

GREATERCHINA PROFESSIONAL SERVICES LIMITED 漢華專業服務有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8193)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

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 announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement, in both English and Chinese versions, is available on the Company’s website at www.gca.com.hk.

* For identification purpose only

The board of Directors (the “Board”) of the Company 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 2013, together with the unaudited comparative figures for the corresponding periods in 2012, as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended 30 September		Six months ended 30 September	
		2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Turnover	6	15,254	15,172	34,717	30,505
Cost of services		(6,376)	(4,422)	(11,922)	(8,803)
Gross profit		8,878	10,750	22,795	21,702
Other incomes	6	1,113	544	1,894	1,239
Marketing, administrative and other operating expenses		(11,092)	(9,089)	(20,205)	(17,777)
(Loss)/profit from operations		(1,101)	2,205	4,484	5,164
Finance costs		(3)	(4)	(6)	(8)
Share of results of associates and a joint venture		618	(85)	536	255
(Loss)/profit before tax		(486)	2,116	5,014	5,411
Income tax expense	7	(132)	(97)	(967)	(1,031)
(Loss)/profit for the period attributable to owners of the Company		<u>(618)</u>	<u>2,019</u>	<u>4,047</u>	<u>4,380</u>
Other comprehensive income, net of tax					
<i>Items that will be reclassified to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		28	(26)	27	(20)
Total comprehensive (loss)/ income for the period attributable to owners of the Company		<u>(590)</u>	<u>1,993</u>	<u>4,074</u>	<u>4,360</u>
(Loss)/earnings per share	9				
Basic (<i>HK cents</i>)		<u>(0.12)</u>	<u>0.40</u>	<u>0.81</u>	<u>0.88</u>
Diluted (<i>HK cents</i>)		<u>(0.12)</u>	<u>0.40</u>	<u>0.81</u>	<u>0.88</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2013 (unaudited) <i>HK\$'000</i>	31 March 2013 (audited) <i>HK\$'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	10	1,469	1,689
Investments in associates and a joint venture		24,487	23,588
Available-for-sale financial asset		2,241	2,241
		28,197	27,518
Current assets			
Trade receivables	11	82,600	79,159
Prepayments, deposits and other receivables		18,728	8,231
Financial asset at fair value through profit or loss		–	206
Amounts due from related parties		2,914	1,370
Pledged bank deposit		1,018	1,014
Bank and cash balances		7,746	19,458
		113,006	109,438
Current liabilities			
Trade payables	12	6,949	5,082
Accruals and other payables		3,742	3,761
Amount due to a director		–	375
Obligations under finance leases		162	162
Current tax liabilities		9,698	8,731
		20,551	18,111
Net current assets		92,455	91,327
Total assets less current liabilities		120,652	118,845
Non-current liabilities			
Obligations under finance leases		86	167
NET ASSETS		120,566	118,678
Capital and reserves			
Share capital		5,014	5,000
Reserves		115,552	113,678
TOTAL EQUITY		120,566	118,678

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total equity HK\$'000
	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	
At 1 April 2013 (audited)	5,000	71,478	5,359	(45)	36,217	669	118,678
Profit for the period	-	-	-	-	4,047	-	4,047
Exchange differences arising on translation of foreign operations	-	-	-	27	-	-	27
Total comprehensive income	-	-	-	27	4,047	-	4,074
Share issued under share option scheme	14	378	-	-	-	(121)	271
Equity-settled share-based payment	-	-	-	-	-	43	43
Effect of forfeiture of share options granted	-	-	-	-	80	(80)	-
Final dividend paid in respect of the previous financial year	-	-	-	-	(2,500)	-	(2,500)
At 30 September 2013 (unaudited)	5,014	71,856	5,359	(18)	37,844	511	120,566

	Attributable to owners of the Company						Total equity HK\$'000
	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	
At 1 April 2012 (audited)	5,000	71,468	5,359	-	14,246	340	96,413
Profit for the period	-	-	-	-	4,380	-	4,380
Exchange differences arising on translation of foreign operations	-	-	-	(20)	-	-	(20)
Total comprehensive income (restated)	-	-	-	(20)	4,380	-	4,360
Share issued under share option scheme	-	11	-	-	-	(3)	8
Equity-settled share-based payment	-	-	-	-	8	191	199
Final dividend paid in respect of the previous financial year	-	-	-	-	(5,000)	-	(5,000)
At 30 September 2012 (unaudited)	5,000	71,479	5,359	(20)	13,634	528	95,980

NOTES TO THE 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. The Company's shares were listed on the GEM of the Stock Exchange on 31 May 2011.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are provision of asset advisory services and asset appraisal and corporate services and consultancy.

