

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (the “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 the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the 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 the GEM.

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This announcement, for which the directors of GreaterChina Professional Services Limited (the “Company” and the “Directors”, respectively) 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.

* For identification purpose only

The board of Directors (the “Board”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2015, which have been agreed by the auditor of the Company, together with the audited comparative figures for the last financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>NOTES</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	3 & 6	45,983	88,871
Cost of sales		<u>(20,405)</u>	<u>(22,964)</u>
Gross profit		25,578	65,907
Other income	4	6,486	4,149
Marketing expenses		(1,589)	(91)
Administrative expenses		(44,630)	(38,679)
Impairment loss on trade receivables	13	(77,294)	(5,103)
Reversal on impairment loss on trade receivables		269	210
Impairment loss on amount due from a joint venture		<u>(4,080)</u>	<u>–</u>
(Loss)/profit from operations		(95,260)	26,393
Finance costs	5	(3,896)	(20)
Share of results of associates and a joint venture		849	(1,541)
Gain on disposal of an associate		–	2,460
Impairment loss on investment in an associate	12	(26,776)	(184)
Fair value change on derivative financial asset		<u>(543)</u>	<u>–</u>
(Loss)/profit before tax	8	(125,626)	27,108
Income tax (expenses)/credit	7	<u>(1,601)</u>	<u>4,174</u>
(Loss)/profit for the year		<u>(127,227)</u>	<u>31,282</u>
Other comprehensive (expenses) for the year, net of tax:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(10)</u>	<u>(7)</u>
Total comprehensive (expenses)/income for the year		<u>(127,237)</u>	<u>31,275</u>

	<i>NOTES</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/profit for the year attributable to:			
Owners of the Company		(127,602)	31,282
Non-controlling interests		375	–
		<u>(127,227)</u>	<u>31,282</u>
Total comprehensive (expenses)/income for the year attributable to:			
Owners of the Company		(127,619)	31,275
Non-controlling interests		382	–
		<u>(127,237)</u>	<u>31,275</u>
(Restated)			
(Loss)/earnings per share			
Basic (HK cents)	<i>10</i>	<u>(16.82)</u>	<u>5.08</u>
Diluted (HK cents)		<u>(16.82)</u>	<u>5.06</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment		2,427	1,368
Goodwill	11	111,711	–
Investments in associates and a joint venture	12	42,900	–
Available-for-sale financial asset		2,241	2,241
Derivative financial asset		2,802	–
Deposit paid for acquisition of an associate		325	325
		<u>162,406</u>	<u>3,934</u>
Current assets			
Trade receivables	13	20,382	112,920
Prepayments, deposits and other receivables		30,611	33,346
Financial assets at fair value through profit or loss		31,122	–
Derivative financial asset		185	–
Amount due from a related party		–	4,080
Pledged bank deposits		–	1,022
Bank and cash balances		17,004	4,024
		<u>99,304</u>	<u>155,392</u>
Current liabilities			
Trade payables	14	3,579	4,820
Accruals and other payables		14,318	3,412
Amount due to a director		150	–
Amounts due to related parties		1,647	–
Obligations under finance leases		–	167
Bank borrowings		1,644	–
Current tax liabilities		4,066	3,029
		<u>25,404</u>	<u>11,428</u>
Net current assets		<u>73,900</u>	<u>143,964</u>
Non-current liability			
Promissory notes	15	96,217	–
NET ASSETS		<u>140,089</u>	<u>147,898</u>
Capital and reserves			
Share capital	16	8,580	5,018
Reserves		130,109	142,880
Equity attributable to owners of the Company		138,689	147,898
Non-controlling interests		1,400	–
TOTAL EQUITY		<u>140,089</u>	<u>147,898</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company									
	NOTES	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated loss)	Share-based payment reserve	Sub-total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013		5,000	71,478	5,359	(45)	36,217	669	118,678	–	118,678
Total comprehensive income for the year		–	–	–	(7)	31,282	–	31,275	–	31,275
Recognition of share-based payments		–	–	–	–	–	85	85	–	85
Effect of forfeiture of share options granted		–	–	–	–	128	(128)	–	–	–
Share issued pursuant to exercise of share options	16	18	506	–	–	–	(164)	360	–	360
2013 final dividend		–	–	–	–	(2,500)	–	(2,500)	–	(2,500)
		<u>5,018</u>	<u>71,984</u>	<u>5,359</u>	<u>(52)</u>	<u>65,127</u>	<u>462</u>	<u>147,898</u>	<u>–</u>	<u>147,898</u>
At 31 March 2014		<u>5,018</u>	<u>71,984</u>	<u>5,359</u>	<u>(52)</u>	<u>65,127</u>	<u>462</u>	<u>147,898</u>	<u>–</u>	<u>147,898</u>
At 1 April 2014		5,018	71,984	5,359	(52)	65,127	462	147,898	–	147,898
Total comprehensive expenses for the year		–	–	–	(17)	(127,602)	–	(127,619)	382	(127,237)
Non-controlling interests arising										
on acquisition of a subsidiary	17	–	–	–	–	–	–	–	1,018	1,018
Recognition of share-based payments		–	–	–	–	–	18	18	–	18
Issue of shares upon open offer	16	2,523	47,941	–	–	–	–	50,464	–	50,464
Issue of consideration shares	12	1,000	68,000	–	–	–	–	69,000	–	69,000
Share issue expense		–	(1,796)	–	–	–	–	(1,796)	–	(1,796)
Effect of forfeiture of share options granted		–	–	–	–	16	(16)	–	–	–
Share issued pursuant to exercise of share options	16	39	1,021	–	–	–	(336)	724	–	724
		<u>8,580</u>	<u>187,150</u>	<u>5,359</u>	<u>(69)</u>	<u>(62,459)</u>	<u>128</u>	<u>138,689</u>	<u>1,400</u>	<u>140,089</u>
At 31 March 2015		<u>8,580</u>	<u>187,150</u>	<u>5,359</u>	<u>(69)</u>	<u>(62,459)</u>	<u>128</u>	<u>138,689</u>	<u>1,400</u>	<u>140,089</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The address of its registered office of the Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.

