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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF SHARES OF TARGET COMPANY

THE SPA

On 12 August 2014 (after trading hours), the Board announces that the Purchaser and the Vendor entered into the SPA pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares for a total consideration of HK\$39,000,000.

GEM LISTING RULES IMPLICATIONS

Since the applicable percentage ratios for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the transactions contemplated under the SPA exceed 5% and less than 25%, the entering into of the SPA constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Completion is subject to the fulfillment or waiver (as applicable) of the conditions precedent under the SPA. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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* For identification purposes only

THE SPA

The principal terms of the SPA are set out below:

Date: 12 August 2014 (after trading hours)

Parties: Purchaser, a wholly-owned subsidiary of the Company

Vendor

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor is an Independent Third Party.

Subject matter

As at the date of this announcement, the Vendor owns 50% of the entire issued share capital of the Target Company. Pursuant to the terms of the SPA, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing 30% of the entire issued share capital of Target Company as at the date of this announcement, free from all liens, charges and encumbrances and together with all rights (from the date of the SPA and thereafter) attaching thereto including but not limited to the right to receive all dividends and distributions declared, made or paid on or after the Completion Date.

Consideration

The total consideration payable by the Purchaser for the Acquisition shall be HK\$39,000,000, which shall be satisfied by the allotment and issue, credited as fully paid, of the Consideration Shares to the Vendor on the Completion Date.

The Consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor and was determined with reference to (i) the financial and other information of the business of the Target Group provided by the Vendor; (ii) the financial and operating performance of the Target Group; (iii) the profit guarantee of HK\$8,000,000 for the Relevant Period provided by the Vendor; (iv) the estimated price-to-earnings ratio based on equity interest of the Company in the Target Company of approximately 16.25 times; and (v) the reasons and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" in this announcement. The issue price per Consideration Share of HK\$0.39 was determined with reference to the prevailing market price of the Shares.

In view of the above, the Directors (including the independent non-executive Directors) consider the terms for the Acquisition including but not limited to the consideration to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Consideration Shares

The Consideration Shares will be issued at the issue price of HK\$0.39 each which represents:

- (i) a discount of approximately 2.5% to the closing price of HK\$0.40 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 7.1% to the average closing price of HK\$0.42 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 4.9% to the average closing price of HK\$0.41 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Consideration Shares represent approximately 19.82% of the existing issued share capital of the Company as at the date of this announcement and represent approximately 16.54% of the Company's issued share capital as enlarged by the issue of Consideration Shares. Pursuant to the general mandate granted to the Directors by Shareholders at the annual general meeting of the Company held on 7 August 2013, the Directors are authorised to allot, issue and deal with additional Shares up to 100,008,000 new Shares. The Consideration Shares will be issued pursuant to the general mandate granted to the Directors pursuant to the resolutions at the annual general meeting of the Company held on 7 August 2013 and will utilise approximately 99.99% of such general mandate.

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued upon Completion, will rank pari passu in all respects with the existing Shares in issue.

Conditions precedent to the SPA

Completion of the Acquisition under the SPA is conditional upon fulfillment or waiver (where applicable) of the following conditions precedent:

- (i) the GEM Listing Committee having granted approval for the listing of and permission to deal in the Consideration Shares on the Stock Exchange with such approval still remaining effective up to Completion;
- (ii) all necessary approvals by the Shareholders (if necessary) in respect of the transactions contemplated under the SPA having been obtained by way of either a majority vote at a general meeting or, (if acceptable to the Stock Exchange) in lieu of holding such general meeting, a written shareholders' approval from a shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of its shares in a manner as required under the GEM Listing Rules;
- (iii) the warranties given by the Purchaser in the SPA remaining true, accurate and not misleading in all material respects upon repetition of the same immediately prior to Completion with reference to the facts and circumstances then existing;

- (iv) the warranties given by the Vendor in the SPA remaining true, accurate and not misleading in all material respects upon repetition of the same immediately prior to Completion with reference to the facts and circumstances then existing;
- (v) the Purchaser undertaking and completing a due diligence investigation in respect of the Target Group including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financing structure of the Target Group and the Purchaser being in its sole opinion satisfied with the results of such due diligence investigation; and
- (vi) The Chinese Gold and Silver Exchange Society, if required, having granted its approval to Boxin Bullion in relation to the transactions contemplated under the SPA.

The Purchaser may waive condition (iv) at any time by notice in writing to the Vendor. The Vendor may waive condition (iii) at any time prior to Completion by notice in writing to the Purchaser. Conditions (i), (ii), (v) and (vi) cannot be waived. The Vendor and the Purchaser shall, within their respective capacities, use their best endeavours to ensure the above conditions precedent be fulfilled on or before the Long Stop Date. As at the date of this announcement, no condition has been fulfilled or waived.

