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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

HIGHLIGHTS

- The Group recorded total revenue for the year ended 31 December 2021 of approximately HK\$110.9 million, representing approximately 22.0% decrease over 2020.
- The Group recorded a loss attributable to the owners of the Company for the year ended 31 December 2021 of approximately HK\$13.0 million, representing an increase of loss of approximately 16.1% as compared to 2020.
- The Board does not recommend the payment of any dividends for the year ended 31 December 2021.

Reference is made to the announcement of Seamless Green China (Holdings) Limited (the "Company", which together with its subsidiaries is collectively referred to as the "Group") dated 31 March 2022 in relation to the unaudited annual results of the Group for the year ended 31 December 2021 (the "Year").

COMPLETION OF AUDIT

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce that the Company's auditor, Linkfield CPA Limited, has completed its audit of the consolidated financial statements of the Group for the Year in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The material differences between the unaudited and audited consolidated financial statements are set out in the section of this announcement headed "Material differences between Unaudited and Audited Annual Results".

AUDITED ANNUAL RESULTS

The Directors are pleased to announce the audited results of the Group for the Year together with the comparative audited figures for the year ended 31 December 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Revenue	3	110,860	142,047
Cost of sales	5	(102,702)	(129,715)
Gross profit		8,158	12,332
Other income and other losses, net	4	2,819	(2,497)
Selling and distribution expenses	5	(1,542)	(1,687)
Administrative and other operating expenses	5	(16,315)	(13,237)
Provision for impairment of property, plant and equipment		(2,866)	–
Reversal of/(provision for) impairment of trade receivables		1,039	(2,899)
Reversal of impairment of other financial assets carried at amortised cost		–	20
Operating loss		(8,707)	(7,968)
Finance costs		(3,142)	(3,172)
Loss before income tax		(11,849)	(11,140)
Income tax (expense)/credit	6	(544)	180
Loss for the year		(12,393)	(10,960)
(Loss)/profit for the year attributable to:			
– Owners of the Company		(13,006)	(11,202)
– Non-controlling interests		613	242
		(12,393)	(10,960)
Loss per share for the loss attributable to the owners of the Company for the year			
– Basic (HK cents)	7	(0.83)	(0.71)
– Diluted (HK cents)	7	(0.83)	(0.71)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Loss for the year		(12,393)	(10,960)
Other comprehensive income/(loss), net of tax			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		1,772	4,524
<i>Items that will not be reclassified to profit or loss:</i>			
Change in the fair value of financial assets at fair value through other comprehensive income		–	(328)
		1,772	4,196
Total comprehensive loss for the year, net of tax		(10,621)	(6,764)
Total comprehensive (loss)/income for the year attributable to:			
– Owners of the Company		(11,333)	(7,184)
– Non-controlling interests		712	420
		(10,621)	(6,764)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,902	7,846
Right-of-use assets		3,560	3,113
Investment property		13,134	10,362
Intangible asset		507	507
Financial assets at fair value through other comprehensive income		–	–
Other financial assets carried at amortised cost	9	105	153
Total non-current assets		20,208	21,981
Current assets			
Inventories		9,260	9,897
Trade receivables and other financial assets carried at amortised cost	9	63,014	85,903
Other current assets		21,665	58,801
Cash and cash equivalents		4,754	11,245
Total current assets		98,693	165,846
Total assets		118,901	187,827
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital		78,626	78,626
Reserves		(56,294)	(44,961)
		22,332	33,665
Non-controlling interests		3,670	2,958
Total equity		26,002	36,623

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
LIABILITIES			
Non-current liabilities			
Other borrowings		–	51,588
Lease liabilities		1,941	1,801
Deferred income tax liabilities		485	–
Total non-current liabilities		2,426	53,389
Current liabilities			
Trade and other payables	<i>10</i>	39,039	58,512
Contract liabilities	<i>3</i>	16,286	9,936
Current income tax liabilities		2,822	2,731
Other borrowings		15,582	9,934
Promissory notes		15,000	15,000
Lease liabilities		1,744	1,702
Total current liabilities		90,473	97,815
Total liabilities		92,899	151,204
Total equity and liabilities		118,901	187,827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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 de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The re-domicile was completed on 22 January 2008. The change of domicile has no impact on the continuity and the listing status of the Company. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 1604, Seaview Commercial Building, 21-24 Connaught Road West, Sheung Wan, Hong Kong respectively.

