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GREATERCHINA PROFESSIONAL SERVICES LIMITED

漢華專業服務有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8193)

DISCLOSEABLE TRANSACTION — ACQUISITION OF INTERESTS IN A COMPANY

THE ACQUISITION

The Board is pleased to announce that on 9 December 2015 (after trading hours), the Purchaser entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Purchaser has conditionally agreed to acquire and accept, 95% of the issued share capital of the Target Company at the Consideration of HK\$80,750,000, which will be satisfied by cash.

Upon Completion, the Target Company will become a subsidiary of the Purchaser and the financial information of the Target Group will be consolidated into the accounts of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition (taking into the account of the Shareholder's Loan) are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Reference is made to the Company's announcement dated 20 October 2015, pursuant to which it was announced that the non-legally binding Memorandum was entered into between the Purchaser and the Vendor for the possible acquisition of not less than 30% and not more than 70% of the entire issued share capital in the Target Company.

After taking into consideration of the reasons and benefits for the Acquisition as described in the section headed "Reasons and Benefits for the Acquisition", the Company has revised the abovementioned plan from acquiring not less than 30% and not more than 70%, to acquiring 95% of the issued share capital of the Target Company. The Board is pleased to announce that on 9 December 2015 (after trading hours), the Purchaser, being the wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the

* For identification purpose only

Vendor, pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Purchaser has conditionally agreed to acquire and accept, 95% of the issued share capital of the Target Company.

Details of the Acquisition are set out as follows:

THE SALE AND PURCHASE AGREEMENT

Date: 9 December 2015 (after trading hours)

Parties: (i) Zhong Nan Investments Limited (as the Purchaser); and
(ii) Mr. Lai Kui Shing, Andy (as the Vendor).

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor is an Independent Third Party as at the date of this announcement.

Upon Completion, the Target Company will become a subsidiary of the Company and the financial information of the Target Group will be consolidated into the accounts of the Group.

Assets to be acquired

The Sale Shares, being 2,688,500 shares of US\$1 each in the share capital of the Target Company, representing 95% of the issued share capital of Target Company.

Consideration

The consideration for the sale and purchase of the Sale Shares is HK\$80,750,000, which shall be settled in the following manner:

- (i) the Deposit in the amount of HK\$5,000,000 has been paid by the Purchaser (or its nominee) to the Vendor upon the execution of and in accordance with the terms of the Memorandum; and
- (ii) the Remaining Balance in the amount of HK\$75,750,000 shall be payable by the Purchaser to the Vendor within 7 days upon the signing of the Sale and Purchase Agreement. The Remaining Balance is financed by the net proceeds from the placing and the subscription of Shares completed in October 2015.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor, with reference to:

- (i) the Full-Year Guaranteed Profit for the First Full-Year Period of not less than HK\$8,500,000;
- (ii) the amount of capital to be injected to the Target Company in the form of a shareholder's loan to be advanced from the Purchaser within 6 months from Completion, please refer to the section headed "Information on the Target Group — Shareholder's Loan" below for further details; and

(iii) the reasons and benefits for the Acquisition as described below.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Conditions

Completion is subject to the satisfaction (or waiver) of all of the following conditions:

- (A) the Purchaser being in its sole and absolute discretion satisfied with the results of the due diligence investigation in respect of the Target Group;
- (B) all necessary consents, licenses and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendor and the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (C) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (D) there being no material breach of any of the warranties in respect of the Target Group on Completion;
- (E) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of the Target Company and/or IBL having been obtained;
- (F) all reasonably relevant approvals, consents, licences and/or permits in relation to the transaction contemplated hereunder, having been obtained; and
- (G) the clearance of all announcement(s) and circular(s) (if required) to be issued by the Company under the GEM Listing Rules and granting of all approvals, if necessary by the Stock Exchange or by the Shareholders in respect of all transactions contemplated by the Sale and Purchase Agreement.

The Vendor shall use his best endeavours to assist the Purchaser in connection with the due diligence review to be conducted under condition (A) above and, in particular, shall procure that all information and documents required pursuant to applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Purchaser, the SFC and other relevant regulatory authorities.

Each of the Purchaser and the Vendor shall use their respective best endeavours to procure the fulfillment of the above conditions (to the extent applicable). For the avoidance of doubt, the Purchaser shall use its best endeavours, as assisted by the Vendor, to apply for, secure and obtain the approval from SFC in relation to the change of substantial shareholder (as defined in the SFO) of the Target Company and/or IBL.

