

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 2012

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of GreaterChina Professional Services Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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

* For identification purpose only

The board of Directors (the “Board”) is pleased to present the annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2012 together with comparative figures for 2011, as follows.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2012

	NOTES	2012 HK\$'000	2011 HK\$'000
Turnover	4	68,336	55,626
Cost of services		<u>(19,996)</u>	<u>(13,932)</u>
Gross profit		48,340	41,694
Other income	5	2,863	2,867
Marketing expenses		(337)	(203)
Administrative expenses		(37,399)	(15,135)
Other operating expenses		<u>(486)</u>	<u>(590)</u>
Profit from operations		12,981	28,633
Finance costs		(11)	–
Share of results of an associate		1,146	–
Loss on deemed disposal of partial interest in an associate		<u>(1,051)</u>	<u>–</u>
Profit before tax		13,065	28,633
Income tax expense	7	<u>(2,742)</u>	<u>(3,206)</u>
Profit for the year attributable to owners of the Company	8	<u>10,323</u>	<u>25,427</u>
Other comprehensive income, net of tax:			
Exchange differences on translating foreign operations		<u>(15)</u>	<u>15</u>
Total comprehensive income for the year attributable to owners of the Company		<u>10,308</u>	<u>25,442</u>
Earnings per share			
Basic (HK cents)	10	<u>2.15</u>	<u>6.78</u>
Diluted (HK cents)	10	<u>2.15</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	NOTES	2012 HK\$'000	2011 HK\$'000
Non-current assets			
Property, plant and equipment		2,210	1,224
Investments in associates		23,714	–
		<u>25,924</u>	<u>1,224</u>
Current assets			
Trade receivables	11	39,407	5,643
Prepayments, deposits and other receivables		4,476	5,906
Financial asset at fair value through profit or loss		1,469	–
Amounts due from related parties		382	31,418
Pledged bank deposit		1,004	–
Bank and cash balances		37,073	8,708
		<u>83,811</u>	<u>51,675</u>
Current liabilities			
Trade payables	12	1,972	1,342
Accruals and other payables		5,826	3,498
Amounts due to related parties		–	8,249
Obligations under finance leases		144	–
Current tax liabilities		5,038	3,469
		<u>12,980</u>	<u>16,558</u>
Net current assets		<u>70,831</u>	<u>35,117</u>
Total assets less current liabilities		<u>96,755</u>	<u>36,341</u>
Non-current liabilities			
Obligations under finance leases		342	–
NET ASSETS		<u>96,413</u>	<u>36,341</u>
Capital and reserves			
Share capital		5,000	3,200
Reserves		91,413	33,141
TOTAL EQUITY		<u>96,413</u>	<u>36,341</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2012

	Attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 April 2010	3,200	-	2,159	-	19,940	-	25,299
Total comprehensive income for the year	-	-	-	15	25,427	-	25,442
Interim dividend declared by subsidiaries	-	-	-	-	(14,400)	-	(14,400)
Changes in equity for the year	-	-	-	15	11,027	-	11,042
At 31 March 2011 and 1 April 2011	3,200	-	2,159	15	30,967	-	36,341
Total comprehensive income for the year	-	-	-	(15)	10,323	-	10,308
Recognition of share-based payments	-	-	-	-	-	3,296	3,296
Reclassification of share-based payments relating to the share reward to employees	-	-	-	-	2,956	(2,956)	-
Effect of group reorganisation	(3,200)	-	3,200	-	-	-	-
Share issued under the capitalisation issue	3,750	(3,750)	-	-	-	-	-
Share issued pursuant to the placing	1,250	88,750	-	-	-	-	90,000
Share placing expenses	-	(13,532)	-	-	-	-	(13,532)
Interim dividends declared by subsidiaries	-	-	-	-	(30,000)	-	(30,000)
Changes in equity for the year	1,800	71,468	3,200	(15)	(16,721)	340	60,072
At 31 March 2012	5,000	71,468	5,359	-	14,246	340	96,413

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted limited liability company incorporated in the Cayman Islands on 3 December 2010 and its shares were listed on the GEM of the Stock Exchange on 31 May 2011. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is located at Room 2703, 27th Floor, 6-8 Harbour Road, Shui On Centre, Wanchai, Hong Kong.