The condensed consolidated financial statements have not been audited. The condensed consolidated financial statements were reviewed by the audit committee of the Company.

These condensed consolidated financial statements are approved and authorised for issue by the Board on 12 November 2013.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 September 2013 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 ("HKICPA") and the disclosure requirements in accordance with the GEM Listing Rules.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2013 except as stated below.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2013. HKFRSs comprise Hong Kong Financial Reporting Standard ("HKFRS"); HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years except as stated below.

(a) *Amendments to HKAS 1 "Presentation of Financial Statements"*

Amendments to HKAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) HKFRS 13 “Fair Value Measurement”

HKFRS 13 “Fair Value Measurement” establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of HKFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements. HKFRS 13 has been applied prospectively.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. FAIR VALUE MEASUREMENTS

Except for the available-for-sale financial asset which is stated at cost, the carrying amounts of the Group’s financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

5. SEGMENT INFORMATION

The Group has two reportable segments as follows:

- | | | |
|---|---|---|
| Asset advisory services and asset appraisal | – | Provision of asset advisory services and asset appraisal, 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 property in the People’s Republic of China (“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 and enterprise risk management services, management consultancy 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, gain or loss in financial asset at fair value through profit or loss, share of results of associates and a joint venture and finance costs. Assets and liabilities are not monitored by the Group's senior executive management based on segments. Accordingly, no information on segment assets and liabilities is presented.

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

An analysis of the Group's revenue and results for the period by operating segment was as follows:

	Six months ended 30 September 2013		
	Asset advisory services and asset appraisal (unaudited) HK\$'000	Corporate services and consultancy (unaudited) HK\$'000	Total (unaudited) HK\$'000
Revenue from external customers	21,309	13,408	34,717
Inter-segment revenue	–	4,230	4,230
Segment profit	2,193	10,596	12,789
Unallocated corporate expense, net			(9,278)
Share of post-tax profit of associates and a joint venture			536
Profit for the period			<u>4,047</u>

Six months ended 30 September 2012

	Asset advisory services and asset appraisal <i>HK\$'000</i>	Corporate services and consultancy <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	20,895	9,610	30,505
Inter-segment revenue	–	3,420	3,420
Segment profit	10,890	6,072	16,962
Unallocated corporate expense, net			(12,837)
Share of post-tax profit of associates			<u>255</u>
Profit for the period			<u><u>4,380</u></u>

6. REVENUE AND OTHER INCOMES

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

Revenue and other incomes recognised during the periods were as follows:

	Three months ended		Six months ended	
	30 September		30 September	
	2013	2012	2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Asset appraisal services income	8,694	8,152	16,657	15,039
Asset advisory services income	4,652	5,856	4,652	5,856
Corporate services and consultancy income	1,908	1,164	13,408	9,610
	<u>15,254</u>	<u>15,172</u>	<u>34,717</u>	<u>30,505</u>
Other incomes				
Interest income	4	35	5	69
Others	1,109	509	1,889	1,170
	<u>1,113</u>	<u>544</u>	<u>1,894</u>	<u>1,239</u>

7. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2013	2012	2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax				
Provision for the period	<u>132</u>	<u>97</u>	<u>967</u>	<u>1,031</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2012: 16.5%) based on the estimated assessable profit.

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

During the period, final dividend of HK0.5 cent per ordinary share, totally amounted to HK\$2,500,200, was approved and paid for the year ended 31 March 2013 (2012: HK\$5,000,400).

