



First Quarterly Report 2011

GreaterChina Professional Services Limited
漢華專業服務有限公司

Stock Code : 8193

(Incorporated in the Cayman Islands with limited liability)

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, 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 report 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 report misleading.

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

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 2011, together with the unaudited comparative figures for the corresponding period in 2010, as follows.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 30 June	
		2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited
Revenue	2	8,125	22,872
Cost of services		(3,335)	(2,841)
Gross profit		4,790	20,031
Other income	2	861	491
Administrative and other operating expenses		(4,588)	(3,708)
Profit before tax		1,063	16,814
Income tax expense	3	(343)	(1,498)
Profit for the period attributable to owners of the Company		720	15,316
Other comprehensive income			
Exchange differences on translation of foreign operations		4	–
Total comprehensive income for the period attributable to owners of the Company		724	15,316
Earnings per share attributable to owners of the Company			
– Basic (HK cents)	4	0.17	4.08

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 2011 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 2011 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 first quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 March 2011. 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 INCOME

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

An analysis of revenue and other income are as follows:

	Three months ended 30 June	
	2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited
Revenue		
Asset appraisal services income	6,555	6,505
Asset advisory services income	–	15,491
Corporate services and consultancy income	1,570	876
	8,125	22,872
Other income		
Others	861	491

3. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) for the three months ended 30 June 2011 and 2010.

	Three months ended 30 June	
	2011 HK\$'000 Unaudited	2010 HK\$'000 Unaudited
Current – Hong Kong	343	1,498

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

4. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share for the three months ended 30 June 2011 is based on the unaudited profit attributable to owners of the Company for the three months ended 30 June 2011 of approximately HK\$720,000 (three months ended 30 June 2010: HK\$15,316,000) and the pro forma weighted average number of 418,956,044 ordinary shares in issue during the three months ended 30 June 2011 (three months ended 30 June 2010: 375,000,000 shares as if they had been in issue throughout the period).

No adjustment has been made to the basic earnings per share for the three months ended 30 June 2011 and three months ended 30 June 2010 in respect of a dilution as the Company did not have any dilutive potential ordinary shares during the period.

5. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Issued capital HK\$000	Share premium account HK\$000	Capital reserve HK\$000	Exchange reserve HK\$000	Retained profits HK\$000	Total HK\$000
At 1 April 2011	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	-	(14,496)	-	-	-	(14,496)
Interim dividend declared by subsidiaries (<i>Note</i>)	-	-	-	-	(30,000)	(30,000)
At 30 June 2011 (Unaudited)	5,000	70,504	5,359	19	1,687	82,569
At 1 April 2010	3,200	-	2,159	-	19,940	25,299
Total comprehensive income for the period	-	-	-	-	15,316	15,316
At 30 June 2010 (Unaudited)	3,200	-	2,159	-	35,256	40,615

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 these first quarterly results.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2011 (three months ended 30 June 2010: Nil).

FINANCIAL REVIEW

For the three months ended 30 June 2011, the Group recorded a revenue of approximately HK\$8,125,000 (period ended 30 June 2010: HK\$22,872,000), representing a decrease of approximately 64.4% as compared to that of previous period. During the period, the Group's revenue from asset appraisal was approximately HK\$6,555,000 (period ended 30 June 2010: HK\$6,505,000), representing an increase of approximately 0.8% as compared to that of previous period. During the period, the Group's revenue from corporate services and consultancy was approximately HK\$1,570,000 (period ended 30 June 2010: HK\$876,000), representing an increase of approximately 79.2% as compared to that of previous period. The decrease in total revenue was primarily due to no asset advisory services income, which is success-based nature and is calculated based on a percentage of the value of the underlying asset or the consideration agreed between the parties in the underlying transaction, generated from our existing engagements for the first quarter of 2011. Asset advisory services income from these engagements is expected to be generated during the current financial year.

Cost of services and administrative and other operating expenses for the three months ended 30 June 2011 amounted to approximately HK\$3,335,000 and HK\$4,588,000 respectively (period ended 30 June 2010: HK\$2,841,000 and HK\$3,708,000 respectively), representing an increase of approximately 17.4% and 23.7% respectively as compared to that of previous period. The increase was primarily due to more staff recruited to cope with our business expansion.

Profit attributable to owners of the Company for the three months ended 30 June 2011 was approximately HK\$720,000 (period ended 30 June 2010: HK\$15,316,000), representing a decrease of approximately 95.2% as compared to that of previous period.

