

0.5 **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)



2016

INTERIM REPORT

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

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 the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the 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 the GEM.

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This report, for which the directors of GreaterChina Professional Services Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ip Kwok Kwong (*Managing Director*)
Mr. Yip Chung Wai, David (*Chairman*)
Mr. Wu Di

Non-executive Director

Ms. Ma Lin

Independent Non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. Chu Siu Lun, Ivan
Mr. So Chung Shing

BOARD COMMITTEES

Audit Committee

Mr. Tso Ping Cheong, Brian (*Chairman*)
Mr. Chu Siu Lun, Ivan
Mr. So Chung Shing

Remuneration Committee

Mr. Chu Siu Lun, Ivan (*Chairman*)
Mr. Ip Kwok Kwong
Mr. So Chung Shing
Mr. Tso Ping Cheong, Brian
Mr. Yip Chung Wai, David

Nomination Committee

Mr. So Chung Shing (*Chairman*)
Mr. Chu Siu Lun, Ivan
Mr. Ip Kwok Kwong
Mr. Tso Ping Cheong, Brian
Mr. Yip Chung Wai, David

COMPANY SECRETARY

Mr. Kwok Siu Man, *FCS*

COMPLIANCE OFFICER

Mr. Ip Kwok Kwong

AUTHORISED REPRESENTATIVES

Mr. Ip Kwok Kwong
Mr. Tso Ping Cheong, Brian

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited, *Certified Public Accountants*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2703, 27th Floor
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE WEBSITE

www.gca.com.hk

STOCK CODE

8193

The board of Directors (the “Board”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the “Group”) for the three months and six months ended 30 September 2016, together with the relevant unaudited/audited comparative figures, as follows.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2016

	Notes	Three months ended 30 September		Six months ended 30 September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Revenue	4 & 5	11,472	11,572	23,908	21,148
Cost of sales		(5,369)	(5,740)	(11,033)	(9,863)
Gross profit		6,103	5,832	12,875	11,285
Other income	5	917	613	1,675	1,242
Marketing, administrative and other operating expenses		(16,718)	(33,077)	(47,796)	(46,368)
Impairment loss on trade receivables		(1,043)	–	(1,043)	–
Reversal of impairment loss on loan receivables		300	–	300	–
Finance costs	6	(1,375)	(2,655)	(2,723)	(5,283)
Share of results of associates		(417)	1,073	(1,155)	1,805
Loss before tax	7	(12,233)	(28,214)	(37,867)	(37,319)
Income tax credit (expenses)	8	505	(160)	3,842	(511)
Loss for the period		(11,728)	(28,374)	(34,025)	(37,830)
Other comprehensive expenses for the period, net of tax					
<i>Item that may be subsequently reclassified to profit or loss:</i>					
Exchange differences on translating foreign operations		(54)	(342)	(472)	(396)
Total comprehensive expense for the period		(11,782)	(28,716)	(34,497)	(38,226)

	Notes	Three months ended 30 September		Six months ended 30 September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Loss for the period attributable to:					
Owners of the Company		(11,778)	(28,489)	(34,094)	(38,146)
Non-controlling interests		50	115	69	316
		(11,728)	(28,374)	(34,025)	(37,830)
Total comprehensive expenses for the period attributable to:					
Owners of the Company		(11,820)	(28,764)	(34,471)	(38,464)
Non-controlling interests		38	48	(26)	238
		(11,782)	(28,716)	(34,497)	(38,226)
Loss per share					
Basic and diluted (HK cents)	10	(0.24)	(3.32)	(0.70)	(4.45)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	30 September 2016 HK\$'000 (unaudited)	31 March 2016 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	2,645	2,255
Goodwill		111,711	111,711
Investments in associates and a joint venture		72,461	73,616
Deposit paid for acquisition of a subsidiary		80,750	80,750
Deposit paid for acquisition of an associate		325	325
		267,892	268,657
Current assets			
Trade receivables	12	14,677	21,047
Loan receivables	13	130,734	126,561
Prepayments, deposits and other receivables		21,245	20,458
Financial assets at fair value through profit or loss		143,046	169,734
Derivative financial asset		3,859	3,859
Amounts due from related parties		9,397	11,125
Bank and cash balances		16,750	23,729
		339,708	376,513
Current liabilities			
Trade payables	14	3,633	2,593
Accruals and other payables		11,577	11,998
Amount due to a director		23	156
Amounts due to related parties		–	1,605
Obligations under finance leases		58	–
Bank borrowings		1,511	1,563
Promissory notes		19,848	–
Current tax liabilities		3,696	4,543
		40,346	22,458
Net current assets		299,362	354,005