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

2 Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention, except for the investment property and financial assets at fair value through other comprehensive income (“FVOCI”), which are measured at fair values.

2.1 Changes in accounting policy and disclosures

(a) **New and amended standards adopted by the Group**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2
HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions

The adoption of above new and amended standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Basis of preparation *(continued)*

2.1 Changes in accounting policy and disclosures *(continued)*

(b) New standards, amendments to standards, interpretations and accounting guidelines that have been issued but were not yet effective

		Effective for annual periods beginning on or after
HKFRS 16 (Amendments)	Covid-19-Related Rent Concession Beyond 2021	1 April 2021
Annual Improvements Project (Amendments)	Annual Improvements 2018–2020 Cycle (Amendments)	1 January 2022
HKFRS 3, HKAS 16, HKAS 37 (Amendments)	Narrow-Scope Amendments	1 January 2022
Accounting Guideline 5 (Revised)	Revised Accounting Guideline 5 – Merger Accounting for Common Control Combination	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 17 (Amendments)	Amendments to HKFRS 17	1 January 2023
Hong Kong Interpretation 5 (2020) (Amendments)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group has assessed the financial impact of these new standards, amendments to standards, interpretations and accounting guidelines and are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group does not intend to early adopt these new standards, amendments to standards, interpretations and accounting guidelines before their respective effective dates.

2 Basis of preparation *(continued)*

2.2 Going concern

For the year ended 31 December 2021, the Group incurred loss attributable to the owners of the Company of approximately HK\$13.0 million. The directors of the Company have reviewed the Group's cash flow projections, which cover a period of 12 months from 31 December 2021. The directors are of the opinion that, taking into account of the following plans and measures, the Group will have sufficient working capital to meet its financial obligation as and when they fall due within the next 12 months from 31 December 2021:

- (1) In January 2022, the Company completed the allotment and issuance of 314,503,450 subscription shares at the subscription price of HK\$0.05 per share. The net proceeds from the share subscription amounted to approximately HK\$15.6 million; and
- (2) The Group will be able to obtain financing from directors and/or non-financial institutions, as and when needed.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3 Segment information

The Chief Operation Decision-Maker ("CODM") has been identified as the Board of Directors of the Company. CODM reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments.

There are four operating segments as follows:

- (a) LED and related products segment ("LED") is engaged in manufacturing and trading of LED and related products;
- (b) Optoelectronic products segment ("Optoelectronic") is a supplier of optoelectronic products for use in the watch products;
- (c) Liquor products segment ("Liquor") is engaged in trading of wine; and
- (d) Sapphire watch crystals segment ("Sapphire") is a supplier of watch crystals mainly for use in the manufacturing of watch products.

Reportable segment results represent the profit or loss resulted by each segment and exclude interest income, interest expenses on other borrowings, change in fair value of investment property, provision for impairment of other financial assets carried at amortised cost, and unallocated corporate expenses.

Segment assets exclude unallocated corporate assets, investment property, financial assets at fair value through other comprehensive income, and cash and cash equivalents.

Segment liabilities exclude unallocated corporate liabilities, other borrowings, promissory notes, current income tax liabilities and deferred income tax liabilities.