In the opinion of the Directors of the Company, as at the date of this announcement, 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 (the "Controlling Shareholder") of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The companies now comprising the Group are under the common control of the Controlling Shareholder. Pursuant to the group reorganisation (the "Group Reorganisation") which is more fully explained in the paragraph headed "Corporate reorganisation" in Appendix VI to the prospectus of the Company dated 25 May 2011 (the "Prospectus"), the Company acquired the entire interests of New Valiant Limited and Fidelia Investments Limited and their subsidiaries on 18 May 2011 by way of swap of shares, and the Company became the holding company of the Group.

As the Company and the Group were both controlled by the Controlling Shareholder before and after the Group Reorganisation, the Group Reorganisation was accounted for as a business combination of entities under common control. The financial statements have been prepared based on the principles and procedures of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants, as if the Group Reorganisation had occurred from the date when the combining entities first came under the control of the Controlling Shareholder.

The financial statements incorporate the financial statements of the combining entities as if they had been combined from the date when they first came under the control of the Controlling Shareholder.

The consolidated statement of comprehensive income and consolidated statement of cash flows include the results and cash flows of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The consolidated statement of financial position have been prepared to present the assets and liabilities of the combining entities as if the Group structure immediately after the Group Reorganisation had been in existence at the end of each reporting period. The net assets of the combining entities are combined using the existing book values from the Controlling Shareholder's perspective. No amount is recognised in respect of goodwill or gain on bargain purchase at the time of common control combination, to the extent of the continuation of the Controlling Shareholder's interest.

There was no adjustment made to the net assets nor the net profit or loss of any combining entities in order to achieve consistency of the Group's accounting policies.

3. 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 period beginning on 1 April 2011. 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 HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. TURNOVER

	2012 <i>HK\$’000</i>	2011 <i>HK\$’000</i>
Asset appraisal services income	26,937	29,783
Asset advisory services income	22,736	22,716
Corporate services and consultancy income	18,663	3,127
	<u>68,336</u>	<u>55,626</u>

5. OTHER INCOME

	2012 <i>HK\$’000</i>	2011 <i>HK\$’000</i>
Exchange gain	2	34
Bank interest income	132	21
Reimbursement of out-of-pocket expenses	674	352
Sub-leasing income	2,055	2,372
Others	–	88
	<u>2,863</u>	<u>2,867</u>

6. SEGMENT INFORMATION

The Group has two reportable segments as follows:

- Asset advisory services 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 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 and enterprise risk management services, management consultancy services

(a) Information about reportable segment profit or loss, assets and liabilities:

	Asset advisory services and asset appraisal <i>HK\$'000</i>	Corporate services and consultancy <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2012			
Revenue from external customers	49,673	18,663	68,336
Intersegment revenue	–	8,244	8,244
Segment profit	25,436	11,744	37,180
Interest revenue	1	122	123
Depreciation	224	182	406
Staff costs	11,347	4,334	15,681
Income tax expense	2,243	499	2,742
Additions to segment non-current assets	626	232	858
As at 31 March 2012			
Segment assets	36,570	26,056	62,626
Segment liabilities	<u>7,256</u>	<u>1,115</u>	<u>8,371</u>

	Asset advisory services and asset appraisal <i>HK\$'000</i>	Corporate services and consultancy <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2011			
Revenue from external customers	52,499	3,127	55,626
Intersegment revenue	–	1,200	1,200
Segment profit	30,758	1,178	31,936
Interest revenue	21	–	21
Depreciation	198	59	257
Staff costs	10,969	2,148	13,117
Income tax expense	3,206	–	3,206
Additions to segment non-current assets	153	836	989
As at 31 March 2011			
Segment assets	14,390	1,217	15,607
Segment liabilities	<u>6,838</u>	<u>849</u>	<u>7,687</u>

