SGC
Seamless Green China

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 2016

HIGHLIGHTS

- The Group recorded total revenue for the year ended 31 December 2016 of approximately HK$12.8 million, representing approximately 27.3% decline over 2015.
- The Group recorded an audited loss attributable to owners of the Company for the year ended 31 December 2016 of approximately HK$25.6 million, representing a decrease of loss of approximately 15.5% as compared to 2015.
- The Board does not recommend the payment of any dividends for the year ended 31 December 2016.

AUDITED ANNUAL RESULTS

The directors (the "Directors") of Seamless Green China (Holdings) Limited (the "Company") are pleased to announce the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 (the "Year") together with the comparative audited figures for the year ended 31 December 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Revenue	*4*	**12,822**	17,621
Cost of sales		**(12,367)**	(17,019)
Gross profit		**455**	602
Other income and gains	*5*	**1,170**	11,572
Selling and distribution costs		**(149)**	(83)
Administrative and other operating expenses		**(13,353)**	(34,716)
Change in fair value of investment property		**347**	(1,364)
Impairment loss on trade receivables		**(3,768)**	–
Impairment loss on other receivables		**(9,701)**	(1,900)
Loss from operations		**(24,999)**	(25,889)
Share of profits of associates		**176**	91
Finance costs	*7*	**–**	(4,875)
Loss before tax	*8*	**(24,823)**	(30,673)
Income tax (expense)/credit	*9*	**(114)**	378
Loss for the year		**(24,937)**	(30,295)
Other comprehensive income after tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign subsidiaries		**5,121**	(3,793)
Change in fair value of available-for-sale financial assets		**(302)**	(540)
Share of other comprehensive income of associates		**(3)**	–
Other comprehensive income for the year, net of tax		**4,816**	(4,333)
Total comprehensive income for the year		**(20,121)**	(34,628)

	Notes	**2016** **HK$'000**	2015 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(25,589)**	(30,295)
Non-controlling interests		**652**	–
		(24,937)	(30,295)
Total comprehensive income attributable to:			
Owners of the Company		**(20,773)**	(34,628)
Non-controlling interests		**652**	–
		(20,121)	(34,628)
Loss per share attributable to the owners of the Company			
– Basic	*11*	**HK(2.01) cents**	HK(3.08) cents
– Diluted	*11*	**HK(2.01) cents**	HK(3.08) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	**2016** HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**2,306**	2,363
Investment property		**14,183**	14,756
Interests in associates		**4,903**	4,730
Available-for-sale financial assets		**1,507**	1,809
Total non-current assets		**22,899**	23,658
Current assets			
Inventories		**291**	3,936
Trade and other receivables	*12*	**6,067**	17,846
Current tax recoverable		**36**	–
Cash and cash equivalents		**35,568**	39,316
Total current assets		**41,962**	61,098
TOTAL ASSETS		**64,861**	84,756
Current liabilities			
Trade and other payables	*13*	**9,478**	12,190
Current tax liabilities		**4**	4
Promissory notes		**15,000**	15,000
Total current liabilities		**24,482**	27,194
Net current assets		**17,480**	33,904
Total assets less current liabilities		**40,379**	57,562
Non-current liabilities			
Deferred tax liabilities		**1,039**	1,005
NET ASSETS		**39,340**	56,557
CAPITAL AND RESERVES			
Share capital		**64,350**	63,690
Reserves		**(24,184)**	(5,655)
Equity attributable to owners of the Company		**40,166**	58,035
Non-controlling interests		**(826)**	(1,478)
TOTAL EQUITY		**39,340**	56,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. Corporate information

Seamless Green China (Holdings) Limited (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 have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM") since 10 August 2001. Pursuant to a special resolution passed on 7 January 2008, the shareholders of the Company resolved to change the domicile of the Company from the Cayman Islands to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The re-domicile was completed on 22 January 2008. The change of domicile has no impact on the continuity and the listing status of the Company. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and 6/F, Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong respectively.

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

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

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Going concern basis

The Group incurred a loss attributable to owners of the Company for both the years ended 31 December 2015 and 2016, of HK$30,295,000 and HK$25,589,000 respectively. Notwithstanding this fact, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for at least the next twelve months based on its projected cash flow forecasts. The Group's management has reviewed the financial position of the Group as at 31 December 2016, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months and the Directors consider that the Group is financially viable to continue as a going concern.

