



GreaterChina
Technology Group Limited
大中華科技(集團)有限公司
(Incorporated in the Cayman Islands with limited liability)

Third Quarterly Report
2009



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 and no assurance is given that there will be a liquid market in the securities traded on GEM. The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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This report, for which the directors of GreaterChina Technology Group Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”) for the purpose of giving information with regard to GreaterChina Technology Group Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



Chairman's Statement

On behalf of the Board of Directors (the "Board"), we present the results of GreaterChina Technology Group Limited (the "Company") and its subsidiaries (together the "Group") for the nine months ended 30 April 2009.

We remain committed to our goal of becoming a leader in producing both Traditional Chinese Medicine ("TCM") health supplements and western medicine under the USA Good Manufacturing Practice ("GMP") and Australian TGA GMP. On a worldwide basis, business is getting more difficult and overall activities have slowed down, however we believe that we will still search for further investments to enhance the Company's growth and future.

FINANCIAL REVIEW

Segment Information

For the nine months ended 30 April 2009 the Group recorded a turnover of HK\$8.49 million, of which HK\$1.24 million was contributed from sales of nutraceutical Chinese herbal products and HK\$7.25 million from sales of western generic medicine in the PRC. The Group incurred loss of approximately HK\$12.93 million.

For the nine months ended 30 April 2009, the Group's overall revenue was decreased by 35% as the Group's sales from herbal products dropped by 85% due to the worldwide economic downturn and the delay of obtaining proper health regulatory approval and licenses in various overseas markets. Selling, administrative and other operating expenses decreased by approximately 35% mainly because of more stringent controls in this area.

Loss attributable to equity holders of the Company for three months and nine months ended 30 April 2009 were HK\$2.38 million and HK\$12.93 million, as compared to the loss attributable to equity holders of the Company of HK\$5.87 million and HK\$13.53 million for the three months and nine months ended 30 April 2008. During the period, approximately loss of HK\$8.67 million was attributable from operation of the pharmaceutical plant.



Other Financial Information

Saved as disclosed in note 8, there were no material acquisitions and disposals of subsidiaries and affiliated companies in the past nine months.

Except for certain unlisted securities, no significant investments were held by the Group during the period.

The current ratio of the Group was 0.29 as at the period end compared to 0.50 as at 31 July 2008. The gearing ratio, defined as the ratio of total borrowings to total assets, was 18.31% as compared to 10% as at 31 July 2008. The increase in gearing ratio was mainly due to the decrease in value of the total assets. As at 30 April 2009, the Group had cash and cash equivalents of approximately HK\$0.50 million (31 July 2008: HK\$0.23 million).

As at period end, the Group borrowed other loans of approximately HK\$8.85 million securing by all issued ordinary share of GreaterChina Investment Limited, a wholly-owned subsidiary of the Group. These loans were mainly used to repay bank's borrowings which amounted to approximately HK\$5.7 million and the remaining was for operation cost during the period.

Major currencies used for the Group's transactions were Hong Kong dollars and Renminbi. As the fiscal policy of the PRC government in relation to Renminbi is stable throughout the years, there was no significant currency exposure.

During the period, the Group has minimized operating costs for various offices of the Group, and there were no other significant capital commitments as at the period end.

The Group employed 74 full time employees as at 30 April 2009 (31 July 2008: 75). Remuneration of the staff comprised of monthly salary, provident fund contributions, medical claims, education allowances and discretionary options issued based on their contribution to the Group. Staff costs including Directors' remuneration for the period under review amounted to HK\$1.74 million (nine months ended 30 April 2008: HK\$5.63 million).

Overall, the net assets of the Group were approximately HK\$62.07 million equivalent to approximately HK\$0.03 per share.



BUSINESS REVIEW

The Group is currently engaged in the marketing and distribution of western medicine and healthcare products based on traditional Chinese medicine.

During the nine months ended 30 April 2009, the Group had achieved the following objectives:

Research & Product Development:

Continued to conduct testing for some of our herbal products based on Traditional Chinese medicine in order to obtain licenses from the Chinese Medicine Council of Hong Kong.

Operation of a Pharmaceutical Manufacturing Plant:

Expanded the sales network for western medicine in the PRC, especially the Guangdong region.

Distribution of Herbal and Other Products:

Closely monitored the distribution of herbal and other products and look for more cost effective method to promote our products.