	Notes	30 September 2016 HK\$'000 (unaudited)	31 March 2016 HK\$'000 (audited)
Non-current liabilities			
Obligations under finance leases		554	–
Promissory notes		32,235	49,420
Deferred tax liabilities		6,201	10,591
		38,990	60,011
NET ASSETS		528,264	562,701
Capital and reserves			
Share capital	15	48,580	48,580
Reserves		472,960	507,371
Equity attributable to owners of the Company		521,540	555,951
Non-controlling interests		6,724	6,750
TOTAL EQUITY		528,264	562,701

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Share-based payment reserve HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2016 (audited)	48,580	542,908	5,359	(358)	(44,570)	4,032	555,951	6,750	562,701
Total comprehensive expense for the period	-	-	-	(377)	(34,094)	-	(34,471)	(26)	(34,497)
Recognition of share-based payments	-	-	-	-	-	60	60	-	60
Effect of forfeiture of share options granted	-	-	-	-	44	(44)	-	-	-
At 30 September 2016 (unaudited)	48,580	542,908	5,359	(735)	(78,620)	4,048	521,540	6,724	528,264
At 1 April 2015 (audited)	8,580	187,150	5,359	(69)	(62,459)	128	138,689	1,400	140,089
Total comprehensive expense for the period	-	-	-	(318)	(38,146)	-	(38,464)	238	(38,226)
Recognition of share-based payments	-	-	-	-	-	3,832	3,832	-	3,832
At 30 September 2015 (unaudited)	8,580	187,150	5,359	(387)	(100,605)	3,960	104,057	1,638	105,695

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September 2016 HK\$'000 (unaudited)	Six months ended 30 September 2015 HK\$'000 (unaudited)
Net cash used in operating activities:		
(Increase)/decrease in financial asset at fair value through profit or loss	(1,080)	2,631
Other operating cash flows	(5,217)	(9,462)
	(6,297)	(6,831)
Net cash used in investing activities:		
Advances to an associate	–	(5,097)
Other investing cash flows	(165)	(14)
	(165)	(5,111)
Net cash used in financing activities	(19)	(259)
Net decrease in cash and cash equivalents	(6,481)	(12,201)
Cash and cash equivalents at beginning of period	23,729	17,004
Effect of foreign exchange rate changes	(498)	(37)
Cash and cash equivalents at end of period	16,750	4,766

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The ordinary shares of the Company of HK\$0.01 each (the "Shares") are listed on the GEM. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of its principal place of business is Room 2703, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Company is an investment holding company.

The unaudited condensed consolidated financial statements have been reviewed by the audit committee of the Company (the "Audit Committee"). They have been approved and authorised for issue by the Board on 11 November 2016.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in preparing the unaudited condensed consolidated financial statements for the six months ended 30 September 2016 (the "Period") are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2016, except for the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) issued by the HKICPA that are adopted for the first time for the current accounting period of the Group. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

3. FAIR VALUE MEASUREMENTS

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Group's financial assets at fair value through profit or loss and derivative financial asset are carried at fair value as at 30 September and 31 March 2016. The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

Disclosures of level in fair value hierarchy at 30 September 2016:

Description	Fair value measurement using:			Total 30 September 2016
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	HK\$'000
Financial assets at fair value through profit or loss:				
Listed securities in Hong Kong	143,046	–	–	143,046
Derivative financial asset	–	–	3,859	3,859

Disclosures of level in fair value hierarchy at 31 March 2016:

Description	Fair value measurement using:			Total 31 March 2016
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	HK\$'000
Financial assets at fair value through profit or loss:				
Listed securities in Hong Kong	169,734	–	–	169,734
Derivative financial asset	–	–	3,859	3,859

Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

*Level 3 fair value measurements***At 30 September 2016**

Description	Valuation technique	Unobservable inputs	Rate	Effect on fair value for increase of inputs	Fair value at 30 September 2016 HK\$'000
Profit guarantee	Discounted cash flow	Weighted average cost of capital Probability of being unable to meet profit guarantee	16%	Decrease	3,859
			25%	Increase	

At 31 March 2016

Description	Valuation technique	Unobservable inputs	Rate	Effect on fair value for increase of inputs	Fair value at 31 March 2016 HK\$'000
Profit guarantee	Discounted cash flow	Weighted average cost of capital Probability of being unable to meet profit guarantee	16%	Decrease	3,859
			25%	Increase	

During the Period, there were no changes in the valuation techniques used.

Reconciliation of assets measured at fair value based on level 3:

Description	Derivative financial asset HK\$'000
At 1 April 2015	2,987
Net losses recognised in profit or loss (#)	872
At 31 March 2016 and 30 September 2016	3,859
(#) Include losses for assets held at the end of the reporting period	872

The total gains or losses recognised in consolidated profit or loss included those assets held at the end of the reporting period are presented in the consolidated statement of profit or loss and other comprehensive income.

4. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company's Executive Directors.

The Group has four operating and reportable segments as follows:

- Asset advisory services and asset appraisal

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument and derivative valuation and advisory related to various types of assets in particular properties in the People's Republic of China (the "PRC")

— Corporate services and consultancy

Provision of company secretarial services, human resource management and other administrative services, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services

— Media advertising

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal display displays network inside elevators or lift lobbies of middle to high-end residential communities

— Financial services

Provision of financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations, operation of trading and exchange of gold and/or silver and provision of consultancy or agency services

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technical requirements and marketing strategies.

Segment profits or losses do not include corporate income and expenses, fair value changes on financial assets at fair value through profit or loss, equity-settled share-based payment and finance costs.

The Group accounts for intersegment revenue and transfers as if the revenue or transfers were to third parties, i.e. at current market prices.

Information about reportable segments for the six months ended 30 September 2016 and 2015 are as follows:

	Asset advisory services and asset appraisal		Corporate services and consultancy		Media advertising		Financial services		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30	30	30	30	30	30	30	30	30	30
	September	September	September	September	September	September	September	September	September	September
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from external customers	17,033	15,969	590	1,179	2,806	3,409	3,479	591	23,908	21,148
Intersegment revenue	-	-	1,686	1,578	-	-	-	-	1,686	1,578
Segment (loss)/profit before finance costs and income tax expense	(1,269)	(1,842)	(2,517)	(7,612)	603	2,138	2,050	792	(1,133)	(6,524)
Fair value loss on financial assets at fair value through profit or loss									(27,768)	(21,061)
Unallocated corporate expenses, net									(8,966)	(9,734)
Loss before tax									(37,867)	(37,319)

5. REVENUE AND OTHER INCOME

The Group's revenue and other income are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Revenue				
Asset advisory and asset appraisal services income	8,340	9,353	17,033	15,969
Corporate services and consultancy income	191	473	590	1,179
Media advertising income	1,284	1,363	2,806	3,409
Loan interest income	1,657	383	3,479	591
	11,472	11,572	23,908	21,148
Other income				
Bank interest income	9	2	19	3
Reimbursement of out-of-pocket expenses	133	15	230	141
Sub-leasing income	510	459	1,019	918
Others	265	137	407	180
	917	613	1,675	1,242

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Interest on bank borrowings	29	31	59	63
Interest on promissory notes	1,344	2,624	2,662	5,219
Finance lease charges	2	–	2	1
	1,375	2,655	2,723	5,283

7. LOSS BEFORE TAX

The Group's loss before tax is stated after charging the following:

	Three months ended 30 September		Six months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Depreciation	190	166	388	469
Staff costs, including Directors' remuneration and share-based payments	7,262	11,858	13,826	18,683
Fair value loss on financial assets at fair value through profit or loss	6,453	17,685	27,768	21,061
Operating lease charges	3,201	3,138	5,058	5,466

8. INCOME TAX (CREDIT) EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax				
Provision for the period	232	—	373	—
Over-provision in prior years	—	—	(22)	—
	232	—	351	—
Current tax — Enterprise Income Tax in the PRC				
Provision for the period	119	160	197	511
Deferred tax	(856)	—	(4,390)	—
	(505)	160	(3,842)	511

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the Period. No income tax has been provided for Hong Kong as there is no estimated assessable profit derived from Hong Kong for the three months and six months ended 30 September 2015.