If the above conditions have not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on 9 September 2016 or such later date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine (other than the clauses regarding confidentiality, costs, notice and which shall continue to have full force and effect) and neither party shall have any obligations and liabilities towards each other (without prejudice to the rights of any of the parties thereto in respect of antecedent breaches), and in such event the Deposit and the Remaining Balance (without interest) shall be refunded to the Purchaser forthwith.

If Completion does not take place as a result of the sole default of the Purchaser, the Vendor may forthwith terminate the Sale and Purchase Agreement by giving notice of termination in writing to the Purchaser to such effect, in which event the Vendor shall be entitled to forfeit the Deposit and the Remaining Balance absolutely and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

If Completion does not take place as a result of the sole default of the Vendor, the Purchaser may forthwith terminate the Sale and Purchase Agreement by giving notice of termination in writing to the Vendor to such effect, in which event the Vendor shall forthwith refund the Deposit and the Remaining Balance, to the Purchaser and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

Completion

Completion will take place on the third Business Day after the last of the above conditions is satisfied (or waived as the case may be).

Profit guarantee

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has irrevocably warranted and guaranteed to the Purchaser that the Net Profit for the Full-Year Period will not be less than HK\$8,500,000 (the “**Full-Year Guaranteed Profit**”).

In the event that the actual Net Profit (“**Full-Year Actual Profit**”) for the Full-Year Period is less than Full-Year Guaranteed Profit, the Vendor shall indemnify the Purchaser an amount in cash calculated according to the following formula:

$$\text{Guaranteed Profit Compensation} = \frac{(\text{Full-Year Guarantee Profit} - \text{Full-Year Actual Profit})}{10} \times 95\%$$

The multiple of 10 was arrived at after arm’s length negotiation between the Purchaser and the Vendor, which represents the implied price-to-earnings ratio derived by reference to the Consideration over 95% of the Full-Year Guaranteed Profit.

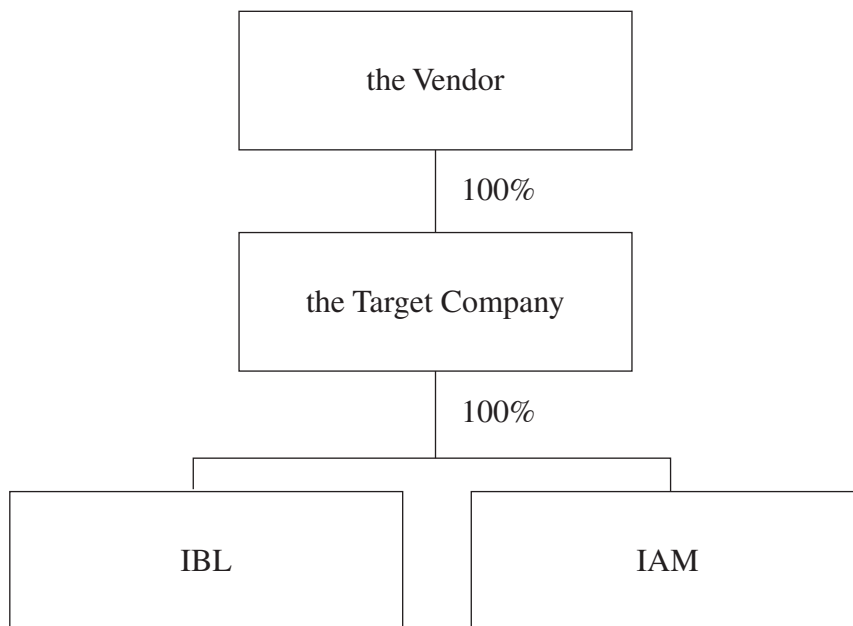
In the event that payment of the Guaranteed Profit Compensation is required, the Vendor shall be obliged to pay the Purchaser within five (5) Business Days upon the receipt of the certificate for the audited Net Profit (the “**Auditors’ Certificate**”) for the Full-Year Period an amount equivalent to the Guaranteed Profit Compensation in cash, or in such other manner as the Vendor and the Purchaser may agree subject to compliance with all applicable laws and regulations.

The Vendor and the Purchaser shall procure that the Consolidated AFS of the Target Group for the Full-Year Period be prepared, issued and reported on by the Company’s auditors before the date falling four (4) months after the expiry of the Full-Year Period.

For the avoidance of doubt, should the Target Group record a loss in its Consolidated AFS during the Full-Year Period, the Full-Year Actual Profit for the Full-Year Period shall be deemed as zero.