In the opinion of the directors of the Company, as at 31 March 2015, Brilliant One Holdings Limited, a company incorporated in the British Virgin Islands (“B.V.I.”), is the immediate parent; GC Holdings Limited, a company incorporated in the B.V.I., is the ultimate parent and Mr. Ip Kwok Kwong is the ultimate controlling party of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2014. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE

The Group’s revenue is as follows:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Asset advisory and asset appraisal services	38,291	44,096
Corporate services and consultancy income	3,455	44,775
Media advertising income	4,079	–
Loan interest income	158	–
	<u>45,983</u>	<u>88,871</u>

4. OTHER INCOME

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Bank interest income	11	11
Reimbursement of out-of-pocket expenses	936	2,347
Sub-leasing income	1,819	1,791
Management fee income	2,990	–
Dividend income from listed investments	730	–
	<u>6,486</u>	<u>4,149</u>

5. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank overdrafts	–	10
Finance lease charges	5	10
Interest on bank borrowings	62	–
Interest on promissory notes	3,829	–
	<u>3,896</u>	<u>20</u>

6. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company's Directors.

The Group has four operating and reportable segments as follows:

— Asset advisory and asset appraisal

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument and derivative valuation and advisory related to various types of assets in particular property in the People's Republic of China (the "PRC")

— Corporate services and consultancy

Provision of company secretarial services, human resource management and other administrative services, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services

— Media advertising

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal display displays network inside elevators or lift lobbies or middle to high-end residential community

— Financing services

Provision of financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations, operation of trading and exchange of gold and/or silver and provision of consultancy or agency services.

Information about reportable segment profits or losses, assets and liabilities:

	Asset advisory services and asset appraisal		Corporate services and consultancy		Media advertising		Financing services		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Years ended 31 March										
Revenue from external customers	<u>38,291</u>	<u>44,096</u>	<u>3,455</u>	<u>44,775</u>	<u>4,079</u>	<u>-</u>	<u>158</u>	<u>-</u>	<u>45,983</u>	<u>88,871</u>
Intersegment revenue	<u>504</u>	<u>1,237</u>	<u>5,144</u>	<u>9,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,648</u>	<u>10,993</u>
Segment (loss)/profit before finance costs and income tax credit or expense	<u>(6,427)</u>	<u>24,389</u>	<u>(86,771)</u>	<u>24,519</u>	<u>1,867</u>	<u>-</u>	<u>(26,090)</u>	<u>-</u>	<u>(117,421)</u>	<u>48,908</u>
As at 31 March										
Segment assets	<u>2,331</u>	<u>52,092</u>	<u>35,270</u>	<u>65,736</u>	<u>99,141</u>	<u>-</u>	<u>73,884</u>	<u>-</u>	<u>210,626</u>	<u>117,828</u>
Segment liabilities	<u>10,536</u>	<u>7,650</u>	<u>3,080</u>	<u>2,721</u>	<u>100,473</u>	<u>-</u>	<u>137</u>	<u>-</u>	<u>114,226</u>	<u>10,371</u>
Amounts included in the measure of segment (loss)/profit or segment assets:										
Bank interest income	4	4	-	-	2	-	-	-	6	4
Depreciation	311	157	313	279	64	-	5	-	693	436
Staff costs	13,233	12,085	9,961	10,777	82	-	212	-	23,488	22,862
Impairment loss on trade receivables	20,583	2,253	56,711	2,850	-	-	-	-	77,294	5,103
Share of results of an associate	-	-	-	-	-	-	849	-	849	-
Impairment loss on investment in an associate	-	-	-	-	-	-	(26,776)	-	(26,776)	-
Income tax expense/(credit)	967	(4,941)	-	767	634	-	-	-	1,601	(4,174)
Goodwill	-	-	-	-	84,956	-	26,755	-	111,711	-
Investment in an associate	-	-	-	-	-	-	42,900	-	42,900	-
Additions to segment non-current assets	<u>676</u>	<u>90</u>	<u>107</u>	<u>208</u>	<u>408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,191</u>	<u>298</u>