2. Basis of preparation *(continued)*

Going concern basis *(continued)*

In addition, if necessary, the Group can also improve its financial position, immediate liquidity and cash flows, by adopting the following measures:

(a) the management can increase the capital base of the Group through various fund-raising exercise, including but not limited to, issuing right shares to the qualifying shareholders and/or placing of new shares; and

(b) the Directors will take action to reduce cost.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value 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 liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

3. Adoption of new and revised Hong Kong Financial Reporting Standards and requirements

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2016. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2016. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 7 Statement of Cash Flows: Disclosure initiative	1 January 2017
Amendments to HKAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses	1 January 2017
HKFRS 9 Financial Instruments	1 January 2018
Amendments to HKFRS 4 Insurance Contracts: Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to HKFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 16 Leases	1 January 2019
Amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates: Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

HKFRS 9 Financial Instruments

The standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from HKAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

HKFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in HKAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in HKAS 39 are carried forward largely unchanged.

HKFRS 9 substantially overhauls the hedge accounting requirements in HKAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The Group's financial assets that are currently classified as available-for-sale include certain listed and unlisted equity securities. The Group expects to irrevocably designate these equity securities as fair value through other comprehensive income. This will give rise to a change in accounting policy. The equity securities are currently measured at fair value with fair value changes recognised in other comprehensive income until disposal or impairment at which point the fair value gains or losses are recycled to profit or loss. Under HKFRS 9 recycling of the fair value gains and losses is not permitted. HKFRS 9 requires fair value measurement with fair value changes recognised in other comprehensive income without recycling.

The new expected credit loss impairment model in HKFRS 9 may result in the earlier recognition of impairment losses on the Group's trade receivables and other financial assets. The Group is unable to quantity the impact until a more detailed assessment is completed.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

HKFRS15 requires an entity to recognise revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services and recognises revenue in accordance with the core principle by applying a 5-step model which requires to consider and identify the performance obligations in contract and to determine the transaction price.

The Group estimates that there would not have a material impact on its results of operations and financial position.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under HKFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

The Group's future minimum lease payments under non-cancellable operating leases for its offices, staff quarters and motor vehicle amounted to HK$1,426,000 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in HKFRS 16 and the effects of discounting.

4. Revenue

The Group's revenue represents the sales of goods supplied to customers, net of discounts and sales related tax during the Year.

5. Other income and gains

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

	2016	2015
	HK$'000	HK$'000
Bank interest income	**1,067**	471
Reversal of allowance for other receivables	**–**	10,800
Others	**103**	301
	1,170	11,572

6. Segment information

Segment information reported by the Group's operating division to the chief operating decision maker ("CODM"), i.e. the Directors, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group's operating and reportable segments under HKFRS 8 are as follows:

(a) The synthetic sapphire watch crystals segment ("Sapphire") is a supplier of watch crystals mainly for use in the manufacturing of watch products;

(b) The optoelectronic products segment ("Optoelectronic") is a supplier of optoelectronic products for use in the watch products;

(c) The liquor products segment ("Liquor") is in trading of wine; and

(d) The LED lighting products segment ("LED") is in manufacturing and trading of LED lighting products.

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

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the Year (2015: HK$Nil).

Reportable segment results represent the profit or loss resulted by each segment and do not include bank interest income, change in fair value of investment property, impairment loss on other receivables, reversal of allowance for other receivables, share of profits of associates, interest on promissory notes and unallocated corporate expenses.

Segment assets do not include unallocated corporate assets, including bank and cash balances, investment property, interests in associates and available-for-sale financial assets. Segment liabilities do not include promissory notes, unallocated corporate liabilities and current and deferred tax liabilities.

(a) Segment revenue and results

	Sapphire	Optoelectronic	Liquor	LED	Total for reportable segments
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 December 2016					
Revenue from external customers	**–**	**971**	**4,636**	**7,215**	**12,822**
Segment results	**(328)**	**(9,547)**	**1,347**	**(4,955)**	**(13,483)**
Year ended 31 December 2015					
Revenue from external customers	–	3,657	–	13,964	17,621
Segment results	(2,448)	(550)	(32)	(12,443)	(15,473)