3 Segment information *(continued)*

Year ended 31 December 2021

	LED HK\$'000	Optoelectronic HK\$'000	Liquor HK\$'000	Sapphire HK\$'000	Total HK\$'000
Year ended 31 December 2021					
Segment revenue:					
Sales to external customers	107,886	2,685	289	-	110,860
Segment results	(2,323)	(368)	(2,079)	-	(4,770)
Unallocated:					
Change in fair value of investment property					2,422
Unallocated corporate income					14
Unallocated corporate expenses					
- staff costs					(1,902)
- others					(7,613)
Loss before income tax					(11,849)
As at 31 December 2021					
Segment assets	98,591	33	953	-	99,577
Unallocated:					
Cash and cash equivalents					4,754
Investment property					13,134
Other unallocated assets					1,436
Total assets					118,901
Segment liabilities	(43,292)	(5,981)	(47)	-	(49,320)
Unallocated:					
Promissory notes					(15,000)
Other borrowings					(15,582)
Current income tax liabilities					(2,822)
Deferred income tax liabilities					(485)
Other unallocated liabilities					(9,690)
Total liabilities					(92,899)
Other segment information:					
Capital expenditure	(155)	-	-	-	(155)
Interest income	-	-	-	-	14
Finance costs	(160)	(2)	-	-	(2,980)
Depreciation of property, plant and equipment and right-of-use assets	(3,471)	(9)	-	-	(641)
Income tax expense	(101)	-	35	-	(478)
Provision for impairment of inventories	-	-	(1,574)	-	(1,574)
Provision for impairment of property, plant and equipment	(2,866)	-	-	-	(2,866)
Reversal of/(provision for) impairment of trade receivables	1,040	-	(1)	-	1,039

3 Segment information *(continued)*

Year ended 31 December 2020

	LED HK\$'000	Optoelectronic HK\$'000	Liquor HK\$'000	Sapphire HK\$'000	Total HK\$'000	
Year ended 31 December 2020						
Segment revenue:						
Sales to external customers	138,897	2,702	448	-	142,047	
Segment results	2,446	(738)	(363)	-	1,345	
Unallocated:						
Change in fair value of investment property					(2,704)	
Provision for impairment of other financial assets carried at amortised cost					20	
Unallocated corporate income					72	
Unallocated corporate expenses						
- staff costs					(1,896)	
- others					(7,977)	
Loss before income tax					(11,140)	
As at 31 December 2020						
Segment assets	161,256	-	2,711	-	163,967	
Unallocated:						
Cash and cash equivalents					11,245	
Investment property					10,362	
Other unallocated assets					2,253	
Total assets					187,827	
Segment liabilities	(59,767)	(5,959)	(47)	-	(65,773)	
Unallocated:						
Promissory notes					(15,000)	
Other borrowings					(61,522)	
Current income tax liabilities					(2,731)	
Other unallocated liabilities					(6,178)	
Total liabilities					(151,204)	
	LED HK\$'000	Optoelectronic HK\$'000	Liquor HK\$'000	Sapphire HK\$'000	Unallocated HK\$'000	Total HK\$'000
Other segment information:						
Capital expenditure	(464)	-	-	-	(4)	(468)
Interest income	-	-	-	-	10	10
Finance costs	(155)	-	-	-	(3,017)	(3,172)
Depreciation of property, plant and equipment and right-of-use assets	(3,275)	-	(1)	-	(786)	(4,062)
Income tax credit/(expense)	(591)	-	-	-	771	180
Provision for impairment of inventories	(261)	-	-	-	-	(261)
Reversal of impairment of other receivables	-	-	-	-	20	20
Provision for impairment of trade receivables	(2,899)	-	-	-	-	(2,899)

3 Segment information *(continued)*

Geographic Information

(a) Revenue from external customers

The Group's revenue from external customers by geographical area, which is determined by the country where the goods were delivered, is as follows:

	2021 HK\$'000	2020 HK\$'000
The PRC	107,901	138,995
Hong Kong	2,959	3,052
	110,860	142,047

(b) Non-current assets

The Group's non-current assets other than financial assets at fair value through other comprehensive income by geographic area is as follows:

	2021 HK\$'000	2020 HK\$'000
The PRC	19,648	20,781
Hong Kong	560	1,200
	20,208	21,981

Key Customers

For the year ended 31 December 2021, there were five customers (2020: four) which individually contributed over 10% of the Group's revenue, the revenue contributed from each of these customers was as follows:

	2021 HK\$'000	2020 HK\$'000
Customer A	30,356	19,263
Customer B	23,770	26,448
Customer C	14,790	–
Customer D	12,941	–
Customer E	12,344	51,990
Customer F	–	21,223

Contract assets

The Group did not recognise any revenue-related contract assets during the year ended 31 December 2021 (2020: Nil).