INFORMATION ON THE TARGET GROUP

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



The Target Company is an investment holding company incorporated was established in the British Virgin Islands on 25 June 2010. As at the date of this announcement, the Target Company is authorised to issue an unlimited number of shares of a single class each with a par value of US\$1.00 each, and it has 2,830,000 shares in issue, which are fully paid up by the Vendor.

IBL is a limited liability company incorporated in Hong Kong on 28 April 1989. It is a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activity. The principal activities of IBL are securities dealing and investment and provision of securities brokerage services.

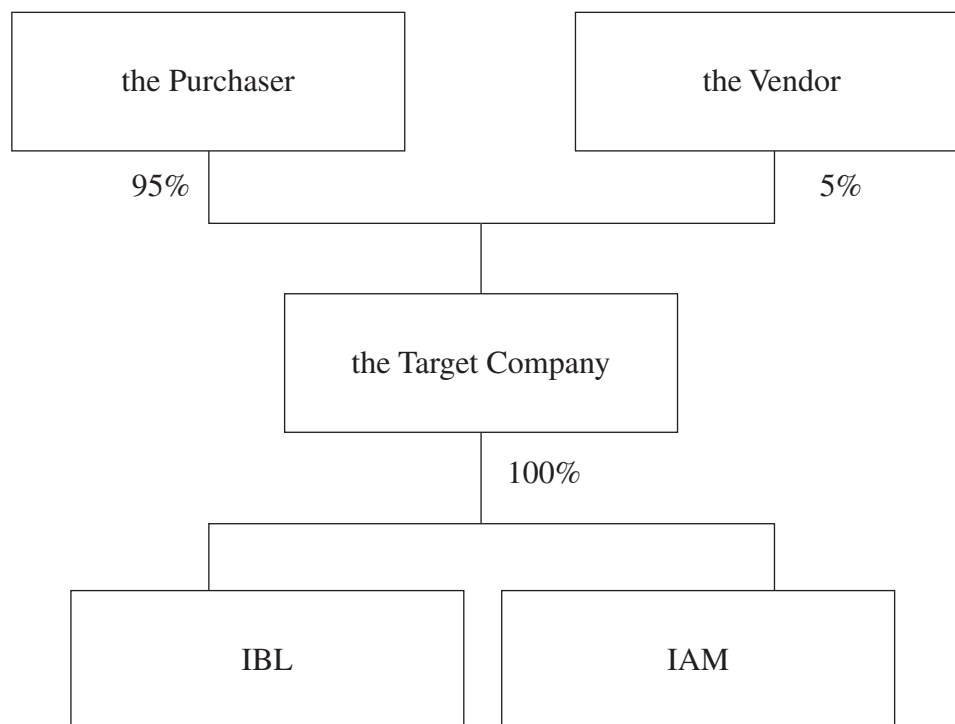
IAM is a limited liability company incorporated in Hong Kong on 30 October 2012. It has no business operation as at the date of this announcement.

Each of the Target Company and IAM has no business entity. The following is a summary of the financial information of IBL as extracted from its audited financial statements for the two financial years ended 31 March 2014 and 2015:

	For the year ended 31 March 2014 HK\$'000	For the year ended 31 March 2015 HK\$'000
Net profit (loss) before taxation	323	(3,210)
Net profit (loss) after taxation and extraordinary items	323	(3,210)

As at 31 October 2015, the unaudited consolidated net assets of the Target Group were approximately HK\$11,862,000.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company. Set out below is the shareholding structure of the Target Group immediately after Completion:



Shareholder's Loan

It is a term under the Sale and Purchase Agreement that subject to Completion taking place, the Purchaser shall advance HK\$69,250,000 in the form of shareholder's loan ("Shareholder's Loan") to the Target Company for its business operation within 6 months from Completion.

The above Shareholder's Loan will be financed by the net proceeds from the placing and the subscription of Shares completed in October 2015.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the provision of asset appraisal and asset advisory services, corporate services and consultancy services, media advertising and financial services.

REASONS AND BENEFITS FOR THE ACQUISITION

As disclosed in the circular of the Company dated 27 August 2015 in relation to, among others, the placing and subscription of new shares of the Company, it has been the Group's plan to develop into the securities brokerage business. In light of the launch of the Shanghai-Hong Kong Stock Connect and the potential launch of the Shenzhen-Hong Kong Stock Connect, it is expected that Hong Kong's securities market will be benefited from these mutual market access scheme in which more capital will flow into the securities market of Hong Kong. In this regards, the Directors consider acquiring a securities brokerage company and financing its development will capture the business opportunities of the securities market of Hong Kong.