	2016	2015
	HK$'000	HK$'000
Reconciliation:		
Total profit or loss of reportable segments	**(13,483)**	(15,473)
Unallocated amounts:		
Unallocated corporate income	**26**	502
Bank interest income	**–**	6
Change in fair value of investment property	**347**	(1,364)
Impairment loss on other receivables	**(1,103)**	(1,900)
Reversal of allowance for other receivables	**–**	10,800
Share of profits of associates	**176**	91
Interest on promissory notes	**–**	(4,875)
Unallocated corporate expenses		
– Staff costs	**(2,829)**	(11,055)
– Others	**(7,957)**	(7,405)
Consolidated loss before tax	**(24,823)**	(30,673)

(b) Segment assets and liabilities

	Sapphire	Optoelectronic	Liquor	LED	Total for reportable segments
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2016					
Segment assets	**–**	**90**	**–**	**41,132**	**41,222**
Segment liabilities	**(2,349)**	**(1,273)**	**(22)**	**(2,542)**	**(6,186)**
At 31 December 2015					
Segment assets	538	1,785	3,273	53,573	59,169
Segment liabilities	(5,197)	(1,494)	–	(4,414)	(11,105)

	2016	2015
	HK$'000	HK$'000
Reconciliation:		
Total assets of reportable segments	**41,222**	59,169
Unallocated assets		
– Investment property	**14,183**	14,756
– Interests in associates	**4,903**	4,730
– Available-for-sale financial assets	**1,507**	1,809
– Bank and cash balances	**976**	795
– Others	**2,070**	3,497
Consolidated total assets	**64,861**	84,756
Total liabilities of reportable segments	**(6,186)**	(11,105)
Unallocated liabilities		
– Promissory notes	**(15,000)**	(15,000)
– Current tax liabilities	**(4)**	(4)
– Deferred tax liabilities	**(1,039)**	(1,005)
– Others	**(3,292)**	(1,085)
Consolidated total liabilities	**(25,521)**	(28,199)

(c) Other segment information

For the year ended 31 December 2016**:**

	Sapphire	**Optoelectronic**	**Liquor**	**LED**	**Unallocated**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Capital expenditure	**–**	**–**	**–**	**580**	**32**	**612**
Interest income	**–**	**–**	**–**	**1,066**	**1**	**1,067**
Interest expenses	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation	**312**	**–**	**–**	**124**	**27**	**463**
Income tax expense	**–**	**–**	**–**	**15**	**99**	**114**
Impairment losses on trade and other receivables	**–**	**7,257**	**–**	**5,108**	**1,104**	**13,469**

For the year ended 31 December 2015:

	Sapphire	Optoelectronic	Liquor	LED	Unallocated	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Capital expenditure	–	6	–	1,984	109	2,099
Interest income	–	1	–	464	6	471
Interest expenses	–	–	–	–	4,875	4,875
Depreciation	312	8	–	12,540	744	13,604
Income tax expense/(credit)	–	–	–	10	(388)	(378)
Impairment losses on trade and other receivables	–	–	–	–	1,900	1,900

(d) Geographical information

The Group's operations are mainly located in Hong Kong and the People's Republic of China (the "PRC").

The Group's revenue from external customers by location of operation and information about its non-current assets by location of assets are detailed below:

	Revenues from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**3,455**	1,566	**500**	417
PRC	**2,646**	9,284	**20,892**	21,432
Macau	**3,552**	–	–	–
South America	**1,092**	–	–	–
Philippines	**2,077**	6,771	–	–
	12,822	17,621	**21,392**	21,849

(e) Information about major customers

The following table set out the information for the Group's customers contributing over 10% total revenue:

	2016	2015
	HK$'000	HK$'000
Customer A	**3,552**	–
Customer B	**2,190**	1,566
Customer C	**2,078**	6,771
	7,820	8,337

Save as disclosed above, there was no other single customer contributing over 10% total revenue of the Group for the year ended 31 December 2016.

7. Finance costs

	2016	2015
	HK$'000	HK$'000
Interest on promissory notes	**–**	4,875

8. Loss before tax

The Group's loss before tax is stated at after charging/(crediting) the following:

	2016	2015
	HK$'000	HK$'000
Depreciation	**463**	13,604
Impairment losses on		
– Trade receivables	**3,768**	–
– Other receivables	**9,701**	1,900
Cost of inventories	**12,367**	17,019
Allowance for inventories (included in administrative and other operating expenses)	**407**	2,110
Reversal of allowance for other receivables	**–**	(10,800)
Reversal of allowance for inventories (included in administrative and other operating expenses, 2015: included in cost of inventories)	**(1,364)**	(1,156)
Operating leases charges:		
– Buildings	**1,609**	1,159
– Motor vehicle	**17**	–
Auditor's remuneration		
– Current year	**635**	600
– Under-provision for prior year	**77**	–
Foreign exchange loss/(gain)	**621**	(1,791)
Other equity–settled share-based payments	**–**	8,492

Cost of inventories sold includes staff costs, depreciation and operating lease charges of HK$592,000 (2015: HK$599,000) and reversal of allowance for inventories of Nil (2015: HK$1,156,000) which are included in the amounts disclosed separately above.