3 Segment information *(continued)*

Contract liabilities

The balances represent the receipt in advance from customers. The Group recognised the following revenue-related contract liabilities:

	2021 HK\$'000	2020 HK\$'000
Contract liabilities	16,286	9,936

(a) Significant change in contract liabilities

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance under the contracts which are mainly from sales of LED and related products.

(b) Revenue recognised in relation to contract liabilities

The follow table shows the revenue recognised for the year ended 31 December 2021 and 2020 relates to carried-forward contract liabilities.

	2021 HK\$'000	2020 HK\$'000
Sales of LED and related products	9,936	2,118

(c) Unsatisfied contracts

The Group selects to choose a practical expedient and omits disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

4 Other income and other losses, net

	2021 HK\$'000	2020 HK\$'000
Change in fair value of investment property	2,422	(2,704)
Gain on remeasurement of lease liabilities as at termination of leases	351	–
Interest income	14	10
Others	32	197
	2,819	(2,497)

5 Expenses by nature

Expenses included in cost of sales, selling and distribution expenses and administrative and other operating expenses are analysed as follows:

	2021	2020
	HK\$'000	HK\$'000
Auditor's remuneration		
– Audit services	688	668
Depreciation		
– property, plant and equipment	2,281	2,206
– right-of-use assets	1,840	1,856
Cost of inventories sold	93,363	123,882
Provision for impairment of inventories	1,574	261
Employee benefit expenses (including directors' emoluments)	7,090	5,864
Foreign exchange (gains)/losses	(323)	46
Lease payments for short-term leases	317	114
Legal and professional fee	4,176	3,883
Loss on disposal of property, plant and equipment	105	–
Research and development	1,576	–
Subcontracting fee	1,204	355
Transportation	1,175	410
Others	5,493	5,094
Total cost of sales, selling and distribution expenses and administrative and other operating expenses	120,559	144,639

6 Income tax (expense)/credit

	2021	2020
	HK\$'000	HK\$'000
Current income tax		
– PRC Corporate Income Tax ("CIT")	(377)	(591)
– Over-provision in prior year	311	–
Deferred income tax	(478)	771
	(544)	180

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 years ended 31 December 2021 and 2020, 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%.

CIT is provided on the assessable income of entities within the Group incorporated in the PRC. The applicable CIT tax rate is 25% (2020: 25%) unless preferential tax rates were applicable.

7 Loss per share

(a) Basic

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

	2021	2020
Loss attributable to the owners of the Company (<i>HK\$'000</i>)	(13,006)	(11,202)
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	1,572,517	1,572,517
Basic loss per share attributable to the owners of the Company (<i>HK cents</i>)	(0.83)	(0.71)

(b) Diluted

Diluted earnings 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 (2020: one) category of potentially dilutive ordinary shares: share options (2020: 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 years ended 31 December 2021 and 2020, diluted loss per share is same as the loss per share as the exercise of potential ordinary shares in relation to the share options issued were not assumed to be exercised as they would have an anti-dilutive impact to the basic loss per share (2020: same).

8 Dividends

The directors did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

9 Trade receivables and other financial assets carried at amortised cost

	2021 HK\$'000	2020 HK\$'000
Trade receivables	60,189	90,271
Less: Provision for impairment	(7,126)	(7,942)
Trade receivables, net	53,063	82,329
Other financial assets carried at amortised cost	17,291	11,177
Less: Provision for impairment	(7,235)	(7,450)
Other financial assets carried at amortised cost, net	10,056	3,727
Total trade receivables and other financial assets carried at amortised cost	63,119	86,056
Less: Non-current portion	(105)	(153)
Current portion	63,014	85,903

The Group's credit terms to trade debtors mainly range from 30 to 180 days (2020: 60 to 180 days). As at 31 December 2021 and 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 30 days	9,960	14,397
31 – 180 days	10,417	62,778
181 – 365 days	33,799	53
Over 365 days	6,013	13,043
	60,189	90,271

10 Trade and other payables

	2021	2020
	HK\$'000	HK\$'000
Trade payables	9,524	35,789
Accrued interest expenses	5,445	2,426
Consideration payable	3,150	3,058
Amount due to a director	1,302	631
Other payables and accruals	19,618	16,608
	39,039	58,512

Amount due to a director is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The ageing analysis of the trade payables based on the invoice date are as follows:

	2021	2020
	HK\$'000	HK\$'000
Within 30 days	2,821	3,538
31 – 180 days	868	5,735
181 – 365 days	504	21,764
Over 365 days	5,331	4,752
	9,524	35,789

The average credit period granted by the Group's suppliers ranges from 0 to 180 days (2020: 0 to 60 days).