FUTURE PLANS AND DEVELOPMENT

In the near future, in addition to the existing business, the Group will continue its efforts in the following areas:

Review our cost and benefit to achieve a better balance in our development;

Establish strategic partnership to increase the income source;

Obtain licenses from the Chinese Medicine Council of Hong Kong for some of our herbal products in order to sustain our business; and

Look for developments which relate to health and environmental care actively.

APPRECIATION

I would like to take this opportunity to express my gratitude to all members of the Board and staff for their dedication and contribution to the Group and to those who have continuously supported us.

Cheng Kit Yin, Kelly
Chairman

Hong Kong, 10 June 2009



UNAUDITED CONSOLIDATED RESULTS

The Board of Directors (the "Board") of GreaterChina Technology Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the periods from 1 February 2009 to 30 April 2009 and from 1 August 2008 to 30 April 2009 together with the comparative unaudited consolidated results for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	For the three months ended 30 April		For the nine months ended 30 April	
		2009 (Unaudited) HK\$	2008 (Unaudited) HK\$	2009 (Unaudited) HK\$	2008 (Unaudited) HK\$
Turnover	3	2,478,188	3,476,177	8,486,243	13,100,709
Cost of sales		(1,883,464)	(744,353)	(4,465,245)	(3,420,175)
Gross profit		594,724	2,731,824	4,020,998	9,680,534
Other revenue	3	668,515	209,163	669,245	1,584,759
Other gains/(losses)	3	(16,130)	(348,920)	(871,486)	(348,920)
Selling, administrative and other operating expenses		(3,212,372)	(8,367,019)	(15,823,680)	(24,179,907)
Loss from operating activities	4	(1,965,263)	(5,774,952)	(12,004,923)	(13,263,534)
Finance costs		(415,750)	(94,260)	(925,450)	(262,413)
Loss before taxation		(2,381,013)	(5,869,212)	(12,930,373)	(13,525,947)
Taxation	5	-	-	-	-
Loss for the period		(2,381,013)	(5,869,212)	(12,930,373)	(13,525,947)
Attributable to:					
Equity holders of the Company		(2,381,013)	(5,869,212)	(12,930,373)	(13,525,947)
Minority interest		-	-	-	-
		(2,381,013)	(5,869,212)	(12,930,373)	(13,525,947)
Dividend		-	-	-	-
Loss per share	6				
Basic		(0.12 cents)	(0.29 cents)	(0.63 cents)	(0.66 cents)
Diluted		N/A	N/A	N/A	N/A



NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the Group are trading of Chinese herbal products, provision of portal development and information technology advisory services and consultation services, and manufacture and sale of western medicine.

2. BASIS OF PREPARATION

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, as modified for certain financial instruments which are carried at fair value, as appropriate.

The Directors have prepared these financial statements on the assumption that the Group will continue as a going concern by taking into consideration that the holding company of the Group has agreed to provide adequate financial support to the Group to enable it to meet all its financial obligations as they fall due in the foreseeable future.

The accounting policies and methods of computation used in the preparation of these unaudited consolidated financial statements are consistent with those adopted in preparing the annual audited financial statements for the year ended 31 July 2008.



3. TURNOVER, OTHER REVENUE AND OTHER GAINS/(LOSSES)

	For the three months ended 30 April		For the nine months ended 30 April	
	2009 (Unaudited) HK\$	2008 (Unaudited) HK\$	2009 (Unaudited) HK\$	2008 (Unaudited) HK\$
Turnover				
Sales	2,478,188	3,476,177	8,486,243	13,099,709
Rendering of services	–	–	–	1,000
	2,478,188	3,476,177	8,486,243	13,100,709
Other revenue				
Interest income	172	405	902	23,589
Others	668,343	208,758	668,343	1,561,170
	668,515	209,163	669,245	1,584,759
Other gains/(losses)				
Reversal/(impairment loss) on held-to-maturity securities	136,997	(360,439)	–	(360,439)
Loss on disposal of held-to-maturity securities	(125,021)	–	(125,021)	–
Write off of fixed assets	–	–	(394,562)	–
Write off of inventories	–	–	(318,228)	–
Loss on disposal of property, plant and equipment	(28,106)	(3,076)	(33,675)	(3,076)
Gain on disposal of available-for-sale investments	–	14,595	–	14,595
	(16,130)	(348,920)	(871,486)	(348,920)
	652,385	(139,757)	(202,241)	1,235,839



4. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operation is arrived at after charging/(crediting):