Reconciliations of reportable segment profits or losses, assets and liabilities are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Total revenue of reportable segments	51,631	99,864
Elimination of intersegment revenue	(5,648)	(10,993)
	<u>45,983</u>	<u>88,871</u>
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit or loss		
Total (loss)/profit of reportable segments	(117,421)	48,908
Unallocated amounts:		
Share of results of associates and a joint venture	–	(1,541)
Gain on disposal of an associate	–	2,460
Impairment loss on investment in an associate	–	(184)
Fair value loss on financial asset at fair value through profit or loss	2,616	(206)
Unallocated corporate expenses	(8,526)	(18,135)
	<u>(3,896)</u>	<u>(20)</u>
Finance costs	(3,896)	(20)
	<u>(127,227)</u>	<u>31,282</u>
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Segment assets		
Total assets of reportable segments	210,626	117,828
Unallocated corporate assets	17,396	33,830
Available-for-sale financial asset	2,241	2,241
Deposit paid for acquisition of an associate	325	325
Financial assets at fair value through profit or loss	31,122	–
Pledged bank deposit	–	1,022
Amount due from a related party	–	4,080
	<u>261,710</u>	<u>159,326</u>
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Segment liabilities		
Total liabilities of reportable segments	114,226	10,371
Unallocated corporate liabilities	5,598	890
Obligations under finance leases	–	167
Amounts due to related parties	1,647	–
Amount due to a director	150	–
	<u>121,621</u>	<u>11,428</u>
Consolidated total liabilities	121,621	11,428

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income		
Total interest income reportable segment	6	4
Unallocated corporate interest income	5	7
	<u>11</u>	<u>11</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Depreciation		
Total depreciation of reportable segments	693	436
Unallocated depreciation of corporate assets	182	183
	<u>875</u>	<u>619</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Staff costs		
Total staff costs of reportable segments	23,488	22,862
Unallocated corporate staff costs	10,178	11,502
	<u>33,666</u>	<u>34,364</u>

Geographical information:

	Revenue from external customers		Non-current assets	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	36,623	32,164	73,725	1,148
The PRC except Hong Kong	6,540	43,473	88,208	2,307
Others	2,820	13,234	473	479
	<u>45,983</u>	<u>88,871</u>	<u>162,406</u>	<u>3,934</u>

In presenting the geographical information, revenue is based on the locations of the customers.

Revenue from major customers contributing 10% or more to the Group's turnover are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Corporate services and consultancy		
Customer A	N/A	10,080
Customer B	N/A	9,725
Customer C	N/A	8,820
	<u>N/A</u>	<u>28,625</u>

7. INCOME TAX EXPENSES/(CREDIT)

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	984	2,102
Over-provision in prior years	(17)	(6,276)
	<u>967</u>	<u>(4,174)</u>
Current tax — Corporate Income Tax in the PRC		
Provision for the year	634	–
	<u>634</u>	<u>–</u>
Income tax expenses/(credit)	<u><u>1,601</u></u>	<u><u>(4,174)</u></u>

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 March 2015 (2014: 16.5%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof. The Corporate Income Tax rate applicable to subsidiaries registered in the PRC is 25%.

8. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is stated after charging the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Auditor's remuneration	480	450
Staff costs including directors' remuneration		
Salaries, bonus and allowances	32,671	33,563
Share-based payments	18	85
Retirement benefits scheme contributions	977	716
	<u>33,666</u>	<u>34,364</u>
Depreciation	875	619
Exchange loss, net	–	3
Fair value loss on financial assets at fair value through profit or loss	2,616	206
Operating lease charges		
Land and buildings	7,706	6,953
Photocopier machines	72	82
	<u>7,778</u>	<u>7,035</u>

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: Nil).

10. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic loss (2014: earnings) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$127,602,000 (2014: earnings of approximately HK\$31,282,000) and the weighted average number of ordinary shares of 758,848,979 (2014: 615,969,331 ordinary shares, as restated for the effect of the open offer effected on 28 August 2014. Detail of the open offer are set out in note 16 to this announcement) in issue during the year.

Diluted (loss)/earnings per share

Diluted loss per share attributable to owners of the Company for the year ended 31 March 2015 is the same as the respective basic loss per share because all potential dilutive ordinary shares would decrease the loss per share, therefore, is anti-dilutive.

The calculation of diluted earnings per share attributable to owners of the Company for the year ended 31 March 2014 is based on the profit for the year attributable to owners of the Company of approximately HK\$31,282,000 and the weighted average number of ordinary shares of 618,252,453 (as restated for the effect of the open offer effected on 28 August 2014. Detail of the open offer are set out in note 16 to this announcement), being the weighted average number of ordinary shares of 615,969,331 in issue during the year ended 31 March 2014 used in the basic earning per share calculation plus the weighted average number of ordinary shares of 2,283,122 assumed to have been issued at no consolidation on the deemed exercise of the share options outstanding during the reporting period.

