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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 DISPOSAL OF 19.9% OF THE ISSUED SHARE CAPITAL IN GREATER CHINA APPRAISAL LIMITED

THE DISPOSAL

The Board is pleased to announce that on 20 January 2016 (after trading hours), the Purchaser, the Vendor, a wholly-owned subsidiary of the Company, and the Warrantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares. The Consideration for the sale and purchase of the Sale Shares is HK\$25,000,000.

Completion took place simultaneously upon signing of the Sale and Purchase Agreement.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

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* *For identification purpose only*

The major terms of the Sale and Purchase Agreement are set out below:

The Sale and Purchase Agreement

Date: 20 January 2016

Parties:

- (1) Purchaser: Charming Global Group Limited, an Independent Third Party;
- (2) Vendor: New Valiant Limited, a wholly-owned subsidiary of the Company; and
- (3) Warrantor: the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is a wholly-owned subsidiary of Roma Group (stock code: 8072), and each of the Purchaser, its ultimate beneficial owners, and their respective associates, is an Independent Third Party.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to dispose of the Sale Shares, representing 19.9% of the issued share capital in the Target Company.

Consideration

The Consideration for the sale and purchase of the Sale Shares is HK\$25,000,000 in cash, which was paid by the Purchaser to the Vendor upon Completion by a cheque drawn against a licensed bank in Hong Kong.

Basis of determining the Consideration

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor and on a commercial basis with reference to (i) the price-to-earnings ratio of some companies whose principal activity is similar to that of the Target Company; and (ii) the historical performance of the Target Company.

In view of the above, the Directors consider that the Sale and Purchase Agreement is on normal commercial terms and the Consideration for the Disposal is fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Completion

Completion took place simultaneously upon signing of the Sale and Purchase Agreement. Upon Completion, the Target Company shall be an indirect non wholly-owned subsidiary of the Company.

Purchaser undertakings

Pursuant to the Sale and Purchase Agreement, the Purchaser undertakes that:

- (i) notwithstanding any provision in the articles of associations of the Target Company or the relevant laws in Hong Kong, the Purchaser shall not be entitled to nominate or appoint any director to the board of directors of the Target Company for its being the holder of the Sale Shares; and
- (ii) for so long as the Purchaser remains as the holder of only 19.9% of the issued share capital of the Target Company and the Vendor remains as a shareholder of the Target Company, the Purchaser shall not directly or indirectly interfere the operation and management of the Target Company.

Right of First Refusal

Pursuant to the Sale and Purchase Agreement, in the event that the Vendor proposes to sell, dispose of the whole or any part of the remaining 80.1% of the issued share capital in the Target Company, the Purchaser shall have a right of first refusal (the “**Right of First Refusal**”) to such shares for so long as it remains as the holder of the Sale Shares.

In the event that Purchaser exercises the Right of First Refusal, the Purchaser and the Vendor shall enter into a formal sale and purchase agreement. If the transaction contemplated under such formal sale and purchase agreement constitutes a notifiable transaction under Chapter 19 of the GEM Listing Rules, the Company will comply with all relevant requirements under the GEM Listing Rules.

Non-competition undertaking

Simultaneously upon signing of the Sale and Purchase Agreement, the Covenantors entered into a deed of non-competition, pursuant to which each of the Covenantors irrevocably and unconditionally undertakes to and covenants with the other Covenantors (for itself and for the benefit of the members of their respective groups of companies) that during the period which Roma Group and the Company are indirect shareholders of the Target Company:

- (i) each member of the Roma Group Companies shall not, and shall procure each of its close associates not to, whether on its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, whether for profit or not, solicit the existing or then existing clients, and employees of the Target Company away from the Group; and
- (ii) each member of the Group shall not, and shall procure each of its close associates not to, whether on its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, whether for profit or not, solicit the existing or then existing clients, and employees of Roma Appraisals Limited away from the Roma Group Companies.