	For the three months ended 30 April		For the nine months ended 30 April	
	2009	2008	2009	2008
	(Unaudited) HK\$	(Unaudited) HK\$	(Unaudited) HK\$	(Unaudited) HK\$
Depreciation of property, plant and equipment	1,292,277	1,345,345	4,025,306	4,607,391
Amortisation of intangible assets	159,910	127,058	416,123	485,988
Amortisation of land use rights	178,363	157,491	535,428	472,472
Research and development costs	-	-	-	7,000
Provision/(reversal) for doubtful debts	(81)	87,876	255,149	204,170
Provision for slow moving inventories	-	-	-	392
Net foreign exchange losses/(gains)	(183,660)	(200,930)	21,555	(704,090)
Minimum lease payments under operating leases in respect of land and buildings	-	338,196	728,289	1,335,468
Auditors' remuneration	-	-	-	-
Staff costs including directors' remuneration:				
Salaries and other benefits	237,445	2,103,756	1,742,712	5,632,890
Share-based payment	-	-	-	-
Pension scheme contributions	3,000	19,310	27,038	59,739
	240,445	2,123,066	1,769,750	5,692,629



5. TAXATION

No provision for Hong Kong profits tax has been made as the Group had no assessable profits for the nine months ended 30 April 2009 (2008: Nil). No provision for PRC enterprise income tax has been made as the PRC subsidiary incurred a loss for the nine months ended 30 April 2009 (2008: Nil).

There was no significant unprovided deferred taxation during the nine months ended 30 April 2009 (2008: Nil).

6. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders for the three period and nine months ended 30 April 2009 of HK\$2,381,013 and HK\$12,930,373 respectively and on the weighted average number of shares of 2,042,695,590 in issue during the periods. The calculation of basic loss per share in the corresponding periods last year is based on the net loss attributable to equity holders for the three months and nine months ended 30 April 2008 of HK\$5,869,212 and HK\$13,525,947 respectively and on the weighted average number of shares of 2,038,903,866 in issue during the periods.

Diluted loss per share for the three months and nine months ended 30 April 2009 has not been disclosed as the share options outstanding during those periods had an anti-dilutive effect on the basic loss per share for those periods.



7. RESERVES

The movements in the reserves of the Group for the nine months ended 30 April 2009 are as follows:

	Share premium account HK\$	Share-based payment reserve HK\$	Translation reserve HK\$	Accumulated losses HK\$	Total HK\$
Balance at 31 July 2007 (audited)	399,094,564	97,449	6,345,229	(331,357,419)	74,179,823
Exchange differences arising on translation of overseas operations	-	-	6,645,019	-	6,645,019
Loss for the year	-	-	-	(30,520,641)	(30,520,641)
Total recognised income and expenses for the year	-	-	6,645,019	(30,520,641)	(23,875,622)
Recognition of equity-settled share-based payment	-	4,525,662	-	-	4,525,662
Cancellation of share options	-	(85,518)	-	85,518	-
Exercise of share options	156,017	(11,931)	-	-	144,086
Balance at 31 July 2008 (audited)	399,250,581	4,525,662	12,990,248	(361,792,542)	54,973,949
Exchange differences arising on translation of overseas operations	-	-	(402,305)	-	(402,305)
Loss for the period	-	-	-	(12,930,373)	(12,930,373)
Total recognised income and expenses for the period	-	-	(402,305)	(12,930,373)	(13,332,678)
Balance at 30 April 2009 (unaudited)	399,250,581	4,525,662	12,587,943	(374,722,915)	41,641,271



The movements in the reserves of the Group for the nine months ended 30 April 2008 are as follows:

	Share premium account HK\$	Share-based payment reserve HK\$	Translation reserve HK\$	Accumulated losses HK\$	Attributable to equity holders of the Company HK\$	Minority interest HK\$	Total HK\$
Balance at 31 July 2006 (audited)	394,291,209	71,125	1,473,993	(319,464,030)	76,372,297	4,695,079	81,067,376
Exchange differences arising on translation of overseas operations	-	-	4,871,236	-	4,871,236	-	4,871,236
Net loss for the year	-	-	-	(11,893,389)	(11,893,389)	(291,222)	(12,184,611)
Total recognised income and expenses for the year	-	-	4,871,236	(11,893,389)	(7,022,153)	(291,222)	(7,313,375)
Arising from increase in equity interest in a subsidiary	-	-	-	-	-	(4,403,857)	(4,403,857)
Recognition of equity-settled share-based payment	-	41,000	-	-	41,000	-	41,000
Open offer of share subscription	4,611,452	-	-	-	4,611,452	-	4,611,452
Exercise of share options	191,903	(14,676)	-	-	177,227	-	177,227
Balance at 31 July 2007 (audited)	399,094,564	97,449	6,345,229	(331,357,419)	74,179,823	-	74,179,823
Exchange differences arising on translation of overseas operations	-	-	4,797,808	-	4,797,808	-	4,797,808
Net loss for the period	-	-	-	(13,525,947)	(13,525,947)	-	(13,525,947)
Total recognised income and expenses for the period	-	-	4,797,808	(13,525,947)	(8,728,139)	-	(8,728,139)
Balance at 30 April 2008	399,094,564	97,449	11,143,037	(344,883,366)	65,451,684	-	65,451,684



