

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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2012

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 in 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 condensed unaudited consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months ended 30 June 2012, together with the unaudited comparative figures for the corresponding period in 2011, as follows.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

Notes:

1. BASIS OF PREPARATION

The Company is a limited liability company incorporated in the Cayman Islands. The Group's condensed unaudited consolidated results for the three months ended 30 June 2012 have been prepared in accordance with Chapter 18 of the GEM Listing Rules.

The Group's condensed unaudited consolidated results for the three months ended 30 June 2012 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. The accounting policies adopted in preparing these quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 March 2012. The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods. The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

The first quarterly results are unaudited but have been reviewed by the Company's audit committee.

2. REVENUE AND OTHER INCOMES

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

An analysis of revenue, other incomes and gain are as follows:

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

3. INCOME TAX EXPENSE

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

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

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

4. EARNINGS PER SHARE

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

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

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

5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital <i>HK\$000</i>	Share premium <i>HK\$000</i>	Capital reserve <i>HK\$000</i>	Foreign currency translation reserve <i>HK\$000</i>	Retained profits <i>HK\$000</i>	Share-based payment reserve <i>HK\$000</i>	Total equity <i>HK\$000</i>
At 1 April 2012 (Audited)	5,000	71,468	5,359	–	14,246	340	96,413
Total comprehensive income for the period	–	–	–	6	2,361	–	2,367
Share issued under share option scheme	–	11	–	–	–	(3)	8
Equity-settled share-based transactions	–	–	–	–	–	119	119
At 30 June 2012 (Unaudited)	5,000	71,479	5,359	6	16,607	456	98,907
At 1 April 2011 (Audited)	3,200	–	2,159	15	30,967	–	36,341
Total comprehensive income for the period	–	–	–	4	720	–	724
Reorganisation	(3,200)	–	3,200	–	–	–	–
Capitalisation issue	3,750	(3,750)	–	–	–	–	–
Placing of shares	1,250	88,750	–	–	–	–	90,000
Share placement expenses	–	(13,532)	–	–	–	–	(13,532)
Interim dividend declared by subsidiaries (<i>Note</i>)	–	–	–	–	(30,000)	–	(30,000)
At 30 June 2011 (Unaudited)	5,000	71,468	5,359	19	1,687	–	83,533

Note: The amount represents interim dividend declared and paid by the Company's subsidiaries to their then shareholders prior to the listing of the Company on the GEM of the Stock Exchange during the three months ended 30 June 2011. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful for the purpose of quarterly results.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2012 (three months ended 30 June 2011: Nil).

BUSINESS REVIEW

The Group's services are broadly categorised into two main sectors: (i) asset advisory services and asset appraisal; and (ii) corporate services and consultancy.

Asset advisory services and asset appraisal typically involve provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices.

Asset advisory services income is primarily success-based nature and is usually calculated based on a percentage of the value of the underlying asset or the consideration agreed between the parties in the underlying transaction.

The corporate services and consultancy segment includes mainly provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management, success-based corporate consultancy services and other operational aspects as well as provision of back office administration.

FINANCIAL REVIEW

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

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

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

Accordingly, the profit attributable to owners of the Company for the three months ended 30 June 2012 was approximately HK\$2.4 million (three months ended 30 June 2011: approximately HK\$0.7 million), representing an increase of approximately 227% from that of 2011.

PROSPECT

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

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period under review.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or their respective associates as defined in the GEM Listing Rules had any interest in business that competed or might compete with business of the Group during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

INTERESTS OF THE COMPLIANCE ADVISER

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

AUDIT COMMITTEE

The Group's condensed unaudited consolidated results for the three months ended 30 June 2012 have been reviewed by the audit committee of the Company, which was of the opinion that such results have complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
GreaterChina Professional Services Limited
Ip Kwok Kwong
Managing Director

Hong Kong, 10 August 2012

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

This announcement will remain on the website of the GEM of the Stock Exchange 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.