11 Contingent liabilities

As at 31 December 2021 and 2020, the Group had no material contingent liabilities.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

We set out below the variance on the individual financial statement items between the unaudited and audited annual results, together with the explanatory notes on the variance:

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021

	<i>Notes</i>	Audited HK\$'000	Unaudited HK\$'000	Variance HK\$'000
Revenue		110,860	110,860	–
Cost of sales	1	(102,702)	(103,011)	309
Gross profit		8,158	7,849	309
Other income and other losses, net	2	2,819	1,573	1,246
Selling and distribution expenses	3	(1,542)	(1,886)	344
Administrative and other operating expenses	3,4	(16,315)	(14,688)	(1,627)
Provision for impairment of property, plant and equipment	5	(2,866)	–	(2,866)
Reversal of/(provision for) impairment of trade receivables	6	1,039	(988)	2,027
Reversal of impairment of other financial assets carried at amortised cost		–	–	–
Operating loss		(8,707)	(8,140)	(567)
Finance costs	4,9	(3,142)	(3,171)	29
Loss before income tax		(11,849)	(11,311)	(538)
Income tax expense	7	(544)	(56)	(488)
Loss for the year		(12,393)	(11,367)	(1,026)
(Loss)/profit for the year attributable to:				
– Owners of the Company		(13,006)	(11,908)	(1,098)
– Non-controlling interests		613	541	72
		(12,393)	(11,367)	(1,026)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	Audited HK\$'000	Unaudited HK\$'000	Variance HK\$'000
Loss for the year		(12,393)	(11,367)	(1,026)
Other comprehensive income/(loss), net of tax				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	8	1,772	4,910	(3,138)
<i>Items that will not be reclassified to profit or loss:</i>				
Change in the fair value of financial assets at fair value through other comprehensive income		-	-	-
		1,772	4,910	(3,138)
Total comprehensive loss for the year, net of tax		(10,621)	(6,457)	(4,164)
Total comprehensive (loss)/income for the year attributable to:				
– Owners of the Company		(11,333)	(7,095)	(4,238)
– Non-controlling interests		712	638	74
		(10,621)	(6,457)	(4,164)

Consolidated Statement of Financial Position

At 31 December 2021

	<i>Notes</i>	Audited HK\$'000	Unaudited HK\$'000	Variance HK\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	2,902	5,923	(3,021)
Right-of-use assets	9	3,560	3,225	335
Investment property	2	13,134	11,874	1,260
Intangible asset		507	507	–
Financial assets at fair value through other comprehensive income		–	–	–
Other financial assets carried at amortised cost		105	105	–
Total non-current assets		20,208	21,634	(1,426)
Current assets				
Inventories	1	9,260	8,863	397
Trade receivables and other financial assets carried at amortised cost	6,11	63,014	48,136	14,878
Other current assets	11	21,665	29,262	(7,597)
Cash and cash equivalents		4,754	4,754	–
Total current assets		98,693	91,015	7,678
Total assets		118,901	112,649	6,252
EQUITY AND LIABILITIES				
Equity attributable to the owners of the Company				
Share capital		78,626	78,626	–
Reserves	10	(56,294)	(52,056)	(4,238)
		22,332	26,570	(4,238)
Non-controlling interests	10	3,670	3,596	74
Total equity		26,002	30,166	(4,164)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 31 December 2021