11. GOODWILL

	Media advertising <i>HK\$'000</i> <i>Note 1</i>	Financing services <i>HK\$'000</i> <i>Note 2</i>	Total <i>HK\$'000</i>
Cost			
Arising from business combination during the year ended 31 March 2015 (<i>note 17</i>)	84,956	26,755	111,711
Carrying amount			
At 31 March 2015	<u>84,956</u>	<u>26,755</u>	<u>111,711</u>

Goodwill arising from a business combination is allocated, on acquisition, to the cash generating units (the "CGUs") that are expected to benefit from that business combination. The management considers goodwill arising from the acquisitions of Golden Group and Alright Group is allocated to two separate CGUs for the purpose of goodwill impairment testing. The CGU for Golden Group is included in the segment of media advertising and Alright Group is included in the financing services segment.

Notes:

1. The recoverable amount of the CGU has been determined based on fair value less costs of disposal (“FVLCD”). In determining the FVLCD of the CGU, management has adopted the market approach, which have adopted earnings multiple in the valuation. Several companies with business scopes and operations similar to those of Golden Group were adopted as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria:
 - the comparable companies selected are principally engaged in provision of media advertising services in the PRC and Hong Kong;
 - The companies have sufficient listing and operating histories; and
 - The financial information of the companies is available to the public.

Key assumptions used in the FVLCD calculation of the CGU for 31 March 2015 included the earnings multiple of 23.8, marketability discount of 21.1% and control premium of 26.3%.

2. The recoverable amount of the CGU is determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant market. The rate used to discount the forecast cash flows from the Group’s money lending activities is 12.78%.

12. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

Investment in associates

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Investments in associates:		
Unlisted investments		
Share of net assets	5,807	184
Goodwill	64,053	–
	<u>69,860</u>	184
Impairment losses	<u>(26,960)</u>	<u>(184)</u>
	<u>42,900</u>	–
Investment in a joint venture:		
Unlisted investment	–	–
	<u>–</u>	<u>–</u>
Carrying amount at 31 March 2015	<u><u>42,900</u></u>	<u><u>–</u></u>

Details of the Group's associates at 31 March 2015 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up	Percentage of ownership interest/ voting power/profit sharing	Principal capital activities
北京漢華信誠資產顧問有限公司*	The PRC	US\$60,000	50%	Inactive
Greater China London Limited	United Kingdom	GBP112,500	20%	Inactive
Boxin Holdings Limited	B.V.I.	HK\$2	30%	Investment

* The business licence has been suspended since 18 July 2008.

On 28 August 2014, the Group completed the acquisition of 30% equity interests in Boxin Holdings Limited ("Boxin") by allotment and issue of 100,000,000 ordinary shares of the Company, credited as fully paid. Boxin holds a wholly-owned subsidiary incorporated in Hong Kong, an entity which mainly engages in the business of trading and exchange of gold and silver in Hong Kong.

Goodwill of approximately HK\$64,053,000 was arising on the acquisition, and included within the carrying amount of interests in associates, with details as follows:

	<i>HK\$'000</i>
Purchase consideration:	
— Fair value of 100,000,000 ordinary shares issued (<i>Note (i)</i>)	69,000
— Fair value of the Profit Guarantee (<i>Note (ii)</i>)	<u>(173)</u>
	68,827
Share of fair value of net assets acquired	<u>(4,774)</u>
Goodwill (<i>Note (iii)</i>)	<u><u>64,053</u></u>

Notes:

- (i) The fair value of the consideration shares was determined with reference to the quoted market closing price of HK\$0.69 of the Company's shares on the date of completion.
- (ii) Pursuant to the terms of the sale and purchase agreement, the vendor of Boxin undertake that the audited consolidated net profit of Boxin shall not be less than HK\$8,000,000 for the twelve months period starting from 29 August 2014 and (the "Profit Guarantee") shall compensate the shortfall adjusted with the interests shared by Group and the implied price-to-earnings ratio.

The Profit Guarantee represents a right to the return of previously transferred consideration for the acquisition of Boxin when the specified conditions are met and hence constitutes a kind of contingent consideration. The fair value of the Profit Guarantee at the date of acquisition was recognised as a derivative financial asset in the consolidated statement of financial position.

- (iii) The goodwill arising on the acquisition of the associate is attributable to the anticipated profitability of the associate and the future operating synergies from the combination.

For impairment testing of investments in the associates, each investment is considered an individual CGU. The recoverable amount of the CGU has been determined based on fair value less costs of disposal by using the income approach (discounted cash flow method). A discount rate of 13.59% and marketability discount rate of 16.11% were applied on projected cash flow for fair value calculation. As a result, according to the impairment test result used by the Group, the recoverable amount of investment in Boxin is lower than its carrying amount due to the increase in the Company's share price led to an increase in the fair value of the consideration shares as at the date of completion of the acquisition, and provision for impairment of approximately HK\$26,776,000 was recorded in statement of profit or loss for the year ended 31 March 2015.

13. TRADE RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade and bill receivables	89,656	120,038
Less: Impairment loss	(69,274)	(7,118)
	<u>20,382</u>	<u>112,920</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 7 to 30 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the senior management.