(b) Geographical information:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue		
Hong Kong	19,508	42,166
The PRC excluding Hong Kong	35,451	12,936
Others	<u>13,377</u>	<u>524</u>
Consolidated total	<u>68,336</u>	<u>55,626</u>
Non-current assets		
Hong Kong	25,690	1,224
The PRC excluding Hong Kong	<u>234</u>	<u>–</u>
Consolidated total	<u>25,924</u>	<u>1,224</u>

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

7. INCOME TAX EXPENSE

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	<u>2,742</u>	<u>3,206</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2011: 16.5%) based on the estimated assessable profit for the year ended 31 March 2012. Tax changes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Auditor's remuneration	576	250
Allowance for trade receivables	493	945
Reversal of allowance for trade receivables	(255)	(1,254)
Bad debt written off	–	899
Depreciation	521	273
Directors' emoluments	5,791	2,682
Exchange gain, net	(2)	(34)
Fair value loss on financial asset at fair value through profit or loss	247	–
Operating lease charges		
Land and buildings	4,763	3,348
Photocopier machines	37	28
	4,800	3,376
Staff costs including directors' emoluments		
Salaries, bonus and allowances	29,595	18,810
Share-based payments	3,296	–
Retirement benefit scheme contributions	436	516
	<u>33,327</u>	<u>19,326</u>

9. DIVIDENDS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interim (<i>note i</i>)	30,000	14,400
Proposed final of HK1 cent (2011: Nil) per ordinary shares (<i>note ii</i>)	<u>5,000</u>	<u>–</u>
	<u><u>35,000</u></u>	<u><u>14,400</u></u>

Note:

- (i) Before the Group Reorganisation, interim dividends of HK\$8,500,000 (2011: HK\$5,500,000) per ordinary share of Asset-Plus Global Limited, totalling approximately HK\$17,000,000 (2011: HK\$11,000,000), were declared and distributed to its then shareholder for the year. Interim dividends of HK\$8.125 (2011: HK\$2.125) per ordinary share of Greater China Appraisal Limited, totalling approximately HK\$13,000,000 (2011: HK\$3,400,000) was declared and distributed to its then shareholder for the year.
- (ii) On 25 June 2012, the Company's Board of Directors proposed a final dividend of HK1 cent per share for the year ended 31 March 2012. This proposed dividend is not reflected as dividend payable in these financial statements.

10. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company for the year ended 31 March 2012 is based on the consolidated profit for the year attributable to owners of the Company of approximately HK\$10,323,000 and the weighted average number of ordinary shares of 479,508,197 in issue during the year.

The weighted average number of ordinary shares issued pursuant to Group Reorganisation and capitalisation issue is calculated as of the shares had been outstanding throughout the year.

The calculation of basic earnings per share attributable to owners of the Company for the year ended 31 March 2011 is based on the consolidated profit for the year attributable to owners of the Company of approximately HK\$25,427,000 and the assumption that 375,000,000 shares of the Company were in issue and issuable, comprising 1,000 shares in issue as at the date of the Prospectus and 374,999,000 shares to be issued pursuant to the capitalisation issue as more fully described in the section headed "Written resolutions of the sole Shareholder" in Appendix VI to the Prospectus, as if the entire shares were outstanding throughout the year.

Diluted earnings per share

The calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$10,323,000 and the weighted average number of ordinary shares of 480,040,584, being the weighted average number of ordinary shares of 479,508,197 in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 532,387 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding during the reporting period.

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares for the year ended 31 March 2011.

11. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. During the year, the credit terms generally range from 7 to 30 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The Group's aging analysis of trade receivables, based on invoice date, and net of allowance, is as follows:

	2012	2011
	HK\$'000	HK\$'000
0 to 30 days	28,012	2,719
31 to 90 days	3,611	1,631
91 to 180 days	6,365	868
Over 180 days	1,419	425
	<u>39,407</u>	<u>5,643</u>

12. TRADE PAYABLES

The aging analysis of the Group's trade payables is as follows:

	2012	2011
	HK\$'000	HK\$'000
0 to 90 days	1,645	804
91 to 180 days	327	399
181 to 365 days	–	–
Over 365 days	–	139
	<u>1,972</u>	<u>1,342</u>

FINAL DIVIDEND

The Directors are pleased to declare a final dividend of HK1 cent per share for the year ended 31 March 2012 (2011: Nil) to those shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 10 August 2012. The relevant dividend warrants will be despatched to shareholders on or around Friday, 17 August 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 9 August 2012 to Friday, 10 August 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the above final dividend, all share transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 8 August 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the world was still under threat of economic recession. Even the European sovereign-debt crisis was smoothed over some measures implemented by European Union, the Western countries were still struggling in finding ways to steer their economies back to the path of recovery. On the other hand, China is gearing up for an investment spree, such as stimulating infrastructure spending and domestic consumption, to counter a global slowdown and shore up a faltering domestic economy. Against this backdrop, corporations were generally cautious in expanding their scale of operation.

Despite the undulant global economic situation, our overall services income increased during the year as compared to last year owing to our growing client base.

Our services are broadly categorised into two main sectors: (i) asset advisory services and asset appraisal; and (ii) corporate services and consultancy.

Asset advisory services and asset appraisal 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 nature and is usually calculated based on a percentage of the value of the underlying asset or the consideration agreed between the parties in the underlying transaction. During the year, asset advisory services income was approximately HK\$22.7 million, remained at same level as last year. Our asset appraisal services income decreased in 2012 mainly due to the drop in mergers and acquisitions related appraisal engagements, which were primary brought by the lack of optimism in the global economy and the volatile financial and capital markets. Consequently, our revenue from asset advisory services and asset appraisal was approximately HK\$49.7 million, representing a decrease of approximately 5.4% as compared to last year.

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, which includes company secretarial services, human resources management and administrative services, accounting and tax services, etc. Owing to our growing client base, revenue generated from this segment amounted to approximately HK\$18.7 million in 2012, marking an increase of approximately 496.8% as compared to last year.

On 31 May 2011, the Company's shares were successfully listed on GEM of the Stock Exchange. The listing of the Company's shares has strengthen the Group's financial position to pursue its objectives to being the one of the leading integrated professional services providers in the Greater China region.

As highlighted in our interim report, the Group successfully completed the acquisition of TodayIR Holdings Limited ("TodayIR"). TodayIR has a client portfolio of over 260 listed companies and is one of the largest online investor relations platforms in Asia. The acquisition provided the Group with a good opportunity to expand its network for all its business activities, develop new market, achieve economy of scale and a wider range of services in its provision of corporate services business. The acquisition also gave the Group the ability to cross-sell corporate and investor relations services and to develop bundling opportunities for those services, which is line with the Group's strategy to establish itself as a one-stop professional services provider.

FINANCIAL REVIEW

Results of the Group

The Group's revenue for the year ended 31 March 2012 was approximately HK\$68.3 million (2011: approximately HK\$55.6 million), representing a increase of approximately 22.8% from that of 2011. The increase in the Group's revenue during the year was mainly attributable to increase in corporate services and consultancy income as described in the "Business Review" section.

The Group's cost of services mainly consists of direct labour cost and sub-contracting charges. During the year ended 31 March 2012, the Group's direct labour cost and sub-contracting charges were approximately HK\$12.8 million and HK\$5.5 million respectively (2011: approximately HK\$11.9 million and HK\$0 million respectively), increase approximately 7.6% and N/A respectively from that of 2011. The increased in sub-contracting charges was primarily due to an asset advisory engagement which required project design services provided by an independent third-party.