OPERATIONAL REVIEW

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

The Group provides integrated professional services to public and private companies and individual investors mainly in Hong Kong and China, which services can be broadly categorised into two sectors, being (i) asset advisory services and asset appraisal and (ii) corporate services and consultancy. These services range from sourcing and identifying investment targets for clients seeking investment opportunities, conducting evaluation on various assets and potential investments, undertaking due diligence and viability study on the targeted investments, and after clients have made an investment, or for clients with existing investments, the Group can provide corporate consultancy such as performance enhancement as well as back office administration service, and for clients wishing to realize their investments, provide strategic advice on disposal and identify potential new investors.

The Group is able to provide an integrated, multi-disciplined professional service to its clients with its multi-disciplined professional team. For the same reason, the Group is also able to provide advisory services across a multitude of assets.

The Company's directors and management will dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2011, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing rules were as follows:

(a) Long positions in the shares of HK\$0.01 each of the Company

Name	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Mr. Ip Kwok Kwong ("Mr. Ip") (Note 1)	Interest in controlled corporation	375,000,000	75%

Note:

- 375,000,000 shares are held by Brilliant One Holdings Limited ("Brilliant One") which is wholly-owned by GCA Professional Services Group Limited ("GCA Professional"). GCA Professional is owned as to 73% by Genius Ideas International Ltd. ("Genius Ideas") which is owned as to 51% by Smart Pick Investments Limited ("Smart Pick") and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings Limited ("GC Holdings") which is wholly-owned by Mr. Ip.

(b) Long positions in the shares of associated corporations

Name	Name of associated corporation	Nature of interests	Number of shares held	Approximate percentage of interest in associated corporation
Mr. Ip (<i>Note 1</i>)	Brilliant One	Interest in controlled corporation	200	100%
Mr. Ip (<i>Note 1</i>)	GCA Professional	Interest in controlled corporation	730	73%
Mr. Ip (<i>Note 1</i>)	Genius Ideas	Interest in controlled corporation	5,100	51%
Mr. Ip (<i>Note 1</i>)	Genius Ideas	Beneficial owner	612	6.12%
Mr. Ip (<i>Note 1</i>)	Smart Pick	Interest in controlled corporation	5,876	58.76%
Mr. Ip (<i>Note 1</i>)	GC Holdings	Beneficial owner	1	100%
Mr. Leung Siu Hong ("Mr. Leung") (<i>Note 1</i>)	Smart Pick	Beneficial owner	1,192	11.92%

Note:

1. The Company is owned as to 75% by Brilliant One. Brilliant One is wholly-owned by GCA Professional which is owned as to 73% by Genius Ideas. Genius Ideas is owned as to 51% by Smart Pick and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings and 11.92% by Mr. Leung. GC Holdings is wholly-owned by Mr. Ip.

Save as disclosed above, as at 30 June 2011, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2011, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name	Nature of interests	Number of shares held	Approximate percentage of issued share capital
Brilliant One <i>(Note 1)</i>	Beneficial owner	375,000,000	75%
GCA Professional <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Genius Ideas <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Smart Pick <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Easy Gain Development Limited ("Easy Gain") <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
GC Holdings <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Mr. Ip <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%
Mr. Wong Chi Keung ("Mr. Wong") <i>(Note 1)</i>	Interest in controlled corporation	375,000,000	75%

Note:

1. Brilliant One is wholly-owned by GCA Professional which is owned as to 73% by Genius Ideas. Genius Ideas is owned as to 51% by Smart Pick, 42.88% by Easy Gain and 6.12% by Mr. Ip. Smart Pick is owned as to 58.76% by GC Holdings which is wholly-owned by Mr. Ip. Easy Gain is wholly-owned by Mr. Wong.

Save as disclosed above, as at 30 June 2011, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at 30 June 2011, other than the interests in shares of the Company and its associated corporations held by the Directors, the chief executives and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept under Section 336 of the SFO.

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 ADVISERS

As notified by the joint compliance advisers of the Company, Grand Vinco Capital Limited ("Vinco Capital") and Emperor Capital Limited ("Emperor Capital"), as at 30 June 2011, except for the compliance advisers' agreement entered into between the Company, Vinco Capital and Emperor Capital dated 24 May 2011, neither Vinco Capital and Emperor Capital nor its directors, employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities).

AUDIT COMMITTEE

The Group's condensed unaudited consolidated results for the three months ended 30 June 2011 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 2011

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