The aging analysis of trade and bill receivables, based on the invoice date, and net of allowance, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	8,144	31,999
31 to 90 days	3,659	7,939
91 to 180 days	2,926	1,333
181 to 365 days	1,573	16,034
Over 365 days	4,080	55,615
	<u>20,382</u>	<u>112,920</u>

The Group's aging analysis of trade receivable from asset advisory and corporate consultancy services, based on invoice date, and net of allowance, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0 to 30 days	45	25,300
31 to 90 days	120	–
91 to 180 days	73	–
181 to 365 days	299	14,377
Over 365 days	2,126	53,257
	<u>2,663</u>	<u>92,934</u>

As at 31 March 2015, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$69,274,000 (2014: HK\$7,118,000).

Reconciliation of allowance for trade receivables for the year is set out below:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Balance at the beginning of the year	7,118	2,256
Impairment loss recognised	77,294	5,103
Amount written off as uncollectible	(14,869)	(31)
Impairment loss reversed	(269)	(210)
	<hr/>	<hr/>
Balance at the end of the year	<u>69,274</u>	<u>7,118</u>

14. TRADE PAYABLES

The aging analysis of trade payables is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0–90 days	<u>3,579</u>	<u>4,820</u>

15. PROMISSORY NOTES

	<i>HK\$'000</i>
Issue of the promissory notes, at fair value	92,388
Interest on promissory notes	<u>3,829</u>
At 31 March 2015	<u>96,217</u>

Note:

On 13 November 2014, the Company issued a series of promissory notes with total principal amounts of HK\$110,000,000 to an independent third party (the “Vendor”) as part of the consideration for acquisition (the “Acquisition”) of 80% equity interest in Golden Vault (“Golden Vault”) by the Group. The promissory notes are interest-bearing at 3% per annum. The maturity date will be determined with reference to the completion of the audit of Golden Vault for the year ending 31 December 2016, which is expected to be completed no later than April 2017. Details of the terms of settlement were disclosed in the Company’s announcement dated 13 November 2014.

Pursuant to the terms of the Acquisition, the Vendor have irrevocably and unconditionally warranted and guaranteed to the Company the profit after taxation of Golden Vault calculated in accordance with HKFRS for the years ending 31 December 2015 and 2016 will not be less than RMB6,000,000 (the “2015 Guaranteed Profit”) and RMB 6,200,000 (the “2016 Guaranteed Profit”). In the event the 2015 Guaranteed Profit or 2016 Guaranteed Profit is not fulfilled, the Vendor shall compensate the Group an amount calculated according to the agreement by way of setting off against the outstanding amount of the promissory notes or in cash.

Based on the valuation carried out by a firm of independent qualified professional valuers, the fair values of the promissory notes at the date of issue were approximately HK\$92,388,000. The effective interest rate of the promissory notes is 10.96% per annum.

16. SHARE CAPITAL

	<i>Notes</i>	Number of shares '000	Amount HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 (2014: HK\$0.01) each			
At 31 March 2014, 1 April 2014 and 31 March 2015		2,000,000	20,000
Issued and fully paid:			
Ordinary shares of HK\$0.01 (2014: HK\$0.01) each			
At 1 April 2013		500,040	5,000
Issued of shares on exercise of share options		1,800	18
At 31 March 2014 and 1 April 2014		501,840	5,018
Issued of shares on exercise of share options	<i>(a)</i>	3,809	39
Issue of shares upon open offer	<i>(b)</i>	252,320	2,523
Issue of consideration shares	<i>(c)</i>	100,000	1,000
At 31 March 2015		857,969	8,580

Notes:

- (a) During the year, 3,808,600 (2014: 1,800,000) ordinary shares were issued at HK\$0.16 or HK\$0.20 per share as a result of the exercise of share options of the Company.
- (b) On 25 August 2014, the Company completed the open offer in which 252,320,000 offer shares were issued on the basis of one offer shares for every two shares held by the qualifying shareholders after completion of the capital restructuring at the subscription price of HK\$0.2 per offer share with the par value of HK\$0.01 each. Accordingly, the Company's issued share capital was increased by approximately HK\$2,523,000 and its share premium account was increased by approximately HK\$47,941,000. The transaction costs related to the open offer was approximately HK\$1,796,000.
- (c) On 12 August 2014, the Company entered into the sales and purchase agreement pursuant to which the Company conditionally agreed to acquire the sales shares for a total consideration of HK\$39,000,000. The transaction was completed on 28 August 2014 and the premium on the issue of share, amounting to approximately HK\$68,000,000.

17. BUSINESS COMBINATION

On 13 November 2014, the Group completed the acquisition of 80% equity interest in Golden Vault, which was satisfied by the issuance of a series of promissory notes with total principal amounts of HK\$110,000,000. (the "Acquisition I").

Golden Vault is principally engaged in provision of media advertising services.