	Notes	Audited HK\$'000	Unaudited HK\$'000	Variance HK\$'000
LIABILITIES				
Non-current liabilities				
Other borrowings		–	–	–
Lease liabilities	9	1,941	1,676	265
Deferred income tax liabilities	7	485	–	485
Total non-current liabilities		2,426	1,676	750
Current liabilities				
Trade and other payables	11, 12	39,039	32,300	6,739
Contract liabilities	11	16,286	12,184	4,102
Current income tax liabilities	7, 12	2,822	4,067	(1,245)
Other borrowings		15,582	15,582	–
Promissory notes		15,000	15,000	–
Lease liabilities	9	1,744	1,674	70
Total current liabilities		90,473	80,807	9,666
Total liabilities		92,899	82,483	10,416
Total equity and liabilities		118,901	112,649	6,252

Notes:

- (1) The variance is due to finalisation of impairment loss on inventories.
- (2) The variance is due to finalisation of fair value on investment property.
- (3) The variance is due to the reclassification of certain selling and distribution costs to administrative and other operating expenses.
- (4) Additions on provision of certain administrative and other operating expenses and finance costs were identified.
- (5) The variance is due to the finalisation of impairment assessment on property, plant and equipment.
- (6) The variance on the impairment loss on trade receivables is due to the finalisation of expected credit loss assessment.
- (7) The variance on the income tax expense and liabilities are due to the updated computation of profit as a result of the variances.
- (8) The variance is due to exchange translation and rounding difference.
- (9) This variance is due to the finalisation of assessment on right-of-use assets and lease liabilities.
- (10) This variance is due to the sharing of adjusted profit or loss and other comprehensive income for non-controlling interests.
- (11) The variance is due to reclassification of certain other current assets and contract liabilities to trade receivables and other financial assets carried at amortised cost.
- (12) The variance is due to reclassification of certain current income tax liabilities to trade and other payables.

Save as disclosed above and the consequential changes to calculations, financial ratios and percentage changes to comparative year, the other information contained in the 2021 Unaudited Results Announcements remains unchanged.

BUSINESS AND FINANCIAL REVIEW

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

During the year ended 31 December 2021 (the "Year"), the total revenue of the Group amounted to approximately HK\$110.9 million, representing a 22.0% decrease as compared to approximately HK\$142.0 million for the year ended 31 December 2020 (the "Comparative Year"). Loss attributable to the owners of the Company for the Year was approximately HK\$13.0 million, as compared to approximately HK\$11.2 million in the Comparative Year.

Revenue

LED and related products division

The Group's LED and related products division recorded a revenue of approximately HK\$107.9 million for the Year (Comparative Year: HK\$138.9 million), representing a decrease of approximately 22.3%. The weak consumer sentiment and market condition have resulted in conservative procurement planning by customers, and the production has yet to resume to the normal level before pandemic. The pandemic will remain the biggest uncertainty faced by the Group in 2022. 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 toward these downturn factors such as pandemic, raw material shortage or change of customer appetite.

Optoelectronics products division

The Group's revenue from optoelectronics products division remained relatively stable at approximately HK\$2.7 million during the Year (Comparative Year: HK\$2.7 million). The Board will continue to monitor the market situation and will continue to explore business opportunities to leverage on the Group's established experience in watch industry.

Trading of liquor products division

The Group's liquor trading division recorded a revenue of approximately HK\$0.3 million (Comparative Year: HK\$0.4 million), representing a decrease of 35.5% as compared to 2020. 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 Year (Comparative Year: 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; (iii) research & development expense; and (iv) other administrative expenses.

Total administrative and other operating expenses were approximately HK\$16.3 million for the Year (Comparative Year: HK\$13.2 million), representing an increase of 23.3% which was mainly due to increase in expense in relation to the development and launching new product during the Year.

Income tax (expense)/credit

Income tax expenses amounted to approximately HK\$0.5 million for the Year, and income tax credit amounted to approximately HK\$0.2 million for the Comparative Year. The income tax expense for the Year was mainly attributed by the recognition of deferred tax liabilities in relation to revaluation of investment property.

Provision for impairment of trade receivables

The Group recognised loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions.