8. PROPOSED DISPOSAL AND LEASE BACK

Guangdong Richtungen Pharmaceutical Co., Ltd (“Richtungen”), a major subsidiary indirectly wholly-owned by the Company, owns the Land in Foshan municipality of Guangdong province in the PRC, on which its western medicine manufacturing plant is erected. The Group’s medicine manufacturing business has been making losses for the past three financial years and the Directors intend to reduce its losses by improving efficiency. The site area currently used by the manufacturing plants of the Group is less than 20% of total site area of the land of 174,911 square meters. The resources of the Group can be more efficiently utilized if the entire interest in the land is sold and the manufacturing plants and facilities are leased back for the medicine manufacturing business.

In light of (i) the losses of Richtungen; (ii) the inefficient use of the land of Richtungen; and (iii) improved working capital of the Group after the disposal, the Directors consider it in the best interests of the shareholders to realize the value of the land and lease back the medicine manufacturing plant with a view of relocating the medicine manufacturing business of the Group.

Power Essence Limited (“Power Essence”), a wholly-owned subsidiary of the Company holding the entire beneficial equity interest in Richtungen, entered into a conditional disposal agreement with a third party, which became effective on 23 April 2009, pursuant to which Power Essence conditionally agreed to sell and the third party conditionally agreed to acquire the disposal assets, being the entire equity interest in Golden Unit Limited, which owns 100% interest of Richtungen, and the shareholder’s loan, for a gross consideration of HK\$48 million inclusive of the amount for repayment of the debt. It is also agreed by both parties that the third party will lease back the manufacturing plant erected on the land and machineries of Richtungen to the Group for a term of three years with six-month notice period for termination by either contractual parties.

The disposal constitutes a very substantial disposal of the Company under the GEM Listing Rules and is conditional upon approval by an ordinary resolution by the Shareholders at the EGM.



9. CONTINGENT LIABILITIES

For the year ended 31 July 2008, Court proceedings started on the case brought by an individual who alleged that he had been assigned the rights to receive the outstanding payments of two PRC contractors which had provided services to Richtungen, the Group's subsidiary in the PRC. The individual claimed unpaid construction costs of approximately RMB11,971,000 for the construction of staff quarters and other installation work carried out by the two PRC contractors for Richtungen in or around 2000.

The Intermediate Court of Foshan Municipality of the PRC ruled in May 2008 that Richtungen is liable for the unpaid costs of approximately RMB11,971,000 plus interest of approximately RMB4,196,000 as at period ended 30 April 2009 and the ruling was upheld by the High Court of Guangdong Province of the PRC. Richtungen is in the course of applying the Supreme Court of the PRC for retrial of the case given (i) the individual who brought the action against Richtungen is not even a party to the contracts for the provision of the construction work concerned; and (ii) the Directors are of the view that the contractors did not initiate any claim for the unpaid construction costs within the valid time period, which would result in the individual losing their rights to recover any unpaid amounts from Richtungen and any subsequent claims against Richtungen would fail due to limitation of actions.

This case was disclosed to the purchaser in the disposal agreement. In anticipation of completion, Richtungen has authorised the purchaser to handle the case at the request of the purchaser. The case therefore will not affect completion of the disposal agreement and will have no effect on the remaining group regardless the outcome of retrial or any other actions in relation to such case.

Save for disclosed herein, neither the Company or any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.



DIVIDEND

The Board does not recommend any dividend for the nine months ended 30 April 2009 (2008: Nil).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 April 2009, the interests and short positions of the directors 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 (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rules 5.46 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules"), were as follows:

Share options

The interests of the directors in the share options of the Company are separately disclosed under the section "Share Option Scheme" of this report.

In addition to the above, a director has non-beneficial personal equity interest in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.



DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the share option scheme under the section "Share Option Scheme" of this report, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 April 2009, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

Name	Number of ordinary shares held	Percentage of the Company's issued share capital
Blue Bright Limited	1,075,532,204	52.65
China Global Gains Investment Limited	135,616,000	6.64

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.