The following table summarises the consideration paid for the Acquisition I, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the date of completion of the Acquisition I (the “Completion Date”):

	<i>HK\$'000</i>
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	622
Trade receivables	2,495
Prepayments and other receivables	8,204
Cash and cash equivalents	1,562
Other payables and accruals	(5,541)
Bank borrowings	(1,643)
Tax payable	(606)
	<hr/>
Total identifiable net assets at fair value	5,093
Non-controlling interest — 20%	(1,018)
Goodwill	84,956
	<hr/>
	<u>89,031</u>
Satisfied by:	
Promissory notes	92,388
Fair value of profit guarantee	(3,357)
	<hr/>
	<u>89,031</u>
Net cash inflow arising on acquisition:	
Cash consideration paid	—
Cash and cash equivalents acquired	(1,562)
	<hr/>
	<u>(1,562)</u>

The goodwill represented the excess of the fair value of the consideration as at the Completion Date over the fair value of the net assets.

The non-controlling interests (20%) in Golden Vault recognised at the Completion Date was measured by reference to the non-controlling interests’ proportionate share of Golden Vault identifiable net assets and amounted to approximately HK\$1,018,000.

Acquisition-related costs of approximately HK\$1,003,000 have been charged to the administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.

Pursuant to the terms of the Acquisition I, the Vendor has irrevocably and unconditionally warranted and guaranteed to the Company the profits after taxation and extraordinary items of Golden Vault for the each of the year ending 31 December 2015 and 2016 will not be less than the 2015 Guaranteed Profit of RMB6,000,000 and the 2016 Guaranteed Profit of RMB6,200,000. In the event the 2015 Guaranteed Profit or 2016 Guaranteed Profit is not fulfilled, the Vendor shall compensate the Group an amount prescribed in the agreement.

At 31 March 2015, with reference to a report by an independent qualified professional valuers not connected with the Group, the directors of the Company are of the opinion that the fair value of contingent consideration receivable resulting from the 2015 and 2016 Guaranteed Profit is HK\$2,802,000.

Golden Vault contributed approximately HK\$4,079,000 to the Group's revenue and a profit of approximately HK\$1,875,000 to the consolidated statement of profit or loss and other comprehensive income during the period from the Completion Date to 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue of the Group and the loss of the Group for the year would have been approximately HK\$54,553,000 and approximately HK\$123,577,000, respectively. The pro forma information is for illustrative purpose only.

On 10 December 2014, the Company entered into a sales and purchase agreement with Alright Venture Limited (the "Alright Venture"), for acquiring the entire shares of Alright Venture and the consideration payable for the sales shares shall be HK\$28,000,000 (the "Acquisition II"). Acquisition II was completed on 10 December 2014.

	<i>HK\$'000</i>
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	121
Prepayments and deposits	254
Trade receivable	1,611
Bank balances and cash	2,593
Accrued charges and other payables	(3,255)
Tax payable	(79)
	<hr/>
Total identifiable net assets at fair value	1,245
Goodwill	26,755
	<hr/>
	28,000
	<hr/> <hr/>
Satisfied by:	
Cash	28,000
	<hr/>
Total consideration transferred	28,000
	<hr/> <hr/>
Net cash outflow arising on acquisition:	
Cash consideration paid	28,000
Cash and cash equivalents acquired	(2,593)
	<hr/>
	25,407
	<hr/> <hr/>

The goodwill represented the excess of the fair value of the consideration as at the completion date over the fair value of the net assets.

Alright Venture contributed approximately HK\$158,000 to the Group's revenue and a loss of approximately HK\$205,000 to the consolidated statement of profit or loss and other comprehensive income during the period from 10 December 2014, being the date of completion, to 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue of the Group and the loss of the Group for the year would have been approximately HK\$47,121,000 and approximately HK\$127,616,000, respectively. The pro forma information is for illustrative purpose only.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

Basis for qualified opinion

The consolidated financial statements of the Group for the year ended 31 March 2014, which formed the basis for the corresponding figures presented in the current year's consolidated financial statements, was qualified because of the possible effects of the adequacy of the allowances made on certain trade receivables as at 31 March 2014. Details of this qualified audit opinion are set out in the independent auditor's report dated 24 June 2014. In relation to the trade receivables brought forward from prior years, the Group has recorded an impairment loss amounted to approximately HK\$77 million for the year ended 31 March 2015. We have not been provided with sufficient audit evidence as to whether the impairment loss should be recorded in the current year or prior years. However, we are satisfied that the trade receivables are fairly stated as at 31 March 2015.

Any adjustments to the figures as described from above might have a consequential effect on the Group's results for the two years ended 31 March 2015 and 2014 and the financial position of the Group as at 31 March 2014, and the related disclosures thereof in the consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matters as described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT RESPONSE TO THE AUDITOR'S QUALIFIED OPINION

As at 31 March 2015, the Group has long outstanding receivables balance ("LOR") which mainly related to the asset advisory and corporate consultancy services rendered for funds-raising purpose of property-related projects in the PRC. Most of the responsible persons behind these LOR are private individual in the PRC. Owing to the macroeconomic regulation and control, especially for property market, carried out in previous years, these clients were in shortage of new funding and have to take more time to complete their property projects and consequently delayed the settlement of the services fees. The management of the Company has sought legal advice for possible courses of actions in recovering the LOR and engaged a consultant in the PRC for debt collection purpose after pros and cons evaluation. In view of most clients still show their willingness to settle the services fee and for client relationship purpose, the Group adopt a least drastic means to chase for the LOR. Although the management holds the view that most LOR can be recovered in the near future as advised by the consultant, an impairment loss of approximately HK\$77.3 million was recognised during the year ended 31 March 2015 (the "Year") after all relevant circumstances and factors were considered.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal, (ii) corporate services and consultancy, (iii) media advertising and (iv) financing services.

