 10 January 2022, an aggregate of 314,503,450 shares were allotted and issue with a price of HK\$0.20 each. The net proceed from the share subscription was approximately HK\$15.6 million after netting off related transaction costs.
- (b) Following the passing of the resolution of the Company at the special general meeting held on 16 March 2022, the capital reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction, the Share Subdivision and the Share Premium Reduction (hereinafter defined) (collectively, the “Capital Reorganisation”) became effective on 18 March 2022, details as follows:
- (i) every ten issued and unissued Existing Shares of HK\$0.05 each was consolidated into one Consolidated Share of HK\$0.50 each (the “Share Consolidation”);
  - (ii) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.49 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$0.50 to HK\$0.01 (the “Capital Reduction”);
  - (iii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.50 each was sub-divided into fifty New Shares of HK\$0.01 each (the “Share Subdivision”);
  - (iv) the entire amount standing to the credit of the share premium account of the Company was cancelled (the “Share Premium Reduction”); and
  - (v) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which arise from the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Premium Reduction were credited to the contributed surplus account of the Company within the meaning of the Companies Act.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND FINANCIAL REVIEW**

The Company was an investment holding company. The Group's principal business activities were the manufacturing and trading of LED lighting and related products, manufacturing and sale of optoelectronic products and sapphire watch crystals, trading of liquor, and property investment.

During the three months ended 31 March 2022 (the "Period"), the total revenue of the Group amounted to approximately HK\$19.5 million, representing a 31.9% decrease compared with approximately HK\$28.6 million for the three months ended 31 March 2021 (the "Comparative Period"). Loss attributable to owners of the Company for the Period was approximately HK\$2.3 million (Comparative Period: HK\$2.9 million).

#### **Revenue**

##### ***LED and related products division***

The Group's LED products division recorded a revenue of approximately HK\$18.0 million for the Period (Comparative Period: HK\$28.1 million). With the implementation of the central government's strict prevention and control measures across the country, the production gradually resume since the second quarter of 2020, however, the weak consumer sentiment and market condition resulting in conservative procurement planning by customer, the production is yet to resume to the normal level before pandemic. The emergence of Omicron and other potential coronavirus variants adds unpredictability to the recovery of economy. The Group will continue to launch marketing and business development programmes, implement cost-control measures, and diversify its product range with the view to stimulating sales and strengthening the Group's resistance towards these downturn factors such as pandemic diseases, raw material shortage or change of customer appetite.

##### ***Optoelectronics products division***

The Group's optoelectronics products division recorded a revenue of approximately HK\$1.5 million during the Period (Comparative Period: HK\$0.5 million). The Group will continue to monitor the market situation and will continue to explore business opportunities to leverage on our established experience in watch industry.

##### ***Trading of liquor products division***

The Group's liquor trading division recorded a revenue of HK\$20,000 during the Period (Comparative Period: HK\$1,000). The Board will continue to adjust its strategy to explore business opportunities to leverage on the Group's established experience in liquor trading industry. The Company will also review the performance of its distribution channels and make necessary adjustments as and when necessary.

### **Sapphire watch crystals division**

The Group's sapphire watch crystals division did not generate any revenue during the Period (Comparative Period: Nil), principally due to the sluggish market of traditional watches resulted from competition of smart watches.

### **Administrative and other operating expenses**

Administrative and other operating expenses mainly consisted of (i) staff costs; (ii) legal and professional fee; and (iii) depreciation, which remained relatively stable from HK\$3.1 million for the Comparative Period to HK\$3.0 million for the Period.

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 15 December 2021, the Company entered into subscription agreements with two independent third parties (the "Subscribers"), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for an aggregate of 314,503,450 subscription shares at a price of HK\$0.05 per share (the "Subscription"). The gross and net proceeds from the Subscription were approximately HK\$15.73 million and HK\$15.56 million, respectively.

On 10 January 2022, the Subscription was completed and 314,503,450 subscription shares were allotted and issued to the Subscribers. For further details, please refer to the announcements of the Company dated 15 December 2021 and 10 January 2022.