9. (LOSS)/EARNINGS PER SHARE

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

	Three months ended		Six months ended	
	30 September		30 September	
	2013	2012	2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss)/profit attributable to owners of the Company	<u>(618)</u>	<u>2,019</u>	<u>4,047</u>	<u>4,380</u>
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share (in '000)	500,906	500,040	501,146	500,036
Effect of dilutive potential ordinary shares:				
Options (in '000)	<u>N/A</u>	<u>N/A</u>	<u>1,246</u>	<u>N/A</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in '000)	<u>N/A</u>	<u>N/A</u>	<u>502,392</u>	<u>N/A</u>

The Company did not have any dilutive potential ordinary shares for the three months and six months ended 30 September 2012, and for the three months ended 30 September 2013. Therefore, the diluted earnings per share equal basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2013, the Group acquired plant and equipment at a consideration of HK\$76,000 (30 September 2012: HK\$104,000).

During the three months ended 30 September 2013, the Group incurred depreciation expense of HK\$149,000 (30 September 2012: HK\$170,000).

During the six months ended 30 September 2013, the Group incurred depreciation expense of HK\$296,000 (30 September 2012: HK\$334,000).

11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. During the six months ended 30 September 2013, the credit terms generally range from 14 to 30 days (31 March 2013: same). However, according to our past experience, revenue from asset advisory and corporate consultancy services would have a longer collection period of over 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

As at 30 September 2013 and 31 March 2013, the ageing analysis of the trade receivables, net of allowance, was as follows:

	As at 30 September 2013 (unaudited) <i>HK\$'000</i>	As at 31 March 2013 (audited) <i>HK\$'000</i>
0 to 30 days	7,295	30,932
31 to 90 days	895	3,992
91 to 180 days	11,421	15,708
181 to 365 days	40,707	13,788
Over 365 days	<u>22,282</u>	<u>14,739</u>
Total	<u><u>82,600</u></u>	<u><u>79,159</u></u>

The Group's ageing analysis of trade receivable from asset advisory and corporate consultancy services, based on invoice date, and net of allowance, is as follows:

	As at 30 September 2013 (unaudited) HK\$'000	As at 31 March 2013 (audited) HK\$'000
0 to 30 days	4,652	23,188
31 to 90 days	–	–
91 to 180 days	9,725	12,893
181 to 365 days	36,081	13,176
Over 365 days	<u>21,591</u>	<u>14,415</u>
	<u>72,049</u>	<u>63,672</u>

As at 30 September 2013, the trade receivables from asset advisory and corporate consultancy services aged over 180 days (the "Long Outstanding Receivables") amounted to approximately HK\$57,672,000 (31 March 2013: approximately HK\$27,591,000). The Directors closely monitor the recovery of the Long Outstanding Receivables. Appropriate measures are being taken to facilitate their subsequent settlement without undue delay.

Since 1 April 2013, a total amount of approximately HK\$6,000,000 of trade receivable from asset advisory and corporate consultancy services had been settled.

12. TRADE PAYABLES

As at 30 September 2013 and 31 March 2013, the ageing analysis of the trade payables was as follows:

	As at 30 September 2013 (unaudited) HK\$'000	As at 31 March 2013 (audited) HK\$'000
0 to 90 days	6,949	1,857
91 to 180 days	–	–
181 to 365 days	–	–
Over 365 days	<u>–</u>	<u>–</u>
Total	<u>6,949</u>	<u>1,857</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (six months ended 30 September 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 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.

According to our past experience, revenue from asset advisory and corporate consultancy services would have a longer collection period. As at 30 September 2013, the trade receivables from asset advisory and corporate consultancy services aged over 180 days amounted to approximately HK\$57,672,000 (31 March 2013: approximately HK\$27,591,000). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors with actions taken, where necessary, to facilitate subsequent settlement without undue delay.

FINANCIAL REVIEW

The Group's revenue for the six months ended 30 September 2013 was approximately HK\$34.7 million (six months ended 30 September 2012: approximately HK\$30.5 million), representing an increase of approximately 13.8% from that of 2012. The increase in the Group's revenue during the period was mainly attributable to increase in revenue from corporate services and consultancy income. Thanks to the Group business expansion since its listing, the Group overall revenue increased as compared with last year.

The Group's cost of services for the six months ended 30 September 2013 was approximately HK\$11.9 million (six months ended 30 September 2012: approximately HK\$8.8 million), representing an increase of approximately 35.4% 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 six months ended 30 September 2013 was approximately HK\$20.2 million (six months ended 30 September 2012: approximately HK\$17.8 million), representing an increase of approximately 13.7% from that of 2012. The increase was mainly due to increase in sales and administrative staff cost and rental expenses. Moreover, due to the Group's further business expansion, by setting up new offices, in overseas market, more operating expenses incurred for the period.

