



First Quarterly Report 2013

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)

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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 2013, together with the comparative figures for the corresponding period in 2012, as follows.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Three months ended 30 June	
	<i>Notes</i>	2013 HK\$'000 Unaudited	2012 HK\$'000 Unaudited
Revenue	2	19,463	15,333
Cost of services		(5,546)	(4,381)
Gross profit		13,917	10,952
Other incomes	2	781	695
Marketing, administrative and other operating expenses		(9,113)	(8,688)
Finance costs		(3)	(4)
Share of results of an associate		(82)	340
Profit before tax		5,500	3,295
Income tax expense	3	(835)	(934)
Profit for the period attributable to owners of the Company		4,665	2,361
Other comprehensive income			
Exchange differences on translation of foreign operations		(1)	6
Total comprehensive income for the period attributable to owners of the Company		4,664	2,367
Earnings per share	4		
– Basic (<i>HK cents</i>)		0.93	0.47
– Diluted (<i>HK cents</i>)		0.93	0.47

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 2013 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 2013 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 2013. 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	
	2013 <i>HK\$'000</i> Unaudited	2012 <i>HK\$'000</i> Unaudited
Revenue		
Asset appraisal services income	7,963	6,886
Corporate services and consultancy income	11,500	8,447
	19,463	15,333
Other incomes		
Others	781	695

3. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) for the three months ended 30 June 2013 and 2012.

	Three months ended 30 June	
	2013 <i>HK\$'000</i> Unaudited	2012 <i>HK\$'000</i> Unaudited
Current – Hong Kong	835	934

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	
	2013 Unaudited	2012 Unaudited
Profit attributable to owners of the Company for the purpose of basic and diluted earnings per share (HK\$'000)	4,665	2,361
Number of shares: Weighted average number of ordinary shares for the purpose of basic earnings per share (in '000)	500,040	500,033
Effect of dilutive potential ordinary shares: Options (in '000)	428	469
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in '000)	500,468	500,502

5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Retained earnings HK\$'000	Share-based payment reserve HK\$'000	Total equity HK\$'000
At 1 April 2013 (Audited)	5,000	71,478	5,359	(45)	36,217	669	118,678
Total comprehensive income for the period	-	-	-	(1)	4,665	-	4,664
Equity-settled share-based transactions	-	-	-	-	-	20	20
At 30 June 2013 (Unaudited)	5,000	71,478	5,359	(46)	40,882	689	123,362
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
Shares 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

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2013 (three months ended 30 June 2012: 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 and project-based nature.

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, 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 2013 was approximately HK\$19.5 million (three months ended 30 June 2012: approximately HK\$15.3 million), representing an increase of approximately 27% from that of 2012. The increase in the Group's revenue during the period was mainly due to increase in revenue from corporate services and consultancy segment.

The Group's cost of services for the three months ended 30 June 2013 was approximately HK\$5.5 million (three months ended 30 June 2012: approximately HK\$4.4 million), representing an increase of approximately 27% from that of 2012. 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 2013 was approximately HK\$9.1 million (three months ended 30 June 2012: approximately HK\$8.7 million), representing an increase of approximately 5% from that of 2012. The increase was mainly due to increase in staff cost and rental expenses.

Accordingly, the income attributable to owners of the Company for the three months ended 30 June 2013 was approximately HK\$4.6 million (three months ended 30 June 2012: approximately HK\$2.4 million), representing an increase of approximately 98% from that of 2012.

PROSPECT

Looking ahead, the momentum for European and US economic recovery is yet to be restored and China also reported a lower GDP growth than before; implying challenges to our business. However, we remain cautiously optimistic with respect to the steady demand for professional commercial services in Greater China. As 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 there. Based on our existing competitive advantages and market position in our core business segments, the continuing increase in and diversification of our client base and income source through horizontal acquisitions, our experienced professional teams and provision of convenient one-stop professional services, we are confident to confront such challenges. Furthermore, based on our recent business expansion in Europe and Middle-East, specifically in London and Dubai, we believe our client base and income source would be further diversified and increased. We will continue to capture market opportunities and enhance the quality and scope of our 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 2013, 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:

1. 358,575,000 shares were held by Brilliant One Holdings Limited ("Brilliant One") which was wholly-owned by GCA Professional Services Group Limited ("GCA Professional"), formerly known as Genius Ideas International Ltd. GCA Professional was owned as to 51% by Smart Pick Investments Limited ("Smart Pick") and 6.12% by Mr. Ip. Smart Pick was owned as to 58.76% by GC Holdings Limited ("GC Holdings") which was 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	5,100	51%
Mr. Ip (<i>Note 1</i>)	GCA Professional	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%

Note:

1. The Company was owned as to 71.71% by Brilliant One. Brilliant One was wholly-owned by GCA Professional which was owned as to 51% by Smart Pick and 6.12% by Mr. Ip. Smart Pick was owned as to 58.76% by GC Holdings. GC Holdings was wholly-owned by Mr. Ip.

(c) Long positions in the underlying shares of the Company 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 2013, 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 2013, 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 (Note 1)	Beneficial owner	358,575,000	71.71%
GCA Professional (Note 1)	Interest in controlled corporation	358,575,000	71.71%
Smart Pick (Note 1)	Interest in controlled corporation	358,575,000	71.71%
Easy Gain Development Limited ("Easy Gain") (Note 1)	Interest in controlled corporation	358,575,000	71.71%
GC Holdings (Note 1)	Interest in controlled corporation	358,575,000	71.71%
Mr. Ip (Note 1)	Interest in controlled corporation	358,575,000	71.71%
Mr. Wong Chi Keung ("Mr. Wong") (Note 1)	Interest in controlled corporation	358,575,000	71.71%

Name	Nature of interest	Number of shares held	Approximate percentage of issued share capital
Golden Trump Limited (<i>Note 2</i>)	Having a security interest	358,575,000	71.71%
ADM Galleus Fund II Limited ("ADM Fund II") (<i>Note 2</i>)	Having a security interest	358,575,000	71.71%
ADM Investment Management Limited (<i>Note 2</i>)	Investment manager	358,575,000	71.71%

Notes:

1. Brilliant One was wholly-owned by GCA Professional which was owned as to 51% by Smart Pick, 42.88% by Easy Gain and 6.12% by Mr. Ip. Smart Pick was owned as to 58.76% by GC Holdings which was wholly-owned by Mr. Ip. Easy Gain was wholly-owned by Mr. Wong.
2. Golden Trump Limited was owned as to 17.86% by ADM Galleus Fund I Limited ("ADM Fund I") and 82.14% by ADM Fund II. ADM Fund I and ADM Fund II were wholly-owned by ADM Investment Management Limited.

Save as disclosed above, as at 30 June 2013, 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 2013, 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 2013 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 2013 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, 9 August 2013

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.