

# 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 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](http://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 2013, together with the comparative figures for the corresponding period in 2012, as follows.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Three months ended</b>	
		<b>30 June</b>	
		<b>2013</b>	2012
		<b><i>HK\$’000</i></b>	<i>HK\$’000</i>
		<b>Unaudited</b>	Unaudited
<b>Revenue</b>	2	<b>19,463</b>	15,333
Cost of services		<u>(5,546)</u>	<u>(4,381)</u>
Gross profit		<b>13,917</b>	10,952
Other incomes	2	<b>781</b>	695
Marketing, administrative and other operating expenses		<b>(9,113)</b>	(8,688)
Finance costs		<b>(3)</b>	(4)
Share of results of an associate		<u><b>(82)</b></u>	<u>340</u>
<b>Profit before tax</b>		<b>5,500</b>	3,295
Income tax expense	3	<u><b>(835)</b></u>	<u>(934)</u>
<b>Profit for the period attributable to owners of the Company</b>		<b>4,665</b>	2,361
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		<u><b>(1)</b></u>	<u>6</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<u><b>4,664</b></u>	<u>2,367</u>
<b>Earnings per share</b>	4		
– Basic ( <i>HK cents</i> )		<b>0.93</b>	0.47
– Diluted ( <i>HK cents</i> )		<u><b>0.93</b></u>	<u>0.47</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 2013 have been prepared in accordance with Chapter 18 of the GEM Listing Rules.

The Group's condensed unaudited consolidated results for the three months ended 30 June 2013 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. The accounting policies adopted in preparing these quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 March 2013. The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior periods. The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

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

## 2. REVENUE AND OTHER INCOMES

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

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

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

### 3. INCOME TAX EXPENSE

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

	Three months ended	
	30 June	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Current – Hong Kong	<u>835</u>	<u>934</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	
	2013	2012
	Unaudited	Unaudited
Profit attributable to owners of the Company for the purpose of basic and diluted earnings per share ( <i>HK\$'000</i> )	<u>4,665</u>	<u>2,361</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>in '000</i> )	500,040	500,033
Effect of dilutive potential ordinary shares:		
Options ( <i>in '000</i> )	<u>428</u>	<u>469</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share ( <i>in '000</i> )	<u>500,468</u>	<u>500,502</u>

## 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 earnings <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2013 (Audited)	5,000	71,478	5,359	(45)	36,217	669	118,678
Total comprehensive income for the period	–	–	–	(1)	4,665	–	4,664
Equity-settled share-based transactions	–	–	–	–	–	20	20
<b>At 30 June 2013 (Unaudited)</b>	<b>5,000</b>	<b>71,478</b>	<b>5,359</b>	<b>(46)</b>	<b>40,882</b>	<b>689</b>	<b>123,362</b>
At 1 April 2012 (Audited)	5,000	71,468	5,359	–	14,246	340	96,413
Total comprehensive income for the period	–	–	–	6	2,361	–	2,367
Shares issued under share option scheme	–	11	–	–	–	(3)	8
Equity-settled share-based transactions	–	–	–	–	–	119	119
<b>At 30 June 2012 (Unaudited)</b>	<b>5,000</b>	<b>71,479</b>	<b>5,359</b>	<b>6</b>	<b>16,607</b>	<b>456</b>	<b>98,907</b>

## **INTERIM DIVIDEND**

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

## **BUSINESS REVIEW**

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

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

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

## **FINANCIAL REVIEW**

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

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

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

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

## **PROSPECT**

Looking ahead, the momentum for European and US economic recovery is yet to be restored and China also reported a lower GDP growth than before; implying challenges to our business. However, we remain cautiously optimistic with respect to the steady demand for professional commercial services in Greater China. As companies in the region, especially in China, grow in corporate size and operational complexity and geographical diversification, the need for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain there. Based on our existing competitive advantages and market position in our core business segments, the continuing increase in and diversification of our client base and income source through horizontal acquisitions, our experienced professional teams and provision of convenient one-stop professional services, we are confident to confront such challenges. Furthermore, based on our recent business expansion in Europe and Middle-East, specifically in London and Dubai, we believe our client base and income source would be further diversified and increased. We will continue to capture market opportunities and enhance the quality and scope of our services in order to deliver sustainable growth in returns to our shareholders.

## **MANAGEMENT CONTRACTS**

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

## **COMPETING INTERESTS**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **INTERESTS OF THE COMPLIANCE ADVISER**

As at 30 June 2013 neither Grand Vinco Capital Limited nor any of its directors, employees or associates had any interests in the shares of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the shares of the Company or any member of the Group.

## AUDIT COMMITTEE

The Group's condensed unaudited consolidated results for the three months ended 30 June 2013 have been reviewed by the audit committee of the Company, which was of the opinion that such results have complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 9 August 2013

*As at the date of this 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](http://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](http://www.gca.com.hk).*