## **CAPITAL REORGANISATION**

In January 2022, the Board proposed to implement capital reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction, the Share Subdivision and the Share Premium Reduction (hereinafter defined) (collectively, the "Capital Reorganisation") as follows:

- (1) every ten issued and unissued Existing Shares of HK\$0.05 each was consolidated into one Consolidated Share of HK\$0.50 each (the "Share Consolidation");
- (2) the issued share capital of the Company was reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.49 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK\$0.50 to HK\$0.01 (the "Capital Reduction");
- (3) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.50 each was sub-divided into fifty New Shares of HK\$0.01 each (the "Share Subdivision");
- (4) the entire amount standing to the credit of the share premium account of the Company was cancelled (the "Share Premium Reduction"); and
- (5) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company which arise from the Share Consolidation; (ii) the Capital Reduction; and (iii) the Share Premium Reduction were credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Following the passing of the resolution of the Company to approve the Capital Reorganisation at the special general meeting held on 16 March 2022, the Capital Reorganisation became effective on 18 March 2022. For further details, please refer to the announcements/circulars of the Company dated 4 January 2022, 21 January 2022, 27 January 2022, 11 February 2022, 18 February 2022, 16 March 2022 and 18 March 2022.

## 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 Group may adjust the amount of dividend payment to the Shareholders, issue new shares, obtain other borrowings, or sell assets to reduce debt.

Save for "Subscription of new shares under general mandate" and "Capital Reorganisation" as disclosed in elsewhere in this announcement, there is no material change in the capital structure of the Company during the Period. The capital of the Company comprises only ordinary shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as promissory notes, lease liabilities and other borrowings, less cash and cash equivalents. Total capital is calculated as total equity plus net debt. As at 31 March 2022, the Group's gearing ratio was 30.3% (31 December 2021: 49.2%).

The total equity of the Group were increased to approximately HK\$43.9 million as at 31 March 2022 (31 December 2021: approximately HK\$30.2 million), which was mainly due to Share Subscription during the Period. The Group's net current assets amounted to approximately HK\$25.4 million as at 31 March 2022 (31 December 2021: approximately HK\$10.2 million), of which approximately HK\$2.7 million (31 December 2021: approximately HK\$4.8 million) was cash and cash equivalents.

As at 31 March 2022, the Group had cash and cash equivalents of approximately HK\$2.7 million (31 December 2021: approximately HK\$4.8 million), of which approximately 82%, 17% and 1% (31 December 2021: approximately 82%, 18% and 0%) were denominated in Renminbi ("RMB"), Hong Kong dollars ("HKD") and United States Dollar ("USD") respectively.

As at 31 March 2022, all other borrowings and promissory notes of the Group bore fixed interest rates, the maturity (with repayable on demand clause) and currency profile are set out as follows:

	<b>Within 1 year</b>
	HK\$'000
Hong Kong Dollars	18,119
Renminbi	807
	<hr/>
	18,926

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.

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.

### **Employees and remuneration policies**

As at 31 March 2022, the Group had 76 employees (31 December 2021: 74). 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\$1.7 million (Comparative Period: approximately HK\$2.1 million).

### **Foreign currency risk**

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK\$ and United States dollar ("US\$"). Since the exchange rate of US\$ against HK\$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Period. However, the management will monitor the Group's foreign currency exposure should the need arise.

### **Pledge of assets**

As at 31 March 2022, the Group had no pledge of assets.

### **Contingent liabilities**

As at 31 March 2022, the Group had no material contingent liabilities.

### **Significant investments, material acquisitions and disposal of subsidiaries and affiliated companies, and future plans for material investments or additions of capital assets**

The Group had no significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the Period, nor there was any future plans for material investments or additions of capital assets as at 31 March 2022.

## 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 (the “Legal Action”). Ms. Lee filed a Defence and Counterclaim alleging misrepresentation and breach of contract on the part of Good Return and claiming damages (unquantified), and seeking to rectify and rescind previous agreements. The court has granted judgement on 4 September 2020 in favour of Good Return for the sum of HK\$3,000,000 plus interest.
- (iv) On 11 February 2015, the Company and Silver Bonus Limited (a wholly-owned subsidiary of the Company and the purchaser to the acquisition) issued a writ of summons against Mr. Lau Hin Chung (the first vendor), Shinning Team Investment Limited (the second vendor), Neo Partner Investments Ltd. (the “Target Company”), Harvest View (China) Limited (a wholly-owned subsidiary of the Target Company) and Mr. Chen Zai (the registered owner of the other 55% shareholding in the Target Company) to claim for relief including damages for breach of contract and/or rescission of contract based on misrepresentation (including a declaration that the promissory notes issued as consideration for the acquisition being null and void and unenforceable), and negligence and breach of fiduciary duties against certain ex-directors of the Company. The Company’s claim relates to the acquisition by the Group of 28% shareholding in the Target Company for the consideration of HK\$23,800,000, pursuant to a sale and purchase agreement dated 10 December 2012 (as supplemented by a supplemental agreement dated 14 December 2012) which was completed on 23 January 2013. The Company has instructed its legal adviser to continue to uphold its rights in the legal action.