The Directors consider that the Acquisition is in line with the Group's business diversification strategy and represents an attractive investment opportunity of the Group to tap into the securities brokerage industry in Hong Kong with growth potential and to generate diversified income and additional cashflow.

Having considered (i) the future development prospects of the businesses of the Target Group and the terms of the Sale and Purchase Agreement, in particular, the Full-Year Guaranteed Profit, the Directors are of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition (taking into the account of the Shareholder's Loan) are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Auditors’ Certificate”	has the meaning ascribed to in the paragraph headed “Profit guarantee” of this announcement
“Board”	the board of Directors

“Business Day(s)”	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout the normal working hours
“Company”	Greaterchina Professional Services Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Acquisition pursuant to the Sale and Purchase Agreement
“Completion Date”	the date on which Completion shall take place
“connected person(s)”	shall have the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration payable for the Sale Shares under the Sale and Purchase Agreement
“Consolidated AFS”	the audited consolidated financial statements of the Target Group for the Full-Year Period to be prepared, issued and reported on by the auditors of the Company before the date falling four (4) months after the expiry of the Full-Year Period
“Deposit”	the deposit in the amount of HK\$5,000,000 paid in accordance with the Memorandum
“Director(s)”	the director(s) of the Company
“Full-Year Actual Profit”	has the meaning ascribed to in the paragraph headed “Profit guarantee” of this announcement
“Full-Year Guaranteed Profit”	has the meaning ascribed to in the paragraph headed “Profit guarantee” of this announcement
“Full-Year Period”	means the period commencing from the Completion Date and ending on 31 March 2017, or in the event that Completion does not take place on or before 31 March 2016, means the period commencing from the Completion Date and ending on 31 March 2018, or any other period as agreed between the parties in writing
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Guaranteed Profit Compensation”	means the compensation payable by the Vendor in the event that the Full-Year Actual Profit falls short of the Full-Year Guaranteed Profit, please refer to the paragraph headed “Profit guarantee” of this announcement for further details
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“IAM”	Infast Asset Management Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“IBL”	Infast Brokerage Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Independent Third Party(ies)”	third party(ies) who are independent of, and not connected with, the Company and its connected persons
“Memorandum”	the memorandum of understanding dated 20 October 2015 entered into between the Purchaser and the Vendor in relation to the possible acquisition of certain shareholding interests in the Target Company
“Net Profit”	means the audited consolidated net profit after taxation of the Target Group and excluding extraordinary items, any amounts received or written back for debt or any other provisions and, such profit shall be calculated by reference to the prevailing generally accepted accounting principles, standards and practices in Hong Kong as calculated by the auditors of the Company
“Purchaser”	Zhong Nan Investments Limited, a company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Company
“Remaining Balance”	means HK\$75,750,000, being the remaining balance of the Consideration payable by the Purchaser after deduction of the Deposit
“Sale and Purchase Agreement”	the conditional sale and purchase agreement in relation to the Acquisition dated 9 December 2015 and entered into between the Purchaser and the Vendor
“Sale Shares”	2,688,500 ordinary shares of US\$1 each fully paid in the issued share capital of the Target Company, representing 95% of the issued share capital of the Target Company as at the date of the Sale and Purchase Agreement

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the HK\$69,250,000 to be advanced in the form of shareholder’s loan to the Target Company, for details please refer to the paragraph headed “Shareholder’s Loan” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	IAM Group Inc., a company incorporated in the British Virgin Islands with limited liability, with 2,830,000 ordinary shares of US\$1 each being issued and fully paid up as at the date of the Sale and Purchase Agreement
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Mr. Lai Kui Shing Andy, an Independent Third Party
“%”	per cent.

By order of the Board
GreaterChina Professional Services Limited
Ip Kwok Kwong
Executive Director

Hong Kong, 9 December 2015

As at the date of this announcement, the Board comprises Mr. Ip Kwok Kwong (Managing Director), Mr. Yip Chung Wai, David and Mr. Wu Di as executive Directors; Ms. Ma Lin as non-executive Director; Mr. Tso Ping Cheong, Brian (Chairman), Mr. Chu Siu Lun, Ivan and Mr. So Chung Shing as independent non-executive Directors.

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 website of GEM (www.hkgem.com) for at least 7 days from its day of publication and on the website of the Company at www.gca.com.hk.