9. Income tax expense/(credit)

Income tax has been recognised in profit or loss as followings:

	2016	2015
	HK$'000	HK$'000
Provision for current income tax		
– PRC Enterprise Income Tax	**15**	10
Deferred tax	**99**	(388)
	114	(378)

No provision for Hong Kong Profits Tax has been provided in the consolidated financial statements as there was no estimated assessable profit for the year ended 31 December 2016 (2015: HK$Nil).

PRC Enterprise Income Tax is calculated at 25% (2015: 25%).

10. Dividends

The Board does not recommend the payment of any dividends to the owners of the Company for the year ended 31 December 2016 (2015: HK$ Nil).

11. Loss per share

(a) Basic loss per share

The basic loss per share is calculated based on the loss attributable to the owners of the Company of HK$25,589,000 (2015: 30,295,000) and the weighted average number of 1,274,419,159 shares (2015: 984,134,912) in issue during the Year.

(b) Diluted loss per share

Diluted loss per share for the year ended 31 December 2016 was same as the basic loss per share as the potential shares arising from the exercise of the Company's share options would decrease the loss per share of the Group for the Year and is regarded as anti-dilutive.

12. Trade and other receivables

	2016	2015
	HK$'000	HK$'000
Trade receivables	**4,970**	9,373
Allowance for doubtful debts	**(3,635)**	–
	1,335	9,373
Loan receivables	**2,006**	2,006
Other receivables	**447**	2,920
Prepayments and deposits	**2,279**	3,547
	6,067	17,846

The Group's terms on credit sales primarily ranged from 30 to 90 days (2015: 30 to 90 days). The aging analysis of the trade receivables (net of allowance for doubtful debts) at the end of the reporting period, based on the invoice date, is as follows:

	2016	2015
	HK$'000	HK$'000
0 – 30 Days	**363**	1,593
31 – 60 Days	**–**	2,984
61 – 90 Days	**873**	2,648
Over 90 Days	**99**	2,148
	1,335	9,373

13. Trade and other payables

	2016	2015
	HK$'000	HK$'000
Trade payables	**1,700**	4,263
Other payables and accrued charges	**7,778**	7,927
	9,478	12,190

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

	2016	2015
	HK$'000	HK$'000
0 – 30 Days	**1,585**	4,183
31 – 60 Days	**4**	–
61 – 90 Days	**–**	79
Over 90 Days	**111**	1
	1,700	4,263

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

BUSINESS AND FINANCIAL REVIEW

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

Total revenue of the Group for the Year amounted to approximately HK$12.8 million, representing a 27.3% decrease from that of approximately HK$17.6 million generated in 2015. Loss attributable to owners of the Company for the Year was approximately HK$25.6 million while such loss was approximately HK$30.3 million in 2015.

Sapphire watch crystals division

The Group did not generate any revenue during the Year (2015: Nil).

Optoelectronics products division

The Group recorded a revenue of approximately HK$1.0 million for the Year (2015: approximately HK$3.7 million), representing a decrease of approximately HK$2.7 million.

Trading of liquor products division

The Group recorded a revenue of approximately HK$4.6 million for the year (2015: Nil).

LED lighting products division

The Group recorded a revenue of approximately HK$7.2 million for the Year (2015: approximately HK$14.0 million), representing a decrease of approximately HK$6.8 million.

Other income and gains

Other income and gains for the Year amounted to approximately HK$1.2 million, representing a decrease of approximately HK$10.4 million from that of HK$11.6 million generated in 2015. The significant decrease in other income and gains was mainly due to the one-off reversal of allowances for other receivables of HK$10.8 million in 2015 which was not recorded in 2016.

Selling and distribution costs for the Year amounted to approximately HK$149,000. This represented an increase of approximately HK$66,000 from that recorded for 2015.

