



**Third Quarterly Report 2011**

**GreaterChina Professional Services Limited**  
**漢華專業服務有限公司**

Stock Code : 8193

(Incorporated in the Cayman Islands with limited liability)

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of GreaterChina Professional Services Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*

*This report, in both English and Chinese versions, is available on the Company’s website at [www.gca.com.hk](http://www.gca.com.hk).*

The board of Directors (the “Board”) of the Company presents the condensed unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months and nine months ended 31 December 2011, together with the comparative figures for the corresponding periods in 2010, as follows.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited	2011 HK\$'000 Unaudited	2010 HK\$'000 Audited
<b>Revenue</b>	2	<b>15,105</b>	12,286	<b>35,638</b>	44,951
Cost of services		<b>(5,591)</b>	(2,862)	<b>(11,912)</b>	(8,521)
Gross profit		<b>9,514</b>	9,424	<b>23,726</b>	36,430
Other incomes and gain	2	<b>835</b>	1,007	<b>4,210</b>	1,962
Marketing, administrative and other operating expenses		<b>(9,198)</b>	(4,565)	<b>(22,111)</b>	(10,951)
Finance costs		<b>(6)</b>	-	<b>(6)</b>	-
Share of profit of associates		<b>25</b>	-	<b>164</b>	-
<b>Profit before tax</b>		<b>1,170</b>	5,866	<b>5,983</b>	27,441
Income tax expense	3	<b>(415)</b>	(565)	<b>(1,361)</b>	(2,779)
<b>Profit for the period attributable to owners of the Company</b>		<b>755</b>	5,301	<b>4,622</b>	24,662
<b>Other comprehensive income</b>					
Exchange differences on translation of financial statements of foreign operations		<b>11</b>	4	<b>14</b>	9
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>766</b>	5,305	<b>4,636</b>	24,671
<b>Earnings per share attributable to owners of the Company</b>					
- Basic (HK cents per share)	4	<b>0.15</b>	1.41	<b>0.98</b>	6.58

*Notes:*

## **1. BASIS OF PREPARATION**

The Company is a limited liability company incorporated in the Cayman Islands. The Group's condensed unaudited consolidated results for the three months and nine months ended 31 December 2011 have been prepared in accordance with Chapter 18 of the GEM Listing Rules.

The Group's condensed unaudited consolidated results for the three months and nine months ended 31 December 2011 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. The accounting policies adopted in preparing these quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 March 2011. 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 and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods. The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

The third quarterly results are unaudited but have been reviewed by the Company's audit committee.

## 2. REVENUE, OTHER INCOMES AND GAIN

Revenue, which is also the Group's turnover, represents services income from asset appraisal services, asset advisory services and corporate services and consultancy.

An analysis of revenue, other incomes and gain are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited	2011 HK\$'000 Unaudited	2010 HK\$'000 Audited
<b>Revenue</b>				
Asset appraisal services income	5,683	5,263	17,427	19,747
Asset advisory services income	6,162	6,168	6,792	22,674
Corporate services and consultancy income	3,260	855	11,419	2,530
	<b>15,105</b>	12,286	<b>35,638</b>	44,951
<b>Other incomes and other gain</b>				
Fair value gain on an investment at fair value through profit or loss	-	-	1,716	-
Others	835	1,007	2,494	1,962
	<b>835</b>	1,007	<b>4,210</b>	1,962

## 3. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) for the three months ended and nine months ended 31 December 2011.

	Three months ended 31 December		Nine months ended 31 December	
	2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited	2011 HK\$'000 Unaudited	2010 HK\$'000 Audited
Current – Hong Kong	415	565	1,361	2,779

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

#### 4. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

##### (a) Basic

	Three months ended 31 December		Nine months ended 31 December	
	2011 <i>HK\$'000</i> Unaudited	2010 <i>HK\$'000</i> Unaudited	2011 <i>HK\$'000</i> Unaudited	2010 <i>HK\$'000</i> Audited
Profit for the period attributable to owners of the Company	755	5,301	4,622	24,662
Weighted average number of shares in issue (thousands)	500,000	375,000	472,727	375,000

Basic earnings per share is calculated by dividing the profit for the three months and nine months ended 31 December 2011 attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the three months and nine months ended 31 December 2011.

As the Company was incorporated on 3 December 2010 and completed the reorganisation and the listing in May 2011, the weighted average number of ordinary shares in issue during the three months and nine months ended 31 December 2010 used in the basic earnings per share calculation is determined on the assumption that 1,000 shares issued upon the incorporation of the Company and 374,999,000 shares issued pursuant to the capitalisation issue in May 2011, as if the entire shares were outstanding during the three months and nine months ended 31 December 2010.

##### (b) Diluted

Diluted earnings per share for the three months and nine months ended 31 December 2011 is the same (31 December 2010: same) as the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the three months and nine months ended 31 December 2011.