As at 31 December 2021, loss allowance of approximately HK\$7.1 million (2020: HK\$7.9 million) was recognised with respect to the Group's trade receivables of which approximately HK\$5.7 million (2020: HK\$3.3 million) were related to trade receivables due from customers with known financial difficulties or significant doubt on the collection that are individually assessed to be fully impaired. The rest of the loss allowance was calculated using a provision matrix.

Provision for impairment of property, plant and equipment

During the Year, the Group's management identified that one of the cash-generating units in LED segment has incurred losses significantly higher than budget previously prepared by management and considered it is an impairment indicator on the property, plant and equipment. The Group has performed an impairment assessment on these assets as at 31 December 2021 to determine the recoverable amount using value-in-use calculation.

Based on the results of the assessment, impairment of property, plant and equipment amounting to approximately HK\$2.9 million (Comparative Year: Nil) was provided during the Year.

Provision for impairment of inventories

The Group assessed the provision of inventories at each period end and make allowance for obsolete and slow-moving inventory items identified that are no longer recoverable or suitable for use. The management estimates the net realisable value for inventories based on the nature, ageing, latest selling price, and expectation of future sales orders. The estimates are also subject to uncertainty of market trends, customer demands and technological development.

As at 31 December 2021, provision for impairment of inventories of approximately HK\$2.7 million (2020: HK\$1.1 million) was recognised.

Other current assets

The Group's other assets mainly represented prepayments to suppliers for procurement of raw materials for producing of LED products.

With the concerted effort of the management, certain suppliers provide more lenient payment terms to the Group and therefore, the prepayments to suppliers decreased by HK\$39.7 million from HK\$57.6 million as at 31 December 2020 to HK\$17.9 million as at 31 December 2021.

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 maximise 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. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the Shareholders, issue new shares, obtain other borrowings, or sell assets to reduce debt.

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 "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratios as at 31 December 2021 and 2020 were as follows:

	2021	2020
	HK\$'000	HK\$'000
Promissory notes	15,000	15,000
Lease liabilities	3,685	3,503
Other borrowings	15,582	61,522
Less: cash and cash equivalents	(4,754)	(11,245)
Net debt	29,513	68,780
Total equity	26,002	36,623
Total capital	55,515	105,403
Gearing ratio	53.2%	65.3%

The decrease in gearing ratio was attributable to the decrease in other borrowings during the Year.

The shareholders' funds of the Group decreased to approximately HK\$26.0 million as at 31 December 2021 (2020: approximately HK\$36.6 million), which was mainly due to the operating loss during the Year. The Group's current assets amounted to approximately HK\$98.7 million as at 31 December 2021 (2020: approximately HK\$165.8 million), of which approximately HK\$4.8 million (2020: approximately HK\$11.2 million) was cash and cash equivalents.

As at 31 December 2021, the Group had cash and cash equivalents of approximately HK\$4.8 million (2020: approximately HK\$11.2 million), of which approximately 79% and 21% (2020: approximately 95% and 5%) were denominated in Renminbi ("RMB") and Hong Kong dollars ("HKD") respectively.

As at 31 December 2021, 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:

	Within 1 year
	HK\$'000
Hong Kong Dollars	29,781
Renminbi	801
	30,582

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.

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 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 Year. However, the management will monitor the Group's foreign currency exposure should the need arise.

Contingent liabilities

At 31 December 2021, the Group had no material contingent liabilities (2020: Same).

Employees and remuneration policies

As at 31 December 2021, the Group had 76 (2020: 63) employees. Employees were remunerated according to their performance and work experience. In addition to the basic salaries and retirement scheme, staff benefits including 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 Year were approximately HK\$7.1 million (2020: approximately HK\$5.9 million).

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 Year nor there were any future plans for material investments or additions of capital assets as at 31 December 2021 (2020: Same).

Pledge of assets

As at 31 December 2021, the Group had no pledge of assets (2020: Same).

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 impact on the financial statements of 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 significant 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 judgment 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, there is no other development for these litigation, neither the Company nor any of its subsidiaries was involved in any material litigation at the end of the reporting period.