Each of the Covenantors further undertakes to and covenants with the other Covenantors that:

- (a) if any member of the Roma Group Companies or the Group (as the case may be) and/or any of its close associates is offered or becomes aware of any project or new business opportunity that relates to the Restricted Business (“**New Business Opportunity**”), whether directly or indirectly, the New Business Opportunity shall be taken up by the relevant party and/or any of its close associates on a first-come-first-serve basis; and
- (b) should any conflict arise pursuant to sub-clause (a) above, the Covenantors shall conduct further negotiations in good faith to resolve as to whom the New Business Opportunity should be taken up by.

INFORMATION ON THE TARGET COMPANY

The Target Company was a company incorporated in Hong Kong with limited liability, and is principally engaged in the provision of assets appraisal services.

Set out below is a summary of the financial information of the Target Company as extracted from its audited financial statements for the two financial years ended 31 March 2014 and 2015 and its unaudited management accounts for the six months ended 30 September 2015:

	For the year ended 31 March 2014	For the year ended 31 March 2015	For the six months ended 30 September 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	40,461	36,467	14,998
Net profit (loss) before taxation	8,285	6,212	(473)
Net profit (loss) after taxation	6,918	5,229	(473)

The unaudited net assets value of the Target Company as at 30 September 2015 was approximately HK\$18,256,000.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Purchaser is a wholly-owned subsidiary of Roma Group, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8072). The Roma Group Companies are principally engaged in the provision of valuation and advisory services and financing services in Hong Kong.

Save for the Disposal and the transactions contemplated thereunder, the Purchaser and its ultimate beneficial owners, are Independent Third Parties.

INFORMATION ABOUT THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the provision of (i) asset appraisal and asset advisory services; (ii) corporate services and consultancy services; (iii) media advertising services; and (iv) financial services.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Having considered that (i) the Consideration represents a significant gain over the net assets value of the Target Company attributable to the Sale Shares; (ii) the Group still has full control of the Target Company subsequent to the Disposal in terms of its voting rights and the board of directors; (iii) the introduction of Roma Group, being a listed company on GEM with good reputation in the valuation industry in Hong Kong, as a strategic investor of the Group's asset appraisal business; and (iv) the net proceeds from the Disposal can promote the growth of the financial services business of the Group, which requires capital investment for generating greater return to the Group, the Directors are therefore of the view that the terms of the Disposal are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

It is estimated that, upon Completion, the Group recorded a gain on disposal of approximately HK\$21,367,000. Such gain is estimated based on the Consideration receivable from the Disposal, i.e. HK\$25,000,000, less approximately HK\$3,633,000, being the unaudited net asset value of the Target Company attributable to the Sale Shares as at 30 September 2015.

The Board intends to apply the net proceeds of approximately HK\$25,000,000 from the Disposal for the development of the financial services business of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“close associate”	has the meaning ascribed thereto under the GEM Listing Rules, and “close associates” shall be construed accordingly
“Company” or “Warrantor”	GreaterChina Professional Services Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8193)

“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed thereto under the GEM Listing Rules, and “connected persons” shall be construed accordingly
“Consideration”	HK\$25,000,000, being the consideration payable for the Sale Shares
“Covenantors”	collectively, Roma Appraisals Limited, Roma Group, the Target Company and the Company
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of the Sale Shares, pursuant to the Sale and Purchase Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Purchaser”	Charming Global Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Roma Group
“Restricted Business”	any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Target Company, including the provision of assets appraisal services
“Roma Group”	Roma Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8072)
“Roma Group Companies”	Roma Group and its subsidiaries

“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 January 2016 and entered into between the Purchaser and the Vendor, in relation to the Disposal, as amended from time to time
“Sale Shares”	318,400 shares, representing 19.9% of the issued share capital in the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Greater China Appraisal Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor
“Vendor”	New Valiant Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 20 January 2016

As at the date of this announcement, the Board comprises Mr. Ip Kwok Kwong (Managing Director), Mr. Yip Chung Wai, David and Mr. Wu Di as executive Directors; Ms. Ma Lin as non-executive Director; Mr. Tso Ping Cheong, Brian (Chairman), Mr. Chu Siu Lun, Ivan and Mr. So Chung Shing as independent non-executive Directors.

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 “Latest Company Announcements” page of the website of GEM (www.hkgem.com) for at least 7 days from its day of publication and on the website of the Company at www.gca.com.hk.