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof. The Corporate Income Tax rate applicable to subsidiaries registered in the PRC is 25%.

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

9. DIVIDENDS

The Board does not declare the payment of an interim dividend for the Period (six months ended 30 September 2015: Nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company for the three months and six months ended 30 September 2016 of approximately HK\$11,778,000 (2015: HK\$28,489,000) and HK\$34,094,000 (2015: HK\$38,146,000), respectively and the weighted average number of ordinary shares for the three months and six months ended 30 September 2016 of 4,857,968,600 (three months and six months ended 30 September 2015: 857,968,600) in issue.

Diluted loss per share

Diluted loss per share for the three months and six months ended 30 September 2016 and 2015 are the same as the respective basic loss per share because all potential dilutive ordinary shares would decrease the loss per share and, therefore, is anti-dilutive.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired plant and equipment at a cost of approximately HK\$805,000 (six months ended 30 September 2015: HK\$17,000), of which approximately HK\$675,000 (six months ended 30 September 2015: Nil) were held under finance leases.

12. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 7 to 30 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Over due balances are reviewed regularly by the senior management.

The aging analysis of the trade receivables, based on the invoice date, and net of allowance, is as follows:

	As at 30 September 2016 HK\$'000 (unaudited)	As at 31 March 2016 HK\$'000 (audited)
0 to 30 days	3,371	3,444
31 to 90 days	1,636	7,495
91 to 180 days	1,256	5,435
181 to 365 days	4,373	3,359
Over 365 days	4,041	1,314
Total	14,677	21,047

13. LOAN RECEIVABLES

The aging analysis of the loans receivables is as follows:

	As at 30 September 2016 HK\$'000 (unaudited)	As at 31 March 2016 HK\$'000 (audited)
0 to 30 days	–	463
31 to 90 days	48	25,993
91 to 180 days	563	98,278
181 to 365 days	129,223	1,136
Over 365 days	900	691
Total	130,734	126,561

14. TRADE PAYABLES

The aging analysis of the trade payables based on the invoice date is as follows:

	As at 30 September 2016 HK\$'000 (unaudited)	As at 31 March 2016 HK\$'000 (audited)
0 to 90 days	3,633	2,593

15. SHARE CAPITAL

	Number of shares '000	Amount HK\$ '000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2015	2,000,000	20,000
Increase on 14 September 2015 (<i>Note (a)</i>)	8,000,000	80,000
<hr/>		
At 30 September 2015, 1 April 2016 and 30 September 2016	10,000,000	100,000
<hr/>		
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2015 (audited) and 30 September 2015 (unaudited)	857,969	8,580
Placing of shares (<i>Note (b)</i>)	2,600,000	26,000
Subscription for shares (<i>Note (c)</i>)	1,400,000	14,000
<hr/>		
At 31 March 2016 (audited) and 30 September 2016 (unaudited)	4,857,969	48,580
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Notes:

- (a) At an extraordinary general meeting of the Company held on 14 September 2015, the authorised share capital of the Company was increased from HK\$20,000,000 to HK\$100,000,000 by the creation of an additional 8,000,000,000 shares of HK\$0.01 each.
- (b) On 9 July 2015, the Company and the placing agent entered into a placing agreement, pursuant to which the placing agent had conditionally agreed to place, on a fully underwritten basis, a total of not less than six places for an aggregate of 2,600,000,000 placing shares at the placing price of HK\$0.10 per placing share. The placing of new shares was completed on 15 October 2015. The gross proceeds from the share placing were approximately HK\$260,000,000. The share placing expenses of approximately HK\$4,122,000 were credited to the Company's share premium account.
- (c) On 9 July 2015, the Company entered into a subscription agreement with a subscriber, pursuant to which the subscriber had conditionally agreed to subscribe for and the Company had conditionally agreed to allot and issue 1,400,000,000 new shares at a price of HK\$0.10 each. The subscription of shares was completed on 15 October 2015. The gross proceeds from the share subscription is approximately HK\$140,000,000. The share subscription expenses of approximately HK\$120,000 were credited to the Company's share premium account.

16. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the notes to the unaudited condensed consolidated financial statements, the Group had the following transactions with its related party during the six months ended 30 September 2016 and 2015:

	Name of director and related party having beneficial interest in the transaction	Six months ended 30 September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Corporate services and consultancy income from related company			
– Greater China Capital Limited	Mr. Ip Kwok Kwong	198	60

17. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 13 October 2016, on 13 October 2016, the Company and Camsing Global (the "Consortium") entered into a non-legally binding heads of terms with an independent third party for a potential acquisition (the "Proposed Acquisition") by the Consortium of the entire issued share capital of Hull City Tigers Limited and Superstadium Holdings Limited, which carry on the business of professional football in the English Premier League in the name of Hull City Association Football Club, at a consideration of £130,000,000 (approximately HK\$1,270,000,000). As at the date of this report, no formal agreement has been entered into in connection with the Proposed Acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal, (ii) corporate services and consultancy, (iii) media advertising; and (iv) financial services.

Asset Advisory Services and Asset Appraisal

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 and project-based nature.

Corporate Services and Consultancy

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.

Media Advertising

Alongside the Group's core business of provision of asset advisory services and asset appraisal, the Group commenced the media advertising business in late 2014, which involves the provision of media advertising services to the residential communities located in the PRC. Media advertising income is generated mainly through in-elevator poster frames network and liquid-crystal display displays network inside the elevators or lift lobbies of middle to high-end residential communities.

Financial Services

The Group commenced the provision of financial services in the year ended 31 March 2015 upon its acquisitions of an associate and a subsidiary carrying money lending business and gold trading business. The money lending business mainly involves provision of financial credit services such as personal loans and commercial loans to individuals and corporations while the gold trading business mainly comprises trading and exchange of gold and/or silver and provision of consultancy or agency services in Hong Kong.

FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$23.9 million (six months ended 30 September 2015: HK\$21.1 million), representing an increase of approximately 13.3% from that of the corresponding period of 2015 (the "Last Corresponding Period"). The increase in the Group's revenue during the Period was mainly due to an increase in loan interest income as a result of the Group's expanded loan portfolio.

The Group's cost of sales for the Period was approximately HK\$11.0 million (six months ended 30 September 2015: HK\$9.9 million), representing an increase of 11.1% from that of the Last Corresponding Period. The increase in cost of sales was in line with the increase in the Group's revenue.

The Group's marketing, administrative and other operating expenses for the Period was approximately HK\$47.8 million (six months ended 30 September 2015: HK\$46.4 million), representing an increase of approximately 3.0% from that of the Last Corresponding Period. The increase was mainly attributable to an increase in the unrealised fair value loss on financial assets at fair value through profit or loss for listed securities in Hong Kong.

The Group's finance costs for the Period amounted to approximately HK\$2.7 million (six months ended 30 September 2015: HK\$5.3 million), representing a decrease of about 49.1% from that of the Last Corresponding Period. It was attributable to a decrease in the effective interest expenses recognised on promissory notes issued by the Company due to early redemption of certain promissory notes by the Company in October 2015.

Accordingly, the loss attributable to owners of the Company for the Period was approximately HK\$34.1 million (six months ended 30 September 2015: loss of HK\$38.1 million).

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

On 16 November 2015, the Group granted a loan facility of HK\$13.0 million at an interest rate of 4.5% per annum for a term of 12 months to a customer, an independent third party which executed a share charge in favour of the Group to charge 10,000,000 shares of a company listed on the GEM to the Group as security in connection with the loan. As at 30 September 2016, HK\$13.0 million has been drawn and the Group's aggregate amount of loan and interest receivable amounted to approximately HK\$13.5 million in relation to the aforementioned loan. For further details, please refer to the Company's announcement dated 17 November 2015.

