

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 2013

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 2013 together with comparative figures for 2012, as follows.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	NOTES	2013 HK\$'000	2012 HK\$'000
Turnover	4	96,231	68,336
Cost of services		<u>(29,520)</u>	<u>(19,996)</u>
Gross profit		66,711	48,340
Other income	5	2,547	2,863
Marketing expenses		(184)	(337)
Administrative expenses		(36,236)	(37,399)
Other operating expenses		<u>(1,801)</u>	<u>(486)</u>
Profit from operations		31,037	12,981
Finance costs		(15)	(11)
Share of results of associates and a jointly controlled entity		(239)	1,146
Loss on deemed disposal of partial interests in an associate		<u>–</u>	<u>(1,051)</u>
Profit before tax		30,783	13,065
Income tax expense	7	<u>(3,854)</u>	<u>(2,742)</u>
Profit for the year attributable to owners of the Company	8	26,929	10,323
Other comprehensive income, net of tax:			
Exchange differences on translating foreign operations		<u>(45)</u>	<u>(15)</u>
Total comprehensive income for the year attributable to owners of the Company		<u><u>26,884</u></u>	<u><u>10,308</u></u>
Earnings per share			
Basic (<i>HK cents</i>)	10	<u><u>5.39</u></u>	<u><u>2.15</u></u>
Diluted (<i>HK cents</i>)	10	<u><u>5.39</u></u>	<u><u>2.15</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	NOTES	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment		1,689	2,210
Investments in associates and a jointly controlled entity		23,588	23,714
Available-for-sale financial asset		2,241	–
		<u>27,518</u>	<u>25,924</u>
Current assets			
Trade receivables	11	79,159	39,407
Prepayments, deposits and other receivables		8,231	4,476
Financial asset at fair value through profit or loss		206	1,469
Amounts due from related parties		1,370	382
Pledged bank deposit		1,014	1,004
Bank and cash balances		19,458	37,073
		<u>109,438</u>	<u>83,811</u>
Current liabilities			
Trade payables	12	5,082	1,972
Accruals and other payables		3,761	5,826
Amount due to a director		375	–
Obligations under finance leases		162	144
Current tax liabilities		8,731	5,038
		<u>18,111</u>	<u>12,980</u>
Net current assets		<u>91,327</u>	<u>70,831</u>
Total assets less current liabilities		<u>118,845</u>	<u>96,755</u>
Non-current liabilities			
Obligations under finance leases		167	342
NET ASSETS		<u><u>118,678</u></u>	<u><u>96,413</u></u>
Capital and reserves			
Share capital		5,000	5,000
Reserves		113,678	91,413
TOTAL EQUITY		<u><u>118,678</u></u>	<u><u>96,413</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

	Attributable to owners of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Retained earnings HK\$'000	Share-based payment reserve HK\$'000	
At 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
Transfer 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 and 1 April 2012	<u>5,000</u>	<u>71,468</u>	<u>5,359</u>	<u>-</u>	<u>14,246</u>	<u>340</u>	<u>96,413</u>
Total comprehensive income for the year	-	-	-	(45)	26,929	-	26,884
Recognition of share-based payments	-	-	-	-	-	373	373
Effect of forfeiture of share options granted	-	-	-	-	42	(42)	-
Share issued pursuant to exercise of share options	-	10	-	-	-	(2)	8
2012 final dividends	-	-	-	-	(5,000)	-	(5,000)
Changes in equity for the year	-	10	-	(45)	21,971	329	22,265
At 31 March 2013	<u>5,000</u>	<u>71,478</u>	<u>5,359</u>	<u>(45)</u>	<u>36,217</u>	<u>669</u>	<u>118,678</u>

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE 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 2013, 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 (the “HKICPA”), as if the Group Reorganisation had occurred from the date when the combining entities first came under the control of the Controlling Shareholder.

The consolidated 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 HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2012. 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

	2013 <i>HK\$’000</i>	2012 <i>HK\$’000</i>
Asset appraisal services income	38,629	26,937
Asset advisory services income	25,147	22,736
Corporate services and consultancy income	32,455	18,663
	<u>96,231</u>	<u>68,336</u>

5. OTHER INCOME

	2013 <i>HK\$’000</i>	2012 <i>HK\$’000</i>
Exchange gain, net	–	2
Bank interest income	124	132
Reimbursement of out-of-pocket expenses	953	674
Sub-leasing income	1,470	2,055
	<u>2,547</u>	<u>2,863</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 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 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 2013			
Revenue from external customers	63,776	32,455	96,231
Intersegment revenue	2,492	8,652	11,144
Segment profit	29,351	18,163	47,514
Interest revenue	2	–	2
Depreciation	235	224	459
Staff costs	14,008	7,963	21,971
Income tax expense	1,804	2,050	3,854
Additions to segment non-current assets	92	190	282
As at 31 March 2013			
Segment assets	51,722	36,264	87,986
Segment liabilities	<u>12,650</u>	<u>3,149</u>	<u>15,799</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 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>

