

# 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)

## THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 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 unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months and nine months ended 31 December 2013, together with the comparative figures for the corresponding periods in 2012, as follows.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2013 HK\$'000 Unaudited	2012 HK\$'000 Unaudited	2013 HK\$'000 Unaudited	2012 HK\$'000 Unaudited
<b>Turnover</b>	2	<b>10,701</b>	32,263	<b>45,418</b>	62,768
Cost of services		<u>(4,621)</u>	<u>(17,253)</u>	<u>(16,543)</u>	<u>(26,056)</u>
Gross profit		<b>6,080</b>	15,010	<b>28,875</b>	36,712
Other incomes	2	<b>724</b>	612	<b>2,618</b>	1,851
Marketing, administrative and other operating expenses		<b>(10,356)</b>	(8,832)	<b>(30,561)</b>	(26,609)
Finance costs		<b>(11)</b>	(4)	<b>(17)</b>	(12)
Share of results of associates and a joint venture		<u>(12)</u>	<u>(192)</u>	<u>524</u>	<u>63</u>
<b>(Loss)/profit before tax</b>		<b>(3,575)</b>	6,594	<b>1,439</b>	12,005
Income tax expense	3	<u>(359)</u>	<u>(643)</u>	<u>(1,326)</u>	<u>(1,674)</u>
<b>(Loss)/profit for the period attributable to owners of the Company</b>		<b>(3,934)</b>	5,951	<b>113</b>	10,331
<b>Other comprehensive income</b>					
Exchange differences arising on translation of foreign operations		<u>(20)</u>	<u>(12)</u>	<u>7</u>	<u>(32)</u>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>		<u><b>(3,954)</b></u>	<u>5,939</u>	<u><b>120</b></u>	<u>10,299</u>
<b>(Loss)/earnings per share</b>	4				
Basic (HK cents)		<u><b>(0.78)</b></u>	1.19	<u><b>0.02</b></u>	2.07
Diluted (HK cents)		<u><b>(0.78)</b></u>	1.19	<u><b>0.02</b></u>	2.07

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 and nine months ended 31 December 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 and nine months ended 31 December 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 third quarterly results are unaudited but have been reviewed by the Company's audit committee.

## 2. TURNOVER AND OTHER INCOMES

An analysis of turnover and other incomes are as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Turnover</b>				
Asset appraisal services income	9,475	16,403	26,132	31,442
Asset advisory services income	28	12,813	4,680	18,669
Corporate services and consultancy income	1,198	3,047	14,606	12,657
	<u>10,701</u>	<u>32,263</u>	<u>45,418</u>	<u>62,768</u>
<b>Other incomes</b>				
Interest income	2	31	7	100
Others	722	581	2,611	1,751
	<u>724</u>	<u>612</u>	<u>2,618</u>	<u>1,851</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 and nine months ended 31 December 2013.

	Three months ended		Nine months ended	
	31 December		31 December	
	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Unaudited
Current – Hong Kong	<b>359</b>	643	<b>1,326</b>	1,674

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

### 4. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Three months ended		Nine months ended	
	31 December		31 December	
	2013	2012	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Unaudited
(Loss)/profit attributable to owners of the Company	<b>(3,934)</b>	5,951	<b>113</b>	10,331
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per shares ( <i>in '000</i> )	<b>501,390</b>	500,040	<b>501,228</b>	500,038
Effect of dilutive potential ordinary shares:				
Options ( <i>in '000</i> )	<b>1,493</b>	–	<b>1,493</b>	–
Weighted average number of ordinary shares for the purpose of diluting earnings per shares ( <i>in '000</i> )	<b>502,883</b>	500,040	<b>502,721</b>	500,038

## 5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Retained earnings	Share-based payment reserve	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013 (Audited)	5,000	71,478	5,359	(45)	36,217	669	118,678
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	113	-	113
<b>Other comprehensive income</b>							
Exchange differences arising on translation for foreign operations	-	-	-	7	-	-	7
<b>Total comprehensive income</b>	-	-	-	7	113	-	120
Share issued under share option scheme	14	378	-	-	-	(121)	271
Equity-settled share-based payment	-	-	-	-	-	66	66
Final dividend paid in respect of the previous financial year	-	-	-	-	(2,500)	-	(2,500)
Transfer between reserves	-	24	-	-	80	(104)	-
<b>At 31 December 2013 (Unaudited)</b>	<b>5,014</b>	<b>71,880</b>	<b>5,359</b>	<b>(38)</b>	<b>33,910</b>	<b>510</b>	<b>116,635</b>
At 1 April 2012 (Audited)	5,000	71,468	5,359	-	14,246	340	96,413
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	10,331	-	10,331
<b>Other comprehensive income</b>							
Exchange differences arising on translation for foreign operations	-	-	-	(32)	-	-	(32)
<b>Total comprehensive income</b>	-	-	-	(32)	10,331	-	10,299
Share issued under share option scheme	-	8	-	-	-	(3)	5
Equity-settled share-based payment	-	-	-	-	-	278	278
Final dividend paid in respect of the previous financial year	-	-	-	-	(5,000)	-	(5,000)
Transfer between reserves	-	-	-	-	47	(47)	-
<b>At 31 December 2012 (Unaudited)</b>	<b>5,000</b>	<b>71,476</b>	<b>5,359</b>	<b>(32)</b>	<b>19,624</b>	<b>568</b>	<b>101,995</b>

## **INTERIM DIVIDEND**

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2013 (nine months ended 31 December 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.

## **FINANCIAL REVIEW**

The Group's revenue for the nine months ended 31 December 2013 was approximately HK\$45.4 million (nine months ended 31 December 2012: approximately HK\$62.8 million), representing a decrease of approximately 27.6% from that of 2012. The decrease in the Group's revenue during the period was mainly attributable to a decrease in revenue from asset advisory services due to less advisory engagements than the corresponding period in 2012 were completed and recognised as revenue in current period.

The Group's cost of services for the nine months ended 31 December 2013 was approximately HK\$16.5 million (nine months ended 31 December 2012: approximately HK\$26.1 million), representing a decrease of approximately 36.5% from that of 2012. The decrease was mainly due to decrease in sub-contracting cost.

The Group's marketing, administrative and other operating expenses for the nine months ended 31 December 2013 was approximately HK\$30.6 million (nine months ended 31 December 2012: approximately HK\$26.6 million), representing an increase of approximately 14.9% from that of 2012. The increase was mainly due to increase in sales and administrative staff cost and rental expenses for further business expansion in overseas market.

Accordingly, the profit attributable to owners of the Company for the nine months ended 31 December 2013 was approximately HK\$0.1 million (nine months ended 31 December 2012: approximately HK\$10.3 million), representing a decrease of approximately 98.9% 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. 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.

## **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 31 December 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 nine months ended 31 December 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 February 2014

*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 and Mr. Wu Chi Keung.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company's website at [www.gca.com.hk](http://www.gca.com.hk).*