



First Quarterly Report 2012

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”)

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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.

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 ended 30 June 2012, together with the comparative figures for the corresponding periods in 2011, as follows.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 30 June	
	<i>Notes</i>	2012 HK\$'000 Unaudited	2011 HK\$'000 Unaudited
Revenue	2	15,333	8,125
Cost of services		(4,381)	(3,335)
Gross profit		10,952	4,790
Other incomes	2	695	861
Marketing, administrative and other operating expenses		(8,688)	(4,588)
Finance costs		(4)	–
Share of results of an associate		340	–
Profit before tax		3,295	1,063
Income tax expense	3	(934)	(343)
Profit for the period attributable to owners of the Company		2,361	720
Other comprehensive income			
Exchange differences on translation of foreign operations		6	4
Total comprehensive income for the period attributable to owners of the Company		2,367	724
Earnings per share	4		
– Basic (<i>HK cents</i>)		0.47	0.17
– Diluted (<i>HK cents</i>)		0.47	N/A

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 ended 30 June 2012 have been prepared in accordance with Chapter 18 of the GEM Listing Rules.

The Group's condensed unaudited consolidated results for the three months ended 30 June 2012 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 2012. 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 first quarterly results are unaudited but have been reviewed by the Company's audit committee.

2. REVENUE AND OTHER INCOMES

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 30 June	
	2012 HK\$'000 Unaudited	2011 HK\$'000 Unaudited
Revenue		
Asset appraisal services income	6,886	6,555
Corporate services and consultancy income	8,447	1,570
	15,333	8,125
Other incomes		
Others	695	861

3. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) for the three months ended 30 June 2012 and 2011.

	Three months ended 30 June	
	2012 HK\$'000 Unaudited	2011 HK\$'000 Unaudited
Current – Hong Kong	934	343

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

4. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

	Three months ended 30 June	
	2012 Unaudited	2011 Unaudited
Profit attributable to owners of the Company for the purpose of basic and diluted earnings per share (<i>HK\$'000</i>)	2,361	720
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>in '000</i>)	500,033	418,950
Effect of dilutive potential ordinary shares: Options (<i>in '000</i>)	469	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share (<i>in '000</i>)	500,502	418,950

No diluted earnings per share is presented for the three months ended 30 June 2011 as the Company did not have any dilutive potential ordinary shares for the period ended 30 June 2011.

5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital <i>HK\$000</i>	Share premium <i>HK\$000</i>	Capital reserve <i>HK\$000</i>	Foreign currency translation reserve <i>HK\$000</i>	Retained profits <i>HK\$000</i>	Share-based payment reserve <i>HK\$000</i>	Total equity <i>HK\$000</i>
At 1 April 2012 (Audited)	5,000	71,468	5,359	–	14,246	340	96,413
Total comprehensive income for the period	–	–	–	6	2,361	–	2,367
Share issued under share option scheme	–	11	–	–	–	(3)	8
Equity-settled share-based transactions	–	–	–	–	–	119	119
At 30 June 2012 (Unaudited)	5,000	71,479	5,359	6	16,607	456	98,907
At 1 April 2011 (Audited)	3,200	–	2,159	15	30,967	–	36,341
Total comprehensive income for the period	–	–	–	4	720	–	724
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 (Note)	–	–	–	–	(30,000)	–	(30,000)
At 30 June 2011 (Unaudited)	5,000	71,468	5,359	19	1,687	–	83,533

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 three months ended 30 June 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 three months ended 30 June 2012 (three months ended 30 June 2011: 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 typically involve 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 corporate services and consultancy segment includes mainly provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management, success-based corporate consultancy services and other operational aspects as well as provision of back office administration.

FINANCIAL REVIEW

The Group's revenue for the three months ended 30 June 2012 was approximately HK\$15.3 million (three months ended 30 June 2011: approximately HK\$8.1 million), representing an increase of approximately 88% from that of 2011. The increase in the Group's revenue during the period was mainly attributable to increase in revenue from corporate services and consultancy segment due to completion of a success-based services engagement.

The Group's cost of services for the three months ended 30 June 2012 was approximately HK\$4.4 million (three months ended 30 June 2011: approximately HK\$3.3 million), representing an increase of approximately 31% from that of 2011. The increase was mainly due to increase in sub-contracting cost.

The Group's marketing, administrative and other operating expenses for the three months ended 30 June 2012 was approximately HK\$8.7 million (three months ended 30 June 2011: approximately HK\$4.6 million), representing an increase of approximately 89% from that of 2011. 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 three months ended 30 June 2012 was approximately HK\$2.4 million (three months ended 30 June 2011: approximately HK\$0.7 million), representing an increase of approximately 227% from that of 2011.

PROSPECT

Despite the undulant global economic situation has caused a slowing growth in our traditional asset advisory services and asset appraisal business, demand for professional corporate services in Greater China will continue to be there, when companies in the region, especially in China, grow in corporate size and operational complexity and geographical diversification, the need for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain stable. Based on our existing competitive advantages and market position in our core business segments, the continuing increase in client base through possible horizontal acquisitions in future, expected synergies to be generated from TodayIR acquisition, experienced professional teams and convenient one-stop professional services provision, we will continue to capture market opportunities and enhance the quality and scope of services in order to deliver sustainable growth in returns to our shareholders.

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

As at 30 June 2012, 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 interest	Number of shares held	Approximate percentage of issued share capital
Mr. Ip Kwok Kwong ("Mr. Ip") (Note 1)	Interest in controlled corporation	358,575,000	71.71%

Note:

- 358,575,000 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 interest	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:

- The Company is owned as to 71.71% 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.

(c) Long positions in underlying shares under equity derivatives

Name of Director	Nature of interest	Number of underlying shares held	Approximate percentage of issued share capital
Mr. Au-Yang Cheong Yan, Peter (<i>Note 1</i>)	Beneficial owner	200,000	0.04%
Mr. Wu Chi Keung (<i>Note 1</i>)	Beneficial owner	200,000	0.04%
Mr. Wan Kam To (<i>Note 1</i>)	Beneficial owner	200,000	0.04%

Note:

1. The Directors were granted options under the share option scheme of the Company on 6 January 2012 at exercise price of HK\$0.20 per share with exercisable period from 18 May 2012 to 17 May 2021.

Save as disclosed above, as at 30 June 2012, 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 30 June 2012, 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:

Long positions in the shares of HK\$0.01 each of the Company

Name	Nature of interest	Number of shares held	Approximate percentage of issued share capital
Brilliant One (<i>Note 1</i>)	Beneficial owner	358,575,000	71.71%
GCA Professional (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
Genius Ideas (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
Smart Pick (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
Easy Gain Development Limited ("Easy Gain") (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
GC Holdings (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
Mr. Ip (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%
Mr. Wong Chi Keung ("Mr. Wong") (<i>Note 1</i>)	Interest in controlled corporation	358,575,000	71.71%

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 30 June 2012, 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 30 June 2012, 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 ADVISER

As at 30 June 2012 neither Grand Vinco Capital Limited nor any of its directors, employees or associates had any interests in the shares of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the shares of the Company or any member of the Group.

AUDIT COMMITTEE

The Group's condensed unaudited consolidated results for the three months ended 30 June 2012 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 August 2012

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