(b) Geographical information:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Revenue		
Hong Kong	34,724	19,508
The PRC (excluding Hong Kong)	56,926	35,451
Others	<u>4,581</u>	<u>13,377</u>
Consolidated total	<u>96,231</u>	<u>68,336</u>
Non-current assets		
Hong Kong	24,999	25,690
The PRC (excluding Hong Kong)	2,280	234
Others	<u>239</u>	<u>–</u>
Consolidated total	<u>27,518</u>	<u>25,924</u>

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

7. INCOME TAX EXPENSE

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	3,649	2,742
Under-provision in prior years	<u>205</u>	<u>–</u>
	<u>3,854</u>	<u>2,742</u>

Hong Kong Profits Tax has been provided at a rate of 16.5% (2012: 16.5%) based on the estimated assessable profit for the year ended 31 March 2013.

Tax charges 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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Auditor's remuneration	580	500
Allowance for trade receivables	851	493
Reversal of allowance for trade receivables	(149)	(255)
Allowance for amount due from a jointly controlled entity	1,099	–
Depreciation	641	521
Directors' emoluments	4,361	5,791
Exchange loss/(gain), net	142	(2)
Fair value loss on an financial asset at fair value through profit or loss	1,263	247
Loss on disposals of property, plant and equipment	162	–
Operating lease charges		
Land and buildings	5,630	4,763
Photocopier machines	53	37
	5,683	4,800
Staff costs including directors' emoluments		
Salaries, bonus and allowances	32,614	29,595
Share-based payments	373	3,296
Retirement benefit scheme contributions	745	436
	<u>33,732</u>	<u>33,327</u>

9. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Interim (<i>note a</i>)	–	30,000
Proposed final of HK0.5 cent (2012: HK1 cent) per ordinary share (<i>note b</i>)	<u>2,500</u>	<u>5,000</u>
	<u><u>2,500</u></u>	<u><u>35,000</u></u>

Note:

- (a) Before the Group Reorganisation, interim dividends of HK\$8,500,000 per ordinary share of Asset-Plus Global Limited, totalling approximately HK\$17,000,000, were declared and distributed to its then shareholder for the year. Interim dividends of HK\$8.125 per ordinary share of Greater China Appraisal Limited, totalling approximately HK\$13,000,000 was declared and distributed to its then shareholder for the year.
- (b) 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. The dividend was paid on 10 August 2012. On 28 June 2013, the Company's Board of Directors proposed a final dividend of HK0.5 cent per share for the year ended 31 March 2013. 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 2013 is based on the consolidated profit for the year attributable to owners of the Company of approximately HK\$26,929,000 (2012: HK\$10,323,000) and the weighted average number of ordinary shares of 500,037,589 (2012: 479,508,197) in issue during the year, and is calculated as follows:

	2013	2012
Issued ordinary shares at beginning of year	500,000,000	1
Effect of shares issued on Group Reorganisation	–	999
Effect of capitalisation issue upon listing	–	374,999,000
Effect on shares issued under placing	–	104,508,197
Effect of exercise of share options	<u>37,589</u>	–
Weighted average number of ordinary shares at end of year	<u><u>500,037,589</u></u>	<u><u>479,508,197</u></u>

Diluted earnings per share

The Company did not have any dilutive potential ordinary sharing for the year ended 31 March 2013.

For the year ended 31 March 2012, 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.

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. However, according to past history, revenue from asset advisory and corporate consultancy services would have a longer collection period of over 180 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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 to 30 days	30,932	28,012
31 to 90 days	3,992	3,611
91 to 180 days	15,708	6,365
181 to 365 days	13,788	1,350
Over 365 days	14,739	69
	<u>79,159</u>	<u>39,407</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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 to 30 days	23,188	21,794
31 to 90 days	–	–
91 to 180 days	12,893	5,590
181 to 365 days	13,176	630
Over 365 days	14,415	–
	<u>63,672</u>	<u>28,014</u>

12. TRADE PAYABLES

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

	Group	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 to 90 days	5,082	1,645
91 to 180 days	–	327
	<u>5,082</u>	<u>1,972</u>

FINAL DIVIDEND

The Directors are pleased to declare a final dividend of HK0.5 cent per share for the year ended 31 March 2013 (2012: HK1 cent) to those shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 14 August 2013. The relevant dividend warrants will be despatched to shareholders on or around Wednesday, 21 August 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 13 August 2013 to Wednesday, 14 August 2013, 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 Monday, 12 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the world was still under threat of economic recession. However, our overall services income increased during the year as compared to last year owing to our successful business expansion since listing.

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 mainly success-based and project based nature. During the year, asset advisory services income was approximately HK\$25.1 million, marking an increase of approximately 10.6% as compared to last year. Asset appraisal services income increased to approximately HK\$38.6 million, or increased by approximately 43.4% in 2013 as compared with last year mainly due to an increase in our client base. Consequently, our revenue from asset advisory services and asset appraisal was approximately HK\$63.7 million, representing an increase of approximately 28.4% 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 and diversifying income source, revenue generated from this segment amounted to approximately HK\$32.5 million in 2013, marking an increase of approximately 73.8% as compared to last year.