Total administrative and other operating expenses were approximately HK$13.4 million for the Year (2015: approximately HK$34.7 million), representing a decrease of HK$21.3 million. The decrease in administrative and other operating expenses was mainly due to the significant decrease in share-based payment during the Year and decrease in depreciation charge resulted from certain plant and machineries that fully depreciated in 2015.

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. To maintain or adjust the capital structure, the Directors may adjust the dividend payment to the Shareholders, return capital to the Shareholders or issue new shares.

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

The shareholders' funds of the Group decreased to approximately HK$39.3 million as at 31 December 2016 (2015: approximately HK$56.6 million), which was mainly resulted from the operating loss for the Year. The Group's current assets amounted to approximately HK$42.0 million as at 31 December 2016 (2015: approximately HK$61.1 million), of which approximately HK$35.6 million (2015: approximately HK$39.3 million) was cash and cash equivalents.

As at 31 December 2016, the Group had cash and cash equivalents of approximately HK$35.6 million (2015: approximately HK$39.3 million), of which approximately 9%, 89% and 2% (2015: approximately 15%, 78% and 7%) were denominated in HK$, Chinese Renminbi ("RMB") and United States dollars ("USD") respectively.

As at 31 December 2016, the Group's borrowing comprised the promissory notes amounting to approximately HK$15,000,000 (2015: approximately HK$15,000,000). The promissory notes were repayable within one year and are denominated in Hong Kong dollars.

The Group's gearing ratio as at 31 December 2016 was -38.1% (2015: -26.4%). The Group's gearing ratio was kept at a low level as other than the promissory notes of approximately HK$15,000,000 (2015: approximately HK$15,000,000), the Group had no other borrowings. Gearing ratio is calculated by dividing the net debt with the aggregate of total capital and net debt. Net debt includes trade payables and other payables, and promissory notes, less cash and cash equivalents. Total capital represents equity attributable to owners of the Company.

After considering the Group's financial results for the Year 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.

Foreign currency risk

During the Year, the Group had transactional currency exposures as the sales and purchases of the Group were mainly transacted in USD, RMB and HK$.

During the Year, the exchange rate of USD was quite stable and the exchange rate of RMB was comparatively volatile.

As at 31 December 2016, the Group had not hedged any foreign currency sales to reduce such foreign currency risk. The management will, however, monitor this risk and if the exchange rates of these foreign currencies have continuous fluctuation, the management will consider using forward currency contracts to reduce these risks.

Contingent liabilities

At 31 December 2016, the Group had no material contingent liabilities.

Employees and remuneration policies

As at 31 December 2016, the Group had 38 employees (2015: 53). 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 2016 were approximately HK$5.9 million (2015: approximately HK$3.9 million). The increase in the staff costs was primarily due to the increase in staff costs for operation.

Litigation

(i) On 6 March 2012, a writ of summons was issued by JMM Business Network Investments (China) Limited ("JMM") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors; and (b) the Company. In this action, JMM sought to challenge the validity of a notice of special general meeting of the Company dated 9 February 2012, but did not specify any monetary claim against the Company. The Directors have not been aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely to result in any significant financial impact on the Company.

(ii) On 14 March 2012, a writ of summons was issued by Good Capital Resources Limited ("Good Capital") against (a) Mr. Chan Ka Ming, Mr. Nee, Henry Pei Ching, Mr. Ho Chun Kit Gregory, Mr. Tam Chak Chi, Mr. Ng Kai Shing, Mr. Jal Nadirshaw Karbhari and Ms. Chan Sze Man, all former Directors; and (b) the Company. In this action, Good Capital sought to challenge the validity of the issuance of certain warrants and the grant of certain share options of the Company in March 2012, but did not specify any monetary claim against the Company. The Directors have not been aware of any material progress of this action since as early as the third quarter of 2012. As such, the Directors are of the view that the action is unlikely to result in any financial impact on the financial statements of the Company.

(iii) Under action HCA 987/2016, Good Return (BVI) Limited ("Good Return"), a wholly-owned subsidiary of the Company, claims against Wickham Ventures Limited ("Wickham") and Ms. Lee Hei Wun ("Ms. Lee") for, among others, the shortfall of a profit guarantee in a total sum of HK$16,188,374 pursuant to the sale and purchase agreement under which Good Return acquired Arnda Semiconductor Limited from Wickham.