Accordingly, the profit attributable to owners of the Company for the six months ended 30 September 2013 was approximately HK\$4.0 million (six months ended 30 September 2012: approximately HK\$4.4 million), representing a slight decrease of approximately 7.6% 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 the PRC, Taiwan, Hong Kong and Macau (together, the "Greater China"). As companies in Greater China, 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 address such challenges. By continuing development of client base through our all round sales force, we create momentum in our asset advisory business. It is expected that engagements from asset advisory business would appear more regularly. Furthermore, based on our recent business expansion in China, Malaysia, 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.

FOREIGN CURRENCY RISK

The majority of the Group's businesses is 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 2013, the Group had bank and cash balances of approximately HK\$7.7 million (31 March 2013: HK\$19.5 million). As at 30 September 2013, the Group had net current assets of approximately HK\$92.5 million (31 March 2013: HK\$91.3 million). Current ratio as at 30 September 2013 was 5.5 (31 March 2012: 6.0).

The Group's operations and investments are financed principally by revenues generated from business operations, available bank balances and the net proceeds from the placing of the Company's new shares in the listing. As at 30 September 2013, the Group had no borrowing and a zero gearing ratio (31 March 2013: Nil), which is defined as net debt (total borrowings net of cash and bank balances) over total equity, is resulted.

CAPITAL EXPENDITURE

During the six months ended 30 September 2013, the Group invested approximately HK\$76,000 (30 September 2012: approximately HK\$104,000) for acquisition of plant and equipment.

CAPITAL COMMITMENTS

As at 30 September 2013, the Group did not have any significant capital commitments.

HUMAN RESOURCES

As at 30 September 2013, the Group employed 64 (31 March 2013: 62) full-time employees including management and administrative staff. The employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance, 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.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus and the actual business progress during the Review Period is set out below:

Business objectives for the Review Period

Actual business progress for the Review Period

- | | |
|--|--|
| <p>– Business development</p> | <ul style="list-style-type: none">– During the period, we incorporated a wholly owned subsidiary in Dubai International Financial Centre. The entity carries out corporate services and consultancy business in Middle-East.– During the period, we invested 45% equity interest in an entity in Kuala Lumpur, Malaysia. The entity carries out corporate services and consultancy business in Southeast Asia.– During the period, we further expanded our sales and support teams located at Shanghai, Chongqing and Shenzhen in the PRC. |
| <p>– Improvement of public awareness</p> | <p>We invested resources in marketing activities to enhance our public awareness, including organisation of professional seminars and publication of newsletters and periodicals.</p> |
| <p>– Human resources deployment</p> | <p>We recruited additional professional staff to expand our services in Hong Kong, China and Dubai.</p> |

USE OF NET PROCEEDS FROM THE COMPANY'S PLACING

During the period from 1 April 2013 to 30 September 2013 (the "Review Period"), the net proceeds from the Company's placing had been applied as follows:

	Planned use of proceeds as stated in the prospectus and updated intended use of proceeds as stated above during the review period <i>HK\$ million</i>	Actual use of proceeds during the review period <i>HK\$ million</i>
Business development		
– corporate services and consultancy business	14.51	5.28
Improvement of public awareness	0.20	0.02
Human resources deployment	1.20	2.71

Note:

The business objectives and planned use of proceeds as stated in the prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the prospectus. The proceeds were applied in accordance with the actual development of the market.

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 September 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.

CORPORATE GOVERNANCE

During the six months ended 30 September 2013, the Company complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules except for the following deviation:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not at present have any officer with the title of chief executive officer (the “CEO”) but instead the duties of a CEO are performed by Mr. Ip Kwok Kwong, the managing director of the Company, in the same capacity as the CEO of the Company.

AUDIT COMMITTEE

The Group’s condensed unaudited consolidated results for the six months ended 30 September 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, 12 November 2013

As at the date of this announcement, the Board comprises one executive director, namely Mr. Ip Kwok Kwong and three independent non-executive directors, namely Mr. Au-Yang Cheong Yan Peter, Mr. Wu Chi Keung and Mr. Wan Kam To.

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