OUTLOOK

Although the revenue growth from asset advisory and corporate consultancy services has slowed down as compared with previous years due to a lack of optimism in the global economy and the volatile financial and capital market, the Group remains cautiously optimistic about the steady demand for professional commercial services in the PRC, Taiwan, Hong Kong and Macau (together, the "Greater China"). As companies in Greater China, especially in the PRC, 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 the Group's existing competitive advantages and market position in the core business segments, experienced professional teams and provision of convenient one-stop professional services, the Group is confident to address such challenges.

Furthermore, the Group has recently completed a few business acquisitions. With the expansion of its operations to the media advertising and financial businesses, the Group believes that its client base and income source would be further diversified and increased. With the financial resources on hand, the Group will continue to actively seek investment and business opportunities in relation to companies engaged in the financial services industry in Hong Kong, in particular the money lending business and securities brokerage business, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company.

As disclosed in the Company's announcement dated 9 December 2015, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement in relation to its acquisition of 95% of the entire issued share capital of IAM Group Inc. ("IAM" and the "Acquisition", respectively). IAM has a directly wholly-owned subsidiary which is licensed to carry out type 1 (dealing in securities) regulated activity (as defined by the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The total consideration of the Acquisition is approximately HK\$80.8 million, which will mainly be financed by the net proceeds from the placing and subscription of new Shares completed in October 2015. As at the date of this report, the Acquisition has not yet been completed.)

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Outlook" and note 17 to the unaudited condensed consolidated financial statements above, the Group does not have other plans for material investments and capital assets.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries and affiliated companies during the Period.

SIGNIFICANT INVESTMENTS HELD

As at 30 September 2016, the Group's financial assets at fair value through profit or loss ("FVTPL"), with market value of approximately HK\$143.0 million (31 March 2016: HK\$169.7 million), represented an investment portfolio of ten (31 March 2016: nine) equity securities listed in Hong Kong. Details of the financial assets at FVTPL were set out as follows:

Name of securities	As at 30 September 2016					For the six months ended 30 September 2016	As at 31 March 2016
	Percentage of shareholding interest	Fair value/carrying value HK\$'000	Percentage to the financial assets at FVTPL	Percentage to the net assets	Unrealised gain (loss) HK\$'000	Fair value/carrying value HK\$'000	
Major Holdings Limited ("MHL") (Stock code: 1389) (Note 1)	0.69%	34,195	23.9%	6.5%	12,165	22,030	
L & A International Holdings Limited ("L&A") (Stock code: 8195) (Note 2)	0.12%	961	0.7%	0.2%	(18,879)	19,840	
WLS Holdings Limited ("WLS") (Stock code: 8021) (Note 3)	1.96%	75,000	52.4%	14.2%	(6,250)	81,250	
Other investments (Notes 4 and 5)		32,890	23.0%	6.2%	(14,804)	46,614	
		143,046	100%	27.1%	(27,768)	169,734	

Notes:

1. MHL is principally engaged in sale and distribution of premium wine and spirit products and wine accessory products in Hong Kong.
2. L&A is principally engaged in the manufacturing, sales and retailing of garment products.

3. WLS is principally engaged in the provision of scaffolding and fitting out services, management contracting services, other services for construction and buildings work, money lending business and trading of securities in Hong Kong.
4. The carrying value of each of these investments represented less than 2% of the net assets of the Group as at 30 September 2016.
5. The Group had less than a 2% shareholding interest in each of these investments as at 30 September 2016.

During the Period, the Group recorded an unrealised loss of approximately HK\$27.8 million (six months ended 30 September 2015: realised loss of HK\$8.1 million and unrealised loss of HK\$13.0 million) under the volatile stock market conditions.

The future performance of the equity securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above, there were no other significant investments held as at 30 September 2016.

CHARGE ON GROUP ASSETS

As at 30 September 2016, the Group did not have any charge on its assets.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group as at 30 September 2016 as compared with that as at 31 March 2016.