On 31 May 2016, the Statement of Claim was filed and served to Ms. Lee. On 21 July 2016, Ms. Lee filed a Defence and Counterclaim alleging misrepresentation and breach of contract on the part of Good Return and claiming damages. She also seeks to rectify and rescind previous agreements. The damages claimed by Ms. Lee have not been quantified in her Defence and Counterclaim. On 1 December 2016, Good Return filed and served its Reply and Defence to Counterclaim. At present, Good Return is in the course of preparing the Mediation Certificate/Notice and the Timetabling Questionnaire.

(iv) On 11 February 2015, the Company and Silver Bonus Limited, a wholly-owned subsidiary of the Company and the purchaser to the acquisition of equity interests in Neo Partner Investment Ltd. (the "Target Company"), issued a writ of summons in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region against (i) Shinning Team Investment Limited (the second vendor) as the 1st defendant; (ii) Mr. Lau Hin Chung (the first vendor) as the 2nd defendant; (iii) the Target Company as the 3rd defendant; (iv) Harvest View (China) Limited as the 4th defendant; (v) Mr. Chen Zai as the 5th defendant; (vi) two former executive Directors, namely Mr. Ho Chun Kit, Gregory and Mr. Lee Tat Wing as the 6th and 7th defendants, respectively, claiming for, among other things, the following reliefs:

(1) damages for breach of the sale and purchase agreement and its supplemental agreement (collectively, the "Agreements") against the 1st and 2nd defendants;

(2) damages and/or rescission of the Agreements for misrepresentation against the 1st to 5th defendants;

(3) damages for negligence and breach of fiduciary duties as Directors against the 6th and 7th defendants;

(4) a declaration that the promissory notes issued under the Agreements are null and void and unenforceable;

(5) costs; and

(6) further and/or other relief.

(v) On 20 April 2016, a writ of summons was issued and filed in the High Court of Hong Kong by an individual, namely Zhu Jun Min (the "Claimant") against the Company for claiming a sum of approximately HK$3.5 million, being the face value of a promissory note allegedly issued by the Company to the Claimant in 2013.

Upon the Claimant's request, the Company agreed to have the proceedings further stayed till 6 July 2017. The further stay is subject to the Court's approval.

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

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

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

Pledge of assets

As at 31 December 2016, the Group had no pledge of assets.

Segment information

An analysis of the Group's performance for the Year by the type of goods sold is set out in note 6 to the annual results announcement and is further elaborated under the "Business and Financial Review" of this section.

PROSPECTS

The Company will conduct a review on the business operations and financial position of the Company for the purpose of formulating business plans and strategies for its future business development, which would enable the Group to diversify its business and broaden its income sources. In addition, the Company will divest in the business areas which did not perform well in past years and/or do not have good business prospects with a view to allocating the resources of the Company to and concentrating on the business areas which have better business prospects, and exploring other business and investment opportunities.

With the lead of the management team, the Company is actively exploring business opportunities in other sectors to diversify risks and broaden the sources of income of the Company. The Company has adequate resources to continue with its business operations, and will continue to focus on its corporate objective to develop current businesses in order to strengthen its competitiveness, integrate its capital resources and contribute a maximum wealth to our equity holders.

The Group will take possible opportunities in the financial markets to raise funds to facilitate future merger and acquisition activities and/or to increase the working capital of the Group.

The Group had commenced its LED lighting products trading business in late 2014. The Group will continuously focus on the LED lighting products business in 2017 and the Board and the management believe that this can improve the Group's financial performance.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: 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 5.28 of the GEM Listing Rules, the Company has established an audit committee (the "Audit Committee") with written terms of reference (revised on 30 December 2015 in compliance with the GEM Listing Rules), 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 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 audited consolidated financial statements for the Year and this results announcement 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.

SUBSEQUENT EVENT

The Group had no material event subsequent to 31 December 2016, the end of the reporting period and up to the date of this announcement.

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 following:

Code provision A.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. Wong Kin Hong 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 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.

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.

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 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 and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, RSM Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by RSM Hong Kong 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 RSM Hong Kong on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkex.news.hk) and the Company's website (www.victoryhousefp.com/lchp/8150.html). The annual report of the Company for the Year will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 24 March 2017

As at the date of this announcement, the Board comprises: Mr. Wong Kin Hong (Chairman), Mr. Huang Yonghua, Mr. Wong Tat Wa, Ms. Leung Po Yee, Mr. Gao Hong and Mr. Li Zhi Qiang as executive Directors; and Mr. Yan Guoniu, Mr. Tang Rong Gang, Mr. Ou Wei An and Mr. Ng Yu Ho, Steve as INEDs.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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).