PROSPECTS

Looking into 2022, there are still many uncertainties in the global economic environment. With the implementation of the central government’s strict prevention and control measures across the country, the domestic economy began to gradually return to normal. However, the recent emergence of Omicron variants results in certain disruptions, such as trucking shortages, vessel delays, labour shortages, and warehousing and manufacturing closures in various parts of the PRC.

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.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2020: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES BY THE COMPANY AND/OR SUBSIDIARIES

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 Year.

REVIEW BY AUDIT COMMITTEE

As required by Rule 5.29 of the GEM Listing Rules, the Company has established an Audit Committee with written terms of reference, which deals clearly with its authority and duties. The principal duties of the Audit Committee are to review and supervise the Group's financial reporting process and its internal control and risk management systems. As at the date of this announcement, the Audit Committee comprises four 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 audited consolidated financial statements for the Year 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.

EVENTS AFTER THE END OF REPORTING PERIOD

(1) 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.

The Company intends to use the net proceeds as to approximately HK\$10.00 million for the settlement of liabilities of the Group when they fall due, and as to the approximately HK\$5.56 million for the replenishment of the working capital of the Group.

On 10 January 2022, the Subscription was completed and 314,503,450 subscription shares were allotted and issued to the Subscribers. As at the date of this announcement, the net proceeds from the Subscription were fully utilised as intended. For further details, please refer to the announcements of the Company dated 15 December 2021 and 10 January 2022.

(2) 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:

- (i) every ten issued and unissued Existing Shares of HK\$0.05 each will be consolidated into one Consolidated Share of HK\$0.50 each (the "Share Consolidation");
- (ii) the issued share capital of the Company will be 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 will be 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 will be 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 will be 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 may arise from the Share Consolidation; (ii) the Capital Reduction; and (iii) Share Premium Reduction will be 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.

Save and except otherwise disclosed in this results announcement, there is no other material events occurred subsequent to the date of consolidated statement of financial position.

CORPORATE GOVERNANCE

The Company is committed to implementing good corporate governance practices and emphasising transparency and accountability to its shareholders and stakeholders.

The Company had complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules throughout the Year except for the followings:

Code provision A.2.1 (subsequently rearranged and renumbered as C.2.1) of the CG Code stipulates that roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. KH Wong serves as the chairman of the Board (the “Chairman”) and also acts as the chief executive officer of the Company. 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.

Code provision A.4.1 (deleted with effect from 1 January 2022) of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. All Directors (including executive Directors and INEDs) are not appointed for a specific term but they are all subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company.

The Board has reserved for its decision and consideration issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group’s significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group’s corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group’s strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group’s senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board conducts at least four regular Board meetings a year and additional meetings will be held or resolutions in writing signed by all Directors in lieu of a meeting will be arranged as and when required. If a substantial shareholder of the Company or a Director has a conflict of interest in a transaction which the Board determines to be material, it will be considered and dealt with by the Board at a duly convened Board meeting. Comprehensive information on matters to be discussed at the Board meeting will be supplied to the Directors in a timely manner to facilitate discussion and decision-making.

DIRECTORS’ SECURITIES TRANSACTIONS

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

In response to the a specific enquiry made by the Company to the Directors, the Directors have confirmed that they had complied with the required standard of dealings of the Securities Code throughout the Year.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's independent auditor, Linksfield CPA Limited ("Linksfield"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Linksfield in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Linksfield on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.victoryhousefp.com/lchp/8150.html). The annual report of the Company for the year ended 31 December 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the aforesaid websites in due course.

The Company will give further notice on the proposed date of the forthcoming annual general meeting of the Company (the "AGM") and the book closure period for the purpose of ascertaining shareholders' eligibility to attend and vote at the AGM.

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

Hong Kong, 30 June 2022

As at the date of this announcement, the directors of the Company (the "**Directors**") are:

Executive Directors:

Mr. Wong Kin Hong (*Chairman*)
Mr. Huang Yonghua
Mr. Wong Tat Wa
Ms. Leung Po Yee

Independent Non-executive Directors:

Mr. Yan Guoniu
Mr. Tang Rong Gang
Mr. Ou Wei An
Mr. Ng Yu Ho, Steve

This announcement, for which the Directors 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 for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (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>)