SHARE OPTION SCHEME

Pursuant to an ordinary resolution in writing of the sole shareholder of the Company passed on 21 February 2000, the Company adopted a share option scheme (the “Old Scheme”) pursuant to which the directors were authorised to grant options to employees of the Company or its subsidiaries, including executive directors of such companies, to subscribe for shares of the Company. Options granted under the Old Scheme entitled the holder to subscribe for shares from the date of grant up to 20 February 2010.

On 8 April 2002, the Company passed an ordinary resolution to terminate of the Old Scheme and adopted a new share option scheme (the “Revised Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations in compliance with the amended Chapter 23 of the GEM Listing Rules. All the share options granted under the Old Scheme and remained outstanding on the date of termination of that scheme continue to be valid and exercisable in accordance with the provisions of that scheme.

Eligible participants of the Revised Scheme include the Company’s directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, and any minority shareholder in the Company’s subsidiaries. The Revised Scheme became effective on 18 April 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Revised Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Revised Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.



Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences from the date of acceptance of the offer for the grant of options but shall end in any event not later than ten years from the date on which the offer for grant of the option is made subject to the provisions for early termination thereof.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.



Movements of share options of the Company during the period are as follows:

	Date of grant of share options	Exercise price HK\$	Number of share options				Balance as at 30.4.2009
			Balance as at 1.8.2008	Granted during the period	Exercised during the period	Cancelled during the period	
<i>Directors</i>							
Ms. Cheng Kit Yin, Kelly	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Chung Wai Han	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Lam Wing Ah	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Leung King Yue, Alex	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Leong Chi Wai	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Mr. Ma Man Pong	24.7.2008	0.092	20,000,000	-	-	-	20,000,000
Ms. Kuo Kwan [#]	24.7.2008	0.092	5,000,000	-	-	(5,000,000)	-
			125,000,000	-	-	(5,000,000)	120,000,000
<i>Other employees</i>							
In aggregate	24.7.2008	0.092	1,000,000	-	-	-	1,000,000
			126,000,000	-	-	(5,000,000)	121,000,000

[#] Resigned on 14 September 2008.



At the balance sheet date, the Company had 121,000,000 share options outstanding under the Revised Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 121,000,000 additional ordinary shares of the Company and additional share capital of HK\$1,210,000 and share premium of HK\$9,922,000 (before issue expenses).

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 (where applicable) of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "Code"). All Directors have complied with the required standard as set out in the Code during the nine months ended 30 April 2009.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code of Corporate Governance Practices (the "CG Code") set out in Appendix 15 of the GEM Listing Rules throughout the period, except the following deviation:

Code provision A.4.1

The code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for specific terms, subject to re-election. The Company has deviated from this provision in that all independent non-executive directors are not appointed for specific terms. They are, however, subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association.



REMUNERATION COMMITTEE

The Company established a remuneration committee on 1 August 2005 with written terms of reference. The remuneration committee comprised Mr. Tang Chi Chung, Matthew (chairman of the remuneration committee), Mr. Chee Man Sang, Eric and Ms. Lam Tak Yee. The written terms of reference include the specific duties of making recommendations to the Board of Directors of the Company on the Company's policy and structure for all remuneration of directors and senior management, having the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management and making recommendations to the Board of Directors of the remuneration of the non-executive directors.

AUDIT COMMITTEE

The Company's audit committee was formed on 17 March 2000 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's internal control procedures, annual reports, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the board of directors. The audit committee currently comprises three independent non-executive directors, Mr. Chee Man Seng, Eric (chairman of the audit committee), Ms. Lam Tak Yee and Mr. Tang Chi Chung, Matthew. The audit committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 April 2009 and has provided advice and comments thereon.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the nine months ended 30 April 2009, the directors are not aware of any business or interest of the directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interests which any such person has or may have with the Group.



PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 April 2009.

By order of the Board
GreaterChina Technology Group Limited
Chung Wai Han
Executive Director

Hong Kong, 10 June 2009

At the date of this report, the Board comprises:

Executive Directors:

Ms. Chung Wai Han

Ms. Lam Wing Ah

Mr. Leong Chi Wai

Mr. Leung King Yue, Alex

Mr. Ma Man Pong

Non-executive Director:

Ms. Cheng Kit Yin, Kelly

Independent Non-executive Directors:

Mr. Chee Man Sang, Eric

Ms. Lam Tak Yee

Mr. Tang Chi Chung, Matthew