If any of the above conditions precedent are not fulfilled or waived by the Purchaser or the Vendor (as the case maybe) on or before the Long Stop Date, or such later date as the Purchaser and the Vendor may agree, the SPA will terminate immediately thereafter and be of no further effect and all the obligations and liabilities of the Purchaser and the Vendor under the SPA will cease and determine (save for the rights of the Purchaser and the Vendor to claim the other in respect of any antecedent breaches or any rights or remedies which shall have accrued prior to termination).

Vendor's Profit Guarantee

Pursuant to the terms of the SPA, the Vendor has irrevocably and unconditionally guaranteed to the Purchaser that the audited consolidated net profit after taxation of the Target Company for the Relevant Period shall not be less than HK\$8,000,000 (the "**Guaranteed Profit**").

In the event the Guaranteed Profit is not achieved, the Vendor should pay to the Purchaser a compensation sum (the "**Sum**") based on the following formula:

$$\text{The Sum} = (\text{Guaranteed Profit} - \text{actual profit achieved}) \times 16.25 \times 30\%$$

The multiple of 16.25 represents the implied price-to-earnings ratio derived by reference to the value of the consideration for the Sale Shares over 30% of the Guaranteed Profit. The maximum compensation sum is capped to HK\$19,500,000. The Guaranteed Profit shall be calculated in accordance with Hong Kong Financial Reporting Standards.

Pursuant to the terms of the SPA, the audited report of the Target Company for the Relevant Period shall be completed and presented to the Purchaser within three (3) months after the Relevant Period. In the event that the audited consolidated net profit after taxation of the Target Company for the Relevant Period falls short of the Guaranteed Profit, the Vendor shall pay the Purchaser the compensation in cash within 60 business days after the

presenting of the audited report of Target Company and in any event no later than 120 business days after the Relevant Period. Further announcement will be made by the Company in the event that the Guaranteed Profit cannot be fulfilled. There is no profit adjustment mechanism to the consideration for the Sale Shares in case the actual audited consolidated net profit after taxation of the Target Company for the Relevant Period exceeds the Guaranteed Profit.

Purchaser's lock-up undertaking

Within 12 months from Completion, the Purchaser undertakes that it will not, without the prior written consent of Vendor (which consent not to be unreasonably withheld or delayed):

- (i) offer, sell, contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of the Sale Shares;
- (ii) enter into any swap or any other agreement or any transaction that transfers in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Sale Shares; or
- (iii) create any charge or security interest over the Sale Shares.

Completion

Completion shall take place on the second Business Day after all the conditions precedent to the SPA set out above have been fulfilled or waived (as the case may be) by the Purchaser in accordance with the terms of the SPA or such other date as may be agreed by the Vendor and the Purchaser in writing. Upon Completion, the Target Company will become an associate company of the Company.

INFORMATION OF THE COMPANY

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the provision of asset appraisal and asset advisory services, corporate services and consultancy services.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability, and is an investment holding company owned as at 50% by each of Mr. Choi and Ms. Cheung, being the holding company of the Boxin Bullion. Boxin Bullion holds a licence granted by The Chinese Gold and Silver Exchange Society for the operation of its business of trading and exchange of gold and/or silver and has been providing consultancy or agency services in Hong Kong. The unaudited consolidated net assets of Target Group as at 31 March 2014 is approximately HK\$7.6 million.

The financial results of the Target Group for the two latest financial years are as follows:

	For the year ended	
	31 March	
	2014	2013
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before tax	589	283
Net profit after tax	589	283

Reasons for and benefits of the Acquisition

Boxin Bullion holds a licence granted by The Chinese Gold and Silver Exchange Society for the operation of its business of trading and exchange of gold and/or silver and has been providing consultancy or agency services in Hong Kong. The Chinese Gold and Silver Exchange Society operates in Hong Kong with its registered name since 1918, which has 171 member firms which are sole proprietorships, partnerships or limited companies. Boxin Bullion plans to take step into China by first building its sales teams in major cities of China in the near future.

It has been the Group's plan to further expand its existing business through either vertical or horizontal acquisitions, co-operative arrangements and/or joint ventures if and when there are any business opportunities, in order to enhance the client base for the Group's appraisal and corporate services and thus increase the Group's revenue. The Group has been actively seeking and identifying investment and business opportunities in order to maximise the return to the Shareholders. The Board believes that this investment is strategically important for the long-term growth of the Group's business, and will generate material return for the Shareholders in the long run.

Having considered the future development prospect of the business of Boxin Bullion and the terms of the SPA, in particular, the Guaranteed Profit, the Directors consider the Acquisition would provide an opportunity for the Group to invest in the business of trading and exchange of gold and/or silver and will further enhance the investment portfolio and future earnings of the Group and the terms of the Acquisition are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Pursuant to the Company's announcement dated 16 July 2014 and the Company's prospectus and application form dated 6 August 2014 in relation to the Open Offer, the Company has proposed the issue of the Offer Shares on the basis of one Offer Share for every two Shares held by the Qualifying Shareholders on 5 August 2014. The first day of dealings in Offers Shares is expected to be on 29 August 2014.