## 5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Issued capital <i>HK\$000</i>	Share premium account <i>HK\$000</i>	Capital reserve <i>HK\$000</i>	Exchange reserve <i>HK\$000</i>	Retained profits <i>HK\$000</i>	Total <i>HK\$000</i>
At 1 April 2011 (Audited)	3,200	–	2,159	15	30,967	36,341
Total comprehensive income for the period	–	–	–	14	4,622	4,636
Reorganisation	(3,200)	–	3,200	–	–	–
Capitalisation issue	3,750	(3,750)	–	–	–	–
Placing of shares	1,250	88,750	–	–	–	90,000
Share placement expenses	–	(13,532)	–	–	–	(13,532)
Interim dividend declared by subsidiaries ( <i>Note</i> )	–	–	–	–	(30,000)	(30,000)
<b>At 31 December 2011 (Unaudited)</b>	<b>5,000</b>	<b>71,468</b>	<b>5,359</b>	<b>29</b>	<b>5,589</b>	<b>87,445</b>
At 1 April 2010 (Audited)	3,200	–	2,159	–	19,940	25,299
Total comprehensive income for the period	–	–	–	9	24,662	24,671
Interim dividend declared by a subsidiary ( <i>Note</i> )	–	–	–	–	(11,000)	(11,000)
At 31 December 2010 (Audited)	3,200	–	2,159	9	33,602	38,970

*Note:* The amount represents interim dividend declared and paid by the Company's subsidiaries to their then shareholders prior to the listing of the Company on the GEM of the Stock Exchange during the nine months ended 31 December 2011. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful for the purpose of quarterly results.

## INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2011 (nine months ended 31 December 2010: Nil).

## BUSINESS REVIEW

The Group's services are broadly categorised into two main sectors: (i) asset advisory services and asset appraisal; and (ii) corporate services and consultancy.

Asset advisory services and asset appraisal are the core business of the Group, which typically involves provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices.

Asset advisory services income is primarily success-based nature and is usually calculated based on a percentage of the value of the underlying asset or the consideration agreed between the parties in the underlying transaction, the decrease in such revenue for the nine months ended 31 December 2011 as compared to same period 2010 was mainly because of existing asset advisory services clients have become more cautious about their underlying projects owing to the uncertainty of global economy. Asset appraisal services income decreased in 2011 was mainly for the reason of dropping in mergers and acquisitions related appraisal engagements, which were primary brought by the lack of optimism in the global economy and the volatile financial and capital markets.



The corporate services and consultancy segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration. Owing to the growing client base, revenue generated from this segment amounted to approximately HK\$11.4 million in 2011, marking a remarkable increase of approximately 351% over the same period last year.

In August 2011, the Group successfully completed the acquisition of 20% equity interests of TodayIR Holdings Limited (“TodayIR”). Founded in 2005, TodayIR offers comprehensive online investor relations services. It has a client portfolio of over 230 listed companies and is one of the largest online investor relations platforms in Asia. The acquisition provided the Group with a good opportunity to expand its network for all its business activities, develop new market, achieve economy of scale and a wider range of services in its provision of corporate services business. The acquisition also gave the Group the ability to cross-sell corporate and investor relations services and to develop bundling opportunities for those services, which is line with the Group’s strategy to establish itself as a one-stop professional services provider.

## FINANCIAL REVIEW

The Group’s revenue for the nine months ended 31 December 2011 was approximately HK\$35.6 million (nine months ended 31 December 2010: approximately HK\$45.0 million), representing a decrease of approximately 21% from that of 2010. The decrease in the Group’s revenue during the period was mainly attributable to decrease in asset advisory services.

The Group’s cost of services for the nine months ended 31 December 2011 was approximately HK\$11.9 million (nine months ended 31 December 2010: approximately HK\$8.5 million), representing an increase of approximately 40% from that of 2010. The increase was mainly due to increase in direct labour cost.

The Group’s marketing, administrative and other operating expenses for the nine months ended 31 December 2011 was approximately HK\$22.1 million (nine months ended 31 December 2010: approximately HK\$11.0 million), representing an increase of approximately 102% from that of 2010. The increase was mainly due to increase in administrative staff cost and rental expenses.

Accordingly, the profit attributable to owners of the Company for the nine months ended 31 December 2011 was approximately HK\$4.6 million (nine months ended 31 December 2010: approximately HK\$24.7 million), representing a decrease of approximately 81% from that of 2010.