The Group's administrative expenses for the year ended 31 March 2012 was approximately HK\$37.4 million (2011: approximately HK\$15.1 million), representing an increase of approximately 147.7% from that of 2011. The increase in the Group's administrative expenses during the year was mainly attributable to increased in administrative staff cost and rental expenses. During the year, the Group's administrative staff cost was approximately HK\$17.6 million (2011: approximately HK\$6.2 million), representing an increase of approximately 183.9% from that of 2011. During the year, the Group's rental expenses was approximately HK\$4.8 million (2011: approximately HK\$3.3 million), representing an increase of approximately 45.5% from that of 2011.

During the year, the Company has granted to the eligible participants under the share option scheme adopted by the Company on 18 May 2011 the options to subscribe for a total of 10,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company. The exercise price of the share options shall be HK\$0.20 each. Moreover, during the year, Brilliant One Holdings Limited, the immediate holding company of the Company, has placed down 16,425,000 shares of the Company to reward certain members of the senior management team of the Company. Therefore, the Company equity-settled share-based payment expenses for the year ended 31 March 2012 was approximately HK\$3.3 million (2011: Nil).

Therefore, the increase in cost of services and administrative expenses were primarily due to the newly incurred equity-settled share-based payment expenses and business expansion, especially into the segment of corporate services and consultancy, resulting in increase in direct labour cost, administrative staff cost and directors' emoluments, employment of additional sales team and increase in rental expenses.

Accordingly, the profit attributable to owners of the Company for the year ended 31 March 2012 was approximately HK\$10.3 million (2011: approximately HK\$25.4 million), representing a decrease of approximately 59.4% from that of 2011. By excluding the non-cash and non-operating share-based payment expenses, the profit attributable to owners would be HK\$13.6 million, representing a decrease of 46.5% from that of 2011.

Foreign Currency Risk

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 2012, the Group had cash and cash equivalents of approximately HK\$37.1 million (31 March 2011: HK\$8.7 million). As at 31 March 2012, the Group had net current assets of approximately HK\$70.8 million (31 March 2011: HK\$35.1 million). Current ratio as at 31 March 2012 was 6.5 (31 March 2011: 3.1).

The Group's operations and investments are financed principally by revenues generated from business operations, available bank balances and the net proceeds from the placing of the Company's new shares in the listing. As at 31 March 2012, the Group had no borrowing and a zero gearing ratio (31 March 2011: Nil), which is defined as net debt (total borrowings net of cash and bank balances) over total equity, is resulted.

Capital expenditure

During the year, the Group invested approximately HK\$1.5 million (2011: HK\$1.1 million) for acquisition of plant and equipment.

Capital commitments

As at 31 March 2012, the Group did not have any significant capital commitments.

Banking facilities

As at 31 March 2012, the Group's bank deposits in the amount of HK\$1 million (31 March 2011: Nil) were pledged to secure banking facilities of HK\$2 million granted to the Group.

Contingent liabilities

As at 31 March 2012, the Group did not have any significant contingent liabilities.

Use of net proceeds from the Company's Placing

The acquisition of shares of TodayIR was funded by the net proceeds from the listing and since the acquisition was only introduced to the Group recently, it was not foreseeable at the time the business plan was formulated and specifically disclosed in the prospectus but rather included as a part of the business development plan. Consequently, the intended use of listing proceeds at the time of listing did not provide any specific allocation for the acquisition consideration. However, given the benefits of the acquisition, we believe that the update to the intended use of net listing proceeds is justified. The updated intended use of net listing proceeds is set out below:

	Before completion of acquisition (HK\$ million)	After completion of acquisition (HK\$ million)
Business development		
– in asset appraisal and corporate service	27.95	17.78
– in asset advisory services	28.25	17.97
– in corporate consultancy business	15.30	9.73
– the acquisition of shares and GPS warrants of TodayIR	<u>–</u> 71.50	<u>26.02</u> 71.50
Improvement of public awareness	1.00	1.00
Human resources deployment	<u>5.50</u>	<u>5.50</u>
Total	<u><u>78.00</u></u>	<u><u>78.00</u></u>

The source of funding for the exercise of the GPS Warrant will be determined by the Directors at the time of the exercise of the GPS Warrant.