FOREIGN CURRENCY RISK

The majority of the Group's businesses is operated in Hong Kong and is denominated in Hong Kong dollars, Renminbi and United States dollars. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2016, the Group had cash and cash equivalents of approximately HK\$16.8 million (31 March 2016: approximately HK\$23.7 million). As at 30 September 2016, the Group had net current assets of approximately HK\$299.4 million (31 March 2016: approximately HK\$354.0 million). Current ratio as at 30 September 2016 was 8.4 (31 March 2016: 16.8).

As at 30 September 2016, the Group had total borrowings (comprising bank borrowings and promissory notes) of approximately HK\$53.6 million (31 March 2016: HK\$51.0 million) and a net gearing ratio, which is defined as net debt (total borrowings net of cash and bank balances) over total equity, of approximately 0.07 (31 March 2016: 0.05) is resulted. The bank borrowings were denominated in Renminbi and carried an average annual interest rate of 7.7% (31 March 2016: 7.8%) while the promissory notes were denominated in Hong Kong dollars and interest-bearing at 3% (31 March 2016: 3%) per annum.

CAPITAL COMMITMENTS

As at 30 September 2016, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities at 30 September 2016.

HUMAN RESOURCES

As at 30 September 2016, the Group employed 65 (31 March 2016: 62) employees. Total staff costs (including Director's emoluments) for the Period were approximately HK\$13.8 million (six months ended 30 September 2015: HK\$18.7 million). Employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance and individual's professional and working experience and by reference to prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

OTHER INFORMATION

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

As at 30 September 2016, the interests and short positions of the Directors and the chief executive 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 SFO) which would have: (a) to be 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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) 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

Name of Director	Nature of interest	Number of issued Shares held	Approximate percentage to the issued Shares
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest in controlled corporations	310,850,000 (Note)	6.40%

Note: 310,850,000 Shares were held by Brilliant One Holdings Limited ("Brilliant One") which was wholly owned by GC Holdings Limited ("GC Holdings"). GC Holdings was wholly owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip was deemed to have interests in all the Shares held by Brilliant One.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporations	Nature of interests	Number of issued shares held	Approximate percentage of interest in associated corporations
Mr. Ip (Note)	Brilliant One	Interest in controlled corporations	200	100%
Mr. Ip (Note)	GC Holdings	Beneficial owner	1	100%

Note: The Company was owned as to approximately 6.4% by Brilliant One. Brilliant One was wholly owned by GC Holdings. GC Holdings was wholly owned by Mr. Ip.

(c) Long positions in the underlying Shares

Name of Directors	Nature of interests	Number of underlying Shares held	Approximate percentage to the issued Shares
Mr. Yip Chung Wai, David (Note)	Beneficial owner	8,575,000	0.18%
Mr. Wu Di (Note)	Beneficial owner	8,575,000	0.18%

Note: Each of the Directors was granted an option under the share option scheme of the Company, details of which are set out in the section headed "Share Option Scheme" below.

Save as disclosed above, as at 30 September 2016, none of the Directors or the chief executive 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 would have to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules or to be entered in the register referred to in the SFO.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2016, the following persons/corporations (other than Directors or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, 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:

Long positions in the Shares

Name of shareholders	Nature of interests	Number of Shares held	Approximate percentage to the issued Shares
Brilliant One (Note 1 and 2)	Beneficial owner	310,850,000	6.40%
GC Holdings (Note 1)	Interest in a controlled corporation	310,850,000	6.40%
M Success Finance Limited ("M Success") (Note 2)	Having a security interest	310,850,000	6.40%
Roma Group Limited ("Roma Group") (Note 2)	Interest in controlled corporations	310,850,000	6.40%
Laberie Holdings Limited ("Laberie") (Note 3)	Beneficial owner	1,400,000,000	28.82%
SEEC Media Group Limited ("SEEC Media") (Note 3)	Interest in a controlled corporation	1,400,000,000	28.82%

Name of shareholders	Nature of interests	Number of issued Shares held	Approximate percentage to the issued Shares
上海海通證券資產管理有限公司	Trustee	292,995,000	6.03%
中歐盛世資產管理(上海)有限公司	Trustee	530,995,000	10.93%

Notes:

1. Brilliant One was wholly owned by GC Holdings which was wholly owned by Mr. Ip, an executive Director and the Managing Director. Therefore, under the SFO, GC Holdings was deemed to be interested in all the Shares held by Brilliant One.
2. On 8 July 2015, 310,850,000 Shares held by Brilliant One were pledged to M Success, which was wholly owned by Ascendant Success Limited. Ascendant Success Limited was wholly owned by United Brilliant Limited, which was wholly owned by Roma Group.
3. Laberie was wholly owned by SEEC Media. By virtue of the SFO, SEEC Media was deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 30 September 2016, the Company had not been notified by any parties (other than Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, 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 required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

To attract and retain the eligible persons, provide additional incentive to them and promote the success of the business of the Group, the Company conditionally approved and adopted a share option scheme (the "Scheme") by a resolution in writing on 18 May 2011 whereby the Board was authorised to grant options (the "Options") to subscribe for the Shares to the eligible participants as defined in the Scheme, including the Directors and employees. The Scheme is valid for a period of ten years commencing from the adoption date as defined in the Scheme, i.e. 18 May 2011.

A summary of the movements of the outstanding Options under the Scheme during the Period is as follows:

Eligible participants	Number of underlying Shares comprised in Options					Outstanding as at 30 September 2016	Exercise price per Share HK\$	Adjusted exercise price per Share HK\$ (Note)	Date of grant	Exercisable period
	Outstanding as at 1 April 2016	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period					
Directors										
Mr. Yip Chung Wai, David	8,575,000	-	-	-	-	8,575,000	0.367	NA	27.8.2015	27.8.2015 - 26.8.2018 (both dates inclusive)
Mr. Wu Di	8,575,000	-	-	-	-	8,575,000	0.367	NA	27.8.2015	27.8.2015 - 26.8.2018 (both dates inclusive)
Employees	356,700	-	-	-	-	356,700	0.20	0.1626	6.1.2012	a) One-third of the Options comprising 258,300 Shares is exercisable from 30.1.2012 to 17.5.2021, one-third of the Option is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-third of the Option is exercisable from 1.1.2014 to 17.5.2021. b) One-half of the Options comprising 98,400 Shares is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-half of the Option is exercisable from 1.1.2014 to 17.5.2021.
Employees	147,600	-	-	-	-	147,600	0.20	0.1626	6.1.2012	1.7.2012 - 17.5.2021 (both dates inclusive)
Employees	73,800	-	-	-	-	73,800	0.20	0.1626	6.1.2012	30.1.2012 - 17.5.2021 (both dates inclusive)
Employees	1,107,000	-	-	(553,500)	-	553,500	0.20	0.1626	6.1.2012	One-third of the Options is exercisable from 1.7.2013 to 17.5.2021, one-third of the Options is exercisable from 1.1.2014 to 17.5.2021 and the remaining one-third of the Options is exercisable from 1.1.2015 to 17.5.2021.
Employees	8,575,000	-	-	-	-	8,575,000	0.367	NA	27.8.2015	27.8.2015 - 26.8.2018 (both dates inclusive)
Employees	845,000	-	-	-	-	845,000	0.367	NA	27.8.2015	27.8.2016 - 26.8.2018 (both dates inclusive)
	28,255,100	-	-	(553,500)	-	27,701,600				

Note: The exercise price and the number of underlying Shares comprised in the outstanding Options have been adjusted with effect from 28 August 2014 as a result of the completion of an open offer of Shares.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Tso Ping Cheong, Brian has resigned as the chairman of the Board (the “Chairman”) but remains as an independent non-executive Director with effect from 11 November 2016.

Mr. Yip Chung Wai, David has been appointed as the Chairman with effect from 11 November 2016.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the “Required Standard of Dealings”). The Company had made a specific enquiry with each of the Directors and all of them confirmed that they had complied with the Required Standard of Dealings during the Period.

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.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

To the best of the Directors’ knowledge, none of the Directors or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete with the business of the Group during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The Company did not redeem any of its Shares listed on the GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

CORPORATE GOVERNANCE

During the Period, the Company has complied with the code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

AUDIT COMMITTEE

The Group's unaudited condensed consolidated financial statements for the Period have been reviewed by the Audit Committee, which was of the opinion that such results had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

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

Hong Kong, 11 November 2016