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares (assuming no new Shares and/or Offer Shares are allotted and issued on or before Completion) are as follows:

	As at the date of announcement		Upon allotment and issue of the Consideration Shares	
	Number of Shares	%	Number of Shares	%
Mr. Ip Kwok Kwong (<i>Note 1</i>)	305,850,000	60.61	305,850,000	50.58
Ms. Cheung	—	—	100,000,000	16.54
Public Shareholders				
Mr. Au-Yang Cheong Yam, Peter (<i>Note 2</i>)	200,000	0.04	200,000	0.03
Mr. Wu Chi Keung (<i>Note 2</i>)	200,000	0.04	200,000	0.03
Other public Shareholders	<u>198,390,000</u>	<u>39.31</u>	<u>198,390,000</u>	<u>32.81</u>
Total	<u>504,640,000</u>	<u>100</u>	<u>604,640,000</u>	<u>100</u>

Notes:

- 305,850,000 Shares were held by Brilliant One Holdings Limited which was wholly-owned by GCA Professional Services Group Limited (“GCA Professional”), formerly known as Genius Ideas International Ltd. GCA Professional is owned as to 51% by Smart Pick Investments Limited (“Smart Pick”). Smart Pick is owned as to 89.61% by GC Holdings Limited which is wholly-owned by Mr. Ip Kwok Kwong, an executive Director.
- Mr. Au-Yang Cheong Yan, Peter and Mr. Wu Chi Keung resigned as an independent non-executive Directors with effect from 2 July 2014.

GEM LISTING RULES IMPLICATIONS

Since the applicable percentage ratios for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the transactions contemplated under the SPA exceed 5% and less than 25%, the entering into of the SPA constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Completion is subject to the fulfillment or waiver (as applicable) of the conditions precedent under the SPA. As the Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition by the Purchaser of the Sale Shares
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Boxin Bullion”	Boxin Bullion Company Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company
“business day(s)”	a day (excluding Saturdays, Sundays, public holidays and a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time and remaining in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“Company”	GreaterChina Professional Services Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	the completion of the Acquisition in accordance with the SPA
“Completion Date”	the date on which Completion takes place which shall be the second Business Day after all the conditions precedent to the SPA have been fulfilled or waived by the Purchaser or the Vendor (as the case maybe) in accordance with the terms thereof or such other date as may be agreed by the Vendor and the Purchaser in writing
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Consideration Shares”	100,000,000 Shares to be allotted and issued, credited as fully paid, to the Vendor at an issue price of HK\$0.39 each as consideration for the purchase of the Sale Shares
“Director(s)”	the director(s) of the Company

“Excluded Shareholders”	the Overseas Shareholder(s) to whom the Directors, after marking enquiries, consider it necessary or expedient not to offer the Offer Shares to such Shareholder(s) on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing committee of the GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as maybe amended or supplemented from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of the Company and is not connected person (as defined in the GEM Listing Rules) of the Company
“Last Trading Day”	12 August 2014, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Long Stop Date”	12 November 2014 or such later date as the Purchaser and the Vendor may agree
“Ms. Cheung”	Ms. Cheung Siu Yin, a 50% legal and beneficial owner of the Target Company, being the spouse of Mr. Choi
“Mr. Choi”	Mr. Choi Kee Yuen, a 50% legal and beneficial owner of the Target Company, being the spouse of Ms. Cheung
“Offer Shares”	Share(s) to be issued and allotted under the Open Offer, being 252,320,000 Offer Shares
“Open Offer”	the proposed issue of the Offer Shares by way of open offer on the basis of one Offer Share for every two existing Shares held by the Qualifying Shareholders on 5 August 2014 pursuant to the terms set out in the Company’s prospectus and application form dated 6 August 2014
“Overseas Shareholder(s)”	those Shareholders whose registered addresses as shown on the register of members of the Company at 5:30 p.m. on 5 August 2014 are in places outside Hong Kong

“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Zhong Nan Investments Limited, a company incorporated in BVI and a wholly-owned subsidiary of the Company
“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on 5 August 2014
“Relevant Period”	the 12 months period commencing from the first day of the calendar month immediately following the Completion Date
“Sale Shares”	30 fully-paid and issued shares of par value of US\$1.00 each in the existing capital of Target Company held by Ms. Cheung, representing 30% of the entire issued share capital of Target Company as at the date of this announcement
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the existing capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 12 August 2014 entered into among the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Target Company”	Boxin Holdings Limited, a company incorporated in the BVI with limited liability and is owned as to 50% by the Vendor as at the date of this announcement
“Target Group”	Target Company and its wholly-owned subsidiary
“Vendor”	Ms. Cheung, an Independent Third Party
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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

Hong Kong, 12 August 2014

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 Ms. Ng See Wai, Rowena, Mr. Tso Ping Cheong, Brian and Mr. Yip Chung Wai, David.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 will remain on the website of GEM at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.gca.com.hk.