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involves 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. Revenue from asset advisory services and asset appraisal during the Year was approximately HK\$38.3 million, representing a decrease of about 13.2% as compared to last financial year, was primarily due to the decrease in average contract price.

Corporate Services and Consultancy

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 and other operational aspects as well as provision of back office administration. Owing to its non-recurring nature and fewer projects have been engaged in the Year than in previous year, revenue generated from the provision of corporate services and consultancy during the Year decreased by about 92.3% to approximately HK\$3.5 million as compared with that of last financial year.

Media Advertising

In November 2014, the Group acquired 80% equity interests in Golden Vault Limited (collectively with its wholly-owned subsidiaries the “Golden Group”), details of which are set out in note 17 to this announcement. Golden Group is principally engaged in media advertising business and is one of the community media promotion operators in Changshu, the PRC. Advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal display displays network inside elevators or lift lobbies of middle to high-end residential community. Subsequent to the acquisition, the Group taps into the media advertising industry in the PRC with growth potential, which generates diversified income and additional cash flow. This new business segment brought additional approximately HK\$4.1 million advertising income for the Group during the Year.

Financing Services

The Group commenced the provision of financing services during the Year through its acquisitions of an associate, Boxin Holdings Limited (together with its wholly-owned subsidiary, the “Boxin Group”) and a subsidiary, Alright Venture Limited (together with its wholly-owned subsidiary, the “Alright Group”), details of which are set out in notes 12 and 17 to this announcement, respectively.

Boxin Group holds a licence granted by The Chinese Gold and Silver Exchange Society for the operation of its business of trading and exchange of gold and/or silver and provides consultancy or agency services in Hong Kong. During the Year, approximately HK\$0.8 million share of net profits of an associate was contributed from Boxin Group since it was acquired by the Group in August 2014.

Alright Group holds a money lender licence under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations. As Alright Group was only consolidated to the Group for about three months since it was acquired by the Group in December 2014, revenue generated from Alright Group only contributed less than 1% to the Group’s total revenue during the Year.

PROSPECT

Looking ahead, the PRC continues to report a lower Gross Domestic Product growth than before, implying challenges to our business. Although our revenue from asset advisory and corporate consultancy services are falling as compared with previous years due to the volatile financial and capital markets, 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 the PRC, 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, 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 acquisitions, with the expansion of our operations to the advertisement and financing businesses, we believe that our client base and income source would be further diversified and increased. We are optimistic towards our core businesses and shall continue to capture market opportunities and enhance the quality and scope of our services in order to achieve sustainable growth and enhance the long-term benefits of our shareholders (the “Shareholders”).

FINANCIAL REVIEW

Results of the Group

The Group’s revenue for the Year was approximately HK\$46.0 million (2014: approximately HK\$88.9 million), representing a decrease of about 48.3% from that of 2014. The decrease in the Group’s revenue during the Year was mainly attributable to the decrease in corporate services and consultancy income of HK\$41.3 million due to fewer projects engaged than previous year.

The Group’s cost of services mainly consists of direct labour cost and sub-contracting charges. During the Year, the Group’s direct labour cost and sub-contracting charges were approximately HK\$14.7 million and HK\$3.2 million respectively (2014: approximately HK\$14.0 million and HK\$4.6 million respectively), representing an increase of about 5.0% and a decrease of about 30.4% respectively from that of 2014. The decrease in sub-contracting charges was primarily due to less engagements which required professional services provided by independent third-parties.

The Group’s administrative expenses for the Year was approximately HK\$44.6 million (2014: approximately HK\$38.7 million), representing an increase of about 15.2% from that of 2014. The increase in the Group’s administrative expenses during the Year was mainly due to the Group’s further business expansion in the Year, through a series of business acquisitions and the set-up of new offices in overseas market, more professional services fee and operating expenses were incurred for the Year.

The Group's finance costs for the Year was approximately HK\$3.9 million (2014: approximately HK\$0.02 million). The significant increase was mainly attributable to the effective interest expenses recognised on promissory notes issued by the Company during the Year.