FINANCIAL REVIEW

Results of the Group

The Group's revenue for the year ended 31 March 2013 was approximately HK\$96.2 million (2012: approximately HK\$68.3 million), representing an increase of approximately 40.8% from that of 2012. The increase in the Group's revenue during the year was mainly attributable to successful business expansion 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 2013, the Group's direct labour cost and sub-contracting charges were approximately HK\$13.9 million and HK\$11.9 million respectively (2012: approximately HK\$12.8 million and HK\$5.5 million respectively), representing an increase of approximately 8.6% and 116.4% respectively from that of 2012. The increase in sub-contracting charges was primarily due to more engagements which required professional services provided by independent third-parties.

The Group's administrative expenses for the year ended 31 March 2013 was approximately HK\$36.2 million (2012: approximately HK\$37.4 million), representing a slight decrease of approximately 3.2% from that of 2012. The decrease in the Group's administrative expenses during the year was mainly due to decrease in share-based payments.

Accordingly, the profit attributable to owners of the Company for the year ended 31 March 2013 was approximately HK\$26.9 million (2012: approximately HK\$10.3 million), representing an increase of approximately 161.2% from that of 2012.

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 2013, the Group had cash and cash equivalents of approximately HK\$19.5 million (31 March 2012: approximately HK\$37.1 million). As at 31 March 2013, the Group had net current assets of approximately HK\$91.3 million (31 March 2012: approximately HK\$70.8 million). Current ratio as at 31 March 2013 was 6.0 (31 March 2012: 6.5).

The Group's operations and investments are financed principally by revenues generated from business operations and available bank balances. As at 31 March 2013, the Group had no borrowing and a zero gearing ratio (31 March 2012: 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\$0.3 million (2012: HK\$1.5 million) for acquisition of plant and equipment.

Capital Commitments

As at 31 March 2013, the Group did not have any significant capital commitments (31 March 2012: Nil).

Banking Facilities

As at 31 March 2013, the Group's bank deposits in the amount of approximately HK\$1.0 million (31 March 2012: HK\$1.0 million) were pledged to secure banking facilities of HK\$2.3 million granted to the Group.

Contingent Liabilities

As at 31 March 2013, the Group did not have any significant contingent liabilities (31 March 2012: Nil).

Use of Net Proceeds from the Company's Placing

The acquisition of shares of TodayIR Holdings Limited ("TodayIR") together with its warrants ("GPS Warrant") was funded by the net proceeds from the listing and since the acquisition was only introduced to the Group after the listing, 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 subsequent 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 the acquisition <i>(HK\$ million)</i>	After completion of the acquisition <i>(HK\$ million)</i>
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 1 October 2012 to 31 March 2013 (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 as stated above during the review period <i>HK\$ million</i>	Actual use of proceeds during the review period <i>HK\$ million</i>
Business development		
– in asset appraisal and corporate services	20.87	8.29
Improvement of public awareness	0.20	0.03
Human resources deployment	1.20	0.55

Note:

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 2013 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 and the actual business progress during the Review Period is set out below:

Business objectives for the Review Period

Actual business progress for the Review Period

- | | |
|-----------------------------------|---|
| – Business development | <ul style="list-style-type: none">– During the year, we entered into a series of contractual arrangements to purchase a 30% equity interests in a private entity incorporated in the PRC, an appraisal company which provides appraisal services in the PRC.– During the year, we incorporated a jointly controlled entity in Hong Kong. The entity holds a 100% equity interests in a private entity incorporated in the PRC, which carries out corporate services and consultancy business in the PRC. |
| – Improvement of public awareness | We invested resources in marketing activities to enhance our public awareness, including organisation of professional seminars and publication of newsletters and periodicals. |
| – Human resources deployment | We recruited additional professional staff to expand our services in Hong Kong and China. |

Human Resources

As at 31 March 2013, the Group employed 62 (31 March 2012: 66) 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

Looking ahead, the momentum for European and US economic recovery is yet to be restored and China also announced a GDP growth target lower than before; implying challenges to our business. However, we remain cautiously optimistic with respect to the steady demand for professional commercial services in Greater China. As 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 is expected to remain there. Based on our existing competitive advantages and market position in our core business segments, the continuing increase in and diversification of our client base and income source through horizontal acquisitions, our experienced professional teams and provision of convenient one-stop professional services, we are confident to confront such challenges. Furthermore, based on our recent business expansion in Europe and Middle-East, specifically in London and Dubai, we believe our client base and income source would be further diversified and increased. We will continue to capture market opportunities and enhance the quality and scope of our services in order to deliver sustainable growth in returns to our shareholders.

CORPORATE GOVERNANCE

The Company complied with the code provisions as set out in the Corporate Governance Code (the “CG Code”) in Appendix 15 of the GEM Listing Rules except for the following deviation:

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate 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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the financial results for the year ended 31 March 2013 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, 28 June 2013

As at the date of this announcement, the executive director is Mr. Ip Kwok Kwong 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.