## PROSPECT

The Group was listed on the GEM of The Stock Exchange on 31 May 2011. Since listing, the short term performance of the Group has been weakened by the uncertain global economy. Existing clients of our asset advisory services have become more cautious about their underlying projects owing to the uncertainty of global economy and therefore less corporate activities were being carried out as previously expected causing a substantial drop in our asset advisory services income. Nevertheless, the demand for professional services offered by the Group will continue to be there. In addition, benefitted by the demand for the purpose of annual financial statements reporting, the fourth quarter is usually the peak season of the asset appraisal services and it is expected a major increase in asset appraisal services income in the fourth quarter comparing that in third quarter. Income from the asset advisory services, however, is less certain and is dependent on the pace of recovery of the global economy, given that income can only be earned and recognized when the underlying transactions have been successfully completed.

With our existing competitive advantages and market position in our core business segments, the Group has continued to work on the implementation of its development strategy to strengthen its competitiveness and enhance its service capabilities. We are now better positioned to capture future business opportunities and are confident to deliver sustainable growth in returns to our shareholders once the global economy is stabilised.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2011, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### (a) Long positions in the shares of HK\$0.01 each of the Company

Name of Director	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Mr. Ip Kwok Kwong ("Mr. Ip") (Note 1)	Interest in controlled corporation	375,000,000	75%

Note:

- 375,000,000 shares are held by Brilliant One Holdings Limited ("Brilliant One") which is wholly-owned by GCA Professional Services Group Limited ("GCA Professional"). GCA Professional is owned as to 73% by Genius Ideas International Ltd. ("Genius Ideas") which is owned as to 51% by Smart Pick Investments Limited ("Smart Pick") and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings Limited ("GC Holdings") which is wholly-owned by Mr. Ip.

## (b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interests	Number of shares held	Approximate percentage of interest in associated corporation
Mr. Ip ( <i>Note 1</i> )	Brilliant One	Interest in controlled corporation	200	100%
Mr. Ip ( <i>Note 1</i> )	GCA Professional	Interest in controlled corporation	730	73%
Mr. Ip ( <i>Note 1</i> )	Genius Ideas	Interest in controlled corporation	5,100	51%
Mr. Ip ( <i>Note 1</i> )	Genius Ideas	Beneficial owner	612	6.12%
Mr. Ip ( <i>Note 1</i> )	Smart Pick	Interest in controlled corporation	5,876	58.76%
Mr. Ip ( <i>Note 1</i> )	GC Holdings	Beneficial owner	1	100%
Mr. Leung Siu Hong ("Mr. Leung") ( <i>Note 1</i> )	Smart Pick	Beneficial owner	1,192	11.92%

### *Note:*

1. The Company is owned as to 75% by Brilliant One. Brilliant One is wholly-owned by GCA Professional which is owned as to 73% by Genius Ideas. Genius Ideas is owned as to 51% by Smart Pick and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings and 11.92% by Mr. Leung. GC Holdings is wholly-owned by Mr. Ip.

Save as disclosed above, as at 31 December 2011, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2011, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

<b>Name</b>	<b>Nature of interests</b>	<b>Number of shares held</b>	<b>Approximate percentage of issued share capital</b>
Brilliant One <i>(Note 1)</i>	Beneficial owner	375,000,000	75%
GCA Professional <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Genius Ideas <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Smart Pick <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Easy Gain Development Limited ("Easy Gain") <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
GC Holdings <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Mr. Ip <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Mr. Wong Chi Keung ("Mr. Wong") <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%

*Note:*

1. Brilliant One is wholly-owned by GCA Professional which is owned as to 73% by Genius Ideas. Genius Ideas is owned as to 51% by Smart Pick, 42.88% by Easy Gain and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings which is wholly-owned by Mr. Ip. Easy Gain is wholly-owned by Mr. Wong.

Save as disclosed above, as at 31 December 2011, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

## INTERESTS OF OTHER PERSONS

As at 31 December 2011, other than the interests in shares of the Company and its associated corporations held by the Directors, the chief executives and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept by the Company under Section 336 of the SFO.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period under review.

## COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or their respective associates as defined in the GEM Listing Rules had any interest in business that competed or might compete with business of the Group during the period under review.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## INTERESTS OF THE COMPLIANCE ADVISERS

As notified by the joint compliance advisers of the Company, Grand Vinco Capital Limited ("Vinco Capital") and Emperor Capital Limited ("Emperor Capital"), as at 31 December 2011, except for the compliance advisers' agreement entered into between the Company, Vinco Capital and Emperor Capital dated 24 May 2011, neither Vinco Capital and Emperor Capital nor its directors, employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities).

## AUDIT COMMITTEE

The Group's condensed unaudited consolidated results for the nine months ended 31 December 2011 have been reviewed by the audit committee of the Company, which was of the opinion that such results have complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board

**GreaterChina Professional Services Limited**

**Ip Kwok Kwong**

*Managing Director*

Hong Kong, 10 February 2012

*As at the date of this report, the executive directors are Mr. Ip Kwok Kwong and Mr. Leung Siu Hong and the independent non-executive directors are Mr. Au-Yang Cheong Yan, Peter, Mr. Wu Chi Keung and Mr. Wan Kam To.*