Save as disclosed above, the substantial loss attributable to owners of the Company for the Year of approximately HK\$127.6 million (2014: profit of approximately HK\$31.3 million) was also largely attributable to:

- (i) the impairment loss on trade receivables of approximately HK\$77.3 million (2014: HK\$5.1 million) due to certain customers with prolonged delay in repayment which casts doubts on their recoverability, details of which are disclosed under section headed "Management Response to the Auditor's Qualified Opinion" above;
- (ii) the impairment loss on investment in an associate of approximately HK\$26.8 million (2014: HK\$0.2 million) due to the impairment loss on goodwill arising from the acquisition of Boxin Group, which included within the carrying amount of investment in an associate, as a result of the increase in the Company's share price which led to an increase in the fair value of the consideration shares as at the date of completion of the acquisition; and
- (iii) the impairment loss on amount due from a joint venture of approximately HK\$4.1 million (2014: Nil) due to the uncertainty of its collectability as a result of the continuous operating losses of the joint venture.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's businesses is in Hong Kong and is denominated in Hong Kong dollars, Renminbi, and United States dollars. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group had cash and cash equivalents of approximately HK\$17.0 million (31 March 2014: approximately HK\$4.0 million). As at 31 March 2015, the Group had net current assets of approximately HK\$73.9 million (31 March 2014: approximately HK\$144.0 million). Current ratio as at 31 March 2015 was 3.9 (31 March 2014: 13.6).

The Group's operations and investments are financed principally by revenue generated from business operations, available bank balances and the net proceeds from the issue of new shares by way of the open offer completed during the Year. As at 31 March 2015, the Group had total borrowings (comprising bank borrowings and promissory notes) of approximately HK\$97.9 million and a net gearing ratio of approximately 0.58 (31 March 2014: Nil), which is defined as net debt (total borrowings net of cash and bank balances) over total equity, is resulted. The bank borrowings is denominated in Renminbi and carried average annual interest rate of 7% while the promissory notes is denominated in Hong Kong dollars and interest-bearing at 3% per annum.

CAPITAL STRUCTURE

The capital structure of the Group and major fund raising activities during the Year are summarised as below.

Issue of Offer Shares

On 25 August 2014, the Company completed an open offer and issued 252,320,000 offer shares at a subscription price of HK\$0.2 per offer share on the basis of one offer share for every two existing shares of the Company (the “Shares”) held on the record date. The net proceeds from the open offer, after deducting the underwriting commission and other related expenses, were approximately HK\$48 million and had been applied as follows:

	Intended use of net proceeds (HK\$ in million)	Actual use of net proceeds as at 31 March 2015 (HK\$ in million)	Unutilised amount as at 31 March 2015 (HK\$ in million)
Approximately 10% for the development of its existing business	5	–	5
Approximately 80% for investment opportunities engaged in the financial services industry in Hong Kong	38	33	5
Approximately 10% for general working capital of the Group	5	3	2
	<u>48</u>	<u>36</u>	<u>12</u>

Issue of Consideration Shares

On 2 September 2014, the Company issued 100,000,000 Shares as consideration for the acquisition of Boxin Group. For details of the acquisition, please refer to note 12 to this announcement.

Issue of Promissory Notes

On 13 November 2014, the Company issued a series of promissory notes with total principal sum of HK\$110 million as consideration for the acquisition of Golden Group. For details of the acquisition and promissory notes, please refer to notes 17 and 15 to this announcement, respectively.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In August 2014, the Group completed the acquisition of 30% equity interests of Boxin Group, and the consideration was settled by the allotment and issuance of 100,000,000 Shares on the date of completion. After the acquisition, Boxin Group, which specialised in gold and/or silver trading business, became associates of the Company. Details of the acquisition are set out in note 12 to this announcement.

In November 2014, the Group acquired 80% equity interests in Golden Group for a consideration of HK\$110 million, satisfied by promissory notes in the total principal sum of HK\$110 million (subject to adjustments) issued by the Company. After the acquisition, Golden Group, which specialised in media advertising business, became indirectly-held non-wholly owned subsidiaries of the Company. Details of the acquisition are set out in note 17 to this announcement.

In December 2014, the Group acquired 100% equity interests in Alright Group for a cash consideration of HK\$28 million. After the acquisition, Alright Group, which specialised in money lending business, became indirectly-held wholly owned subsidiaries of the Company. Details of the acquisition are set out in note 17 to this announcement.

Save as disclosed above and under section headed “Capital Structure”, there was no other significant investments made during the Year, or plan for material investments or capital assets as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries or affiliated companies during the Year.

CHARGES ON ASSETS

As at 31 March 2015, there was no charge on assets of the Group. As at 31 March 2014, the Group’s bank deposits in the amount of approximately HK\$1.0 million were pledged as securities for banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group did not have any significant contingent liabilities (31 March 2014: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed 64 (31 March 2014: 61) employees. Total staff costs (including Directors’ emoluments) were approximately HK\$33.7 million (2014: HK\$34.4 million). Employees’ remuneration, promotion and salary increments are assessed based on both individual’s and Company’s performance and individual’s professional and working experience and by reference to the prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

CORPORATE GOVERNANCE

During the Year, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the “Required Standard of Dealings”). Having been made a specific enquiry by the Company, all the Directors confirmed that they had complied with the Required Standard of Dealings and its code of conduct regarding Directors’ securities transactions during the Year.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY’S LISTED SECURITIES

During the Year, the Company did not redeem any of its Shares listed on the GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or may compete with business of the Group during the Year.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Company, which was of the opinion that the consolidated financial statements had been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

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

Hong Kong, 26 June 2015

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

This announcement will remain on the website of the GEM at 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.