During the period from 18 May 2011, being the latest practicable date as defined in the prospectus, to 31 March 2012 (the “Review Period”), the net proceeds from the Company’s placing had been applied as follows:

	Planned use of proceeds as stated in the prospectus and updated intended use of proceeds stated above from 18 May 2011 to 31 March 2012 <i>HK\$ million</i>	Actual use of proceeds from 18 May 2011 to 31 March 2012 <i>HK\$ million</i>
Business development		
– in asset appraisal and corporate services	10.10	4.60
– the acquisition of shares and GPS warrants of TodayIR	26.02	26.02
Improvement of public awareness	0.20	0.03
Human resources deployment	0.70	0.70

Notes:

The business objectives and planned use of proceeds as stated in the prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the prospectus. The proceeds were applied in accordance with the actual development of the market. The remaining proceeds as at 31 March 2012 had been placed as interest bearing deposits in licensed banks in Hong Kong.

Comparison of Business Objectives with Actual Business Progress

An analysis comparing the business objectives as set out in the prospectus during the Review Period is set out below:

Business objectives for the Review Period	Actual business progress for the Review Period
– Business development	We have acquired 20% equity interest of TodayIR in August 2011, which enables us to cross-sell corporate and investor relation services and develop bundling opportunities for those services, which is in line with the Company's stated strategy to establish itself as a one-stop professional service provider.
– Improvement of public awareness	We invested resources in marketing activities to enhancing our public awareness, including organisation of professional seminars and publication of newsletters and periodicals.
– Human resources deployment	We have recruited additional professional staff to expand our services in Hong Kong and China

Human Resources

As at 31 March 2012, the Group employed approximately 66 (2011: 55) full time employees including management and administrative staff. The employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance, professional and working experience and by reference to prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

PROSPECT

The global economy still faces great challenges. While the momentum for European and US economic recovery is yet to be restored, China also announced a GDP growth target lower than before, implying decelerated investments in certain spheres in China's economy. However, under The State Council's 12th Five-Year Plan, China identified seven strategic emerging industries to ensure a fast and stable economic growth. Therefore, China is still playing a dominant role on the world's stage.

Despite the growth in our traditional asset advisory services and asset appraisal business would be affected by the undulant global economic situation, demand for professional commercial services in Greater China will remain strong, when companies in the region, especially in China, grow in corporate size and operational complexity and geographical diversification, the need for a leading professional advisor on asset value, procedures and regulations, as well as investment matching will increase. Based on our existing competitive advantages and market position in our core business segments, we are capable of exploring more potential expansion opportunities.

With the continuing increase in client base through possible horizontal acquisitions in future, expected synergies to be generated from TodayIR acquisition, experienced professional teams and convenient one-stop professional services provision, we will continue to capture market opportunities and enhance the quality and scope of services in order to deliver sustainable growth in returns to our shareholders.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) in Appendix 15 of the GEM Listing Rules since 31 May 2011 (the “Listing Date”) to 31 March 2012 except for the following deviation:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present have any officer with the title of chief executive officer (the “CEO”) but instead the duties of a CEO are performed by Mr. Ip Kwok Kwong, the managing director of the Company, in the same capacity as the CEO of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities since the Listing Date to 31 March 2012.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the financial results for the year ended 31 March 2012 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group, with no disagreement by the audit committee of the Company.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our customers, shareholders, bankers, and in turn the management and staff for their unreserved support for the Group during the year.

By Order of the Board
GreaterChina Professional Services Limited
Ip Kwok Kwong
Managing Director

Hong Kong, 25 June 2012

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

This announcement will remain on the website of the GEM of the Stock Exchange 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.