- (v) On 20 April 2016, a writ of summons was issued by Mr. Zhu Jun Min (“Mr. Zhu”) 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 Mr. Zhu in 2013. The Company has instructed its legal adviser to uphold its rights in the legal action.

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

## **PROSPECTS**

The outbreak of COVID-19 since 2020 lead to uncertain macroeconomic environment. The suppliers still adopt a conservative procurement planning and rigour collection processes, from granting credit period up to 60 days to requesting prepayment for procurement of raw materials for production of LED products.

The prevalent spread of the Omicron variant does not bode well, the central government has rolled out stringent movement restrictions, mass testing programs, and lockdowns. Numerous localised disruptions to factories and key logistics choke-points seems inevitable, which lead to adverse impact on our business. The evolving pandemic will remain the biggest uncertainty the Group will face in 2022.

The Group will closely monitor the situation and the Group's exposure to the risks and uncertainties in connection with COVID-19, and assess and react proactively to its impacts on the financial position and results of the Group. In view of the generally weak market conditions, the Group will continue to take a conservative approach in capacity planning, and adopt stringent cost and risk management measures to guard against heightened uncertainty in the operating landscape.

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. 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.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS**

As at 31 March 2022, the interests and short positions of the Directors and the chief executive of the Company 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 would have to be notified to the Company and the Stock Exchange or to be entered in the register referred to in the SFO are 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 issued Shares <i>(Note)</i>
Wong Kin Hong	Beneficial owner	2,550,000	–	Long Position	1.35%

*Note:* The percentage represents the number of Shares interested divided by the number of the issued Shares as at 31 March 2022.

As at 31 March 2022, save as disclosed above, none of the Directors and the chief executive of the Company 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 required to be kept pursuant to Section 352 of the SFO; 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 31 March 2022, so far as the Directors are aware, the persons (other than a Director or the chief executive of the Company) who had an interest or short position in the 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 substantial shareholders as recorded in the register required to be kept by the Company under section 336 of the SFO, are as follows:

Name of shareholder	Capacity/Nature of interests	Number of Shares Held	Underlying Shares	Long/Short Position	Approximate percentage of the issued Shares <i>(Note)</i>
Elisabeta Ling	Beneficial owner	11,850,000	–	Long Position	6.28%
Wu Yuesheng	Beneficial owner	16,450,345	–	Long Position	8.72%
Yang Li	Beneficial owner	15,780,500	–	Long Position	8.36%



*Note:* The percentage represents the number of Shares interested divided by the number of the issued Shares as at 31 March 2022.

So far as is known to any Director, there was no person (other than a Director or chief executive of the Company) who, as at 31 March 2022, 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 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 TRANSACTION**

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 of 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 C.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 or the substantial shareholders of the Company (as defined in the GEM Listing Rules) or their respective close associates (as defined in the GEM Listing Rules) had an interest in a business that competed or might compete with the business of the Group.

## REVIEW BY AUDIT COMMITTEE

As required by Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee of the Board (the “Audit Committee”) with written terms of reference which set out clearly its authority and duties. The principal duties of the Audit Committee are the review and supervision of the Company’s financial reporting process and internal control systems. As at the date of This announcement, the Audit Committee comprises four independent non-executive Directors (the “INEDs”), 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 consolidated financial statements for the Period and the 2022 first 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 principles and requirements of the GEM Listing Rules.

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

Hong Kong, 31 May 2022

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

### *Executive Directors*

- (1) Mr. Wong Kin Hong (*Chairman*)
- (2) Mr. Huang Yonghua
- (3) Mr. Wong Tat Wa
- (4) Ms. Leung Po Yee

### *INEDs*

- (5) Mr. Yan Guoniu
- (6) Mr. Tang Rong Gang
- (7) Mr. Ou Wei An
- (8) Mr. Ng Yu Ho, Steve

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