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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent
Premier Q Securities Limited



On 29 June 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the conditions precedent to the Placing, a maximum of 314,500,000 Placing Shares to not less than six independent Placees at a price of HK\$0.10 per Placing Share.

The Placing Price of HK\$0.10 per Placing Share represents: (i) a premium of approximately 14.94% over the closing price of HK\$0.0870 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 49.70% over the average closing price of approximately HK\$0.0668 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 314,500,000 Placing Shares represents approximately 20.00% of the issued share capital of the Company of 1,572,517,252 Shares as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 314,500,000 Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$31.45 million and HK\$30.70 million, respectively. The Company intends to use such net proceeds as to approximately HK\$24.00 million for the settlement of liabilities of the Group when they fall due, and as to the remaining HK\$6.70 million for the replenishment of the working capital of the Group.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

Date

29 June 2021 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Placees

It is intended that the Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the conditions precedent to the Placing, a maximum of 314,500,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 314,500,000 Placing Shares represents approximately 20.00% of the issued share capital of the Company of 1,572,517,252 Shares as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 314,500,000 Placing Shares. The aggregate nominal value of the maximum number of 314,500,000 Placing Shares is HK\$15,725,000.00.

Placing Price

The Placing Price of HK\$0.10 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares. The Placing Price represents:

- (i) a premium of approximately 14.94% over the closing price of HK\$0.0870 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 49.70% over the average closing price of approximately HK\$0.0668 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

Subject to the completion of the Placing, the Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to, amongst other things, the prevailing market rate.

Condition of the Placing

Completion of the Placing is conditional upon the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares.

If the above condition is not satisfied on or before 20 July 2021 (or such later date as may be agreed between the Placing Agent and the Company) (the "**Long Stop Date**"), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and terminate and neither party shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination. None of the conditions to the Placing may be waived by any party to the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within five business days after the fulfillment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

Rescission of the Placing Agreement

If any of the following events occur at any time prior to 10:00 a.m. on the date of completion of the Placing (the “**Completion Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 28 September 2020. Pursuant to the General Mandate, the Company was authorized to issue and allot up to 314,503,450 Shares, representing 20% of the number of Shares in issue on the date of passing of such resolution. The General Mandate has not been previously utilized prior to the issue of the Placing Shares. As the Placing Shares are to be issued under the General Mandate, the issue of the Placing Shares is not subject to any Shareholders' approval.

REASONS FOR ENTERING INTO THE PLACING AGREEMENT

The Company is an investment holding company. The Group's principal business activities include 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.

As disclosed in the Company's annual report 2020, the primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the value of the Shareholders. The Group's gearing ratio (defined as net debt divided by total capital) increased from 47.8% for the year ended 31 December 2019 to 65.3% for the year ended 31 December 2020, due to increase in other borrowings during the year. In addition, as at 31 December 2020, the cash and cash equivalent of the Group amounted to approximately HK\$11.2 million, whereas the current liabilities of the Group amounted to approximately HK\$97.8 million.

In the light of the uncertainties in the global financial market, the Directors are of the view that it is desirable for the Company to enhance its capital base through the Placing with the view to strengthen the cash and financial position of the Group and its power to mitigate business and financial risks, and to maintain sufficient cash reserve to enhance the financial flexibility of the Group when exploring suitable investment and acquisition opportunities for the business development of the Company.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$31.45 million and HK\$30.70 million, respectively. The Company intends to use such net proceeds as to approximately HK\$24.00 million for the settlement of liabilities of the Group when they fall due, and as to the remaining HK\$6.70 million for the replenishment of the working capital of the Group. Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.0976 per Placing Share.

The Directors have considered various fund raising methods and believe that under the prevailing market conditions, the Placing represents the most efficient method for the Group to raise funds to reduce liabilities and to replenish the working capital of the Group. As compared to debt financing, the fund-raising by the Placing does not incur any interest cost. As compared to rights issue or open offer which requires the preparation of a prospectus, the Directors consider that the Placing involves less administrative work and costs.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the twelve months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing):

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Ling Elisabeta	118,500,000	7.54	118,500,000	6.28
Zhou Caiying	94,050,000	5.98	94,050,000	4.98
Wong Kin Hong (<i>Note</i>)	25,500,000	1.62	25,500,000	1.35
Placees	–	–	314,500,000	16.67
Other public shareholders	<u>1,334,467,252</u>	<u>84.86</u>	<u>1,334,467,252</u>	<u>70.72</u>
Total	<u><u>1,572,517,252</u></u>	<u><u>100.00</u></u>	<u><u>1,887,017,252</u></u>	<u><u>100.00</u></u>

Note:

Mr. Wong Kin Hong is the Chairman and an executive Director of the Company.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“business day”	any day (excluding a Saturday, Sunday and any other public holidays on which banks generally are open for business in Hong Kong throughout their normal business hours
“Company”	Seamless Green China (Holdings) Limited, a company incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM with stock code: 8150
“connected person(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 28 September 2020 to issue and allot up to 314,503,450 Shares, representing 20% of the number of Shares in issue on the date of passing of such resolution
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates
“Placee(s)”	professional, institutional or other investors who are Independent Third Parties, procured by the Placing Agent or any of its sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing
“Placing”	the best-effort placing of up to 314,500,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Premier Q Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 29 June 2021 in relation to Placing
“Placing Price”	HK\$0.10, being the subscription price per Placing Share
“Placing Shares”	a maximum of 314,500,000 Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 29 June 2021

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

Executive Directors

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

Independent Non-executive Directors

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

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 Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of this publication. This announcement will also be published on the website of the Company at <http://www.victoryhousefp.com/lchp/8150.html>.