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 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND THE "GEM", RESPECTIVELY)

The 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.

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 (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 2016 (the "Year"), which have been agreed by the independent 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 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*3 & 6*	**55,079**	45,983
Cost of sales		**(22,730)**	(20,405)
Gross profit		**32,349**	25,578
Other income	*4*	**48,251**	6,486
Marketing expenses		**(900)**	(1,589)
Administrative expenses		**(45,859)**	(44,630)
Impairment loss on trade receivables	*14*	**(2,758)**	(77,294)
Impairment loss on loan receivables	*15*	**(4,500)**	–
Reversal on impairment loss on trade receivables		**–**	269
Impairment loss on amount due from a joint venture		**–**	(4,080)
Profit/(loss) from operations		**26,583**	(95,260)
Finance costs	*5*	**(8,199)**	(3,896)
Share of results of associates		**1,507**	849
Loss on disposal of a subsidiary		**(199)**	–
Loss on early redemption of promissory notes	*18*	**(9,026)**	–
Impairment loss on investment in an associate		**–**	(26,776)
Fair value change on a derivative financial asset		**872**	(543)
Profit/(loss) before tax	*8*	**11,538**	(125,626)
Income tax expenses	*7*	**(13,242)**	(1,601)
Loss for the year		**(1,704)**	(127,227)
Other comprehensive expenses for the year, net of tax:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(346)**	(10)
Total comprehensive expenses for the year		**(2,050)**	(127,237)

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(3,473)**	(127,602)
Non-controlling interests		**1,769**	375
		(1,704)	(127,227)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(3,762)**	(127,619)
Non-controlling interests		**1,712**	382
		(2,050)	(127,237)
Loss per share	*10*		
Basic *(HK cents)*		**(0.13)**	(16.82)
Diluted *(HK cents)*		**(0.13)**	(16.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Non-current assets			
Property, plant and equipment		**2,255**	2,427
Goodwill	*11*	**111,711**	111,711
Investments in associates and a joint venture	*12*	**73,616**	42,900
Derivative financial asset		**–**	2,802
Deposit paid for acquisition of a subsidiary	*13*	**80,750**	–
Deposit paid for acquisition of an associate		**325**	325
		268,657	160,165
Current assets			
Trade receivables	*14*	**21,047**	18,880
Loan receivables	*15*	**126,561**	1,502
Prepayments, deposits and other receivables		**20,458**	32,852
Financial assets at fair value through profit or loss	*16*	**169,734**	31,122
Derivative financial asset		**3,859**	185
Amounts due from related parties		**11,125**	–
Bank and cash balances		**23,729**	17,004
		376,513	101,545
Current liabilities			
Trade payables	*17*	**2,593**	3,579
Accruals and other payables		**11,998**	14,318
Amount due to a director		**156**	150
Amounts due to related parties		**1,605**	1,647
Bank borrowings		**1,563**	1,644
Current tax liabilities		**4,543**	4,066
		22,458	25,404
Net current assets		**354,055**	76,141
Non-current liabilities			
Promissory notes	*18*	**49,420**	96,217
Deferred tax liabilities		**10,591**	–
		60,011	–
NET ASSETS		**562,701**	140,089

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Capital and reserves			
Share capital	*19*	**48,580**	8,580
Reserves		**507,371**	130,109
Equity attributable to owners of the Company		**555,951**	138,689
Non-controlling interests		**6,750**	1,400
TOTAL EQUITY		**562,701**	140,089

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

		Attributable to owners of the Company								
	Notes	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Foreign currency translation reserve *HK$'000*	Retained earnings/ accumulated losses *HK$'000*	Share-based payment reserve *HK$'000*	Sub-total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
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 from acquisition of a subsidiary		–	–	–	–	–	–	–	1,018	1,018
Recognition of share-based payments		–	–	–	–	–	18	18	–	18
Issue of shares upon open offer		2,523	47,941	–	–	–	–	50,464	–	50,464
Issue of consideration shares		1,000	68,000	–	–	–	–	69,000	–	69,000
Shares issue expense		–	(1,796)	–	–	–	–	(1,796)	–	(1,796)
Effect of forfeiture of share options granted		–	–	–	–	16	(16)	–	–	–
Shares issued pursuant to exercise of share options		39	1,021	–	–	–	(336)	724	–	724
At 31 March 2015		8,580	187,150	5,359	(69)	(62,459)	128	138,689	1,400	140,089
At 1 April 2015		**8,580**	**187,150**	**5,359**	**(69)**	**(62,459)**	**128**	**138,689**	**1,400**	**140,089**
Total comprehensive expenses for the year		**–**	**–**	**–**	**(289)**	**(3,473)**	**–**	**(3,762)**	**1,712**	**(2,050)**
Non-controlling interests arising from partial disposal of a subsidiary	#	**–**	**–**	**–**	**–**	**21,362**	**–**	**21,362**	**3,638**	**25,000**
Issue of shares on placing	*19(b)*	**26,000**	**234,000**	**–**	**–**	**–**	**–**	**260,000**	**–**	**260,000**
Transaction costs related to the placing of shares	*19(b)*	**–**	**(4,122)**	**–**	**–**	**–**	**–**	**(4,122)**	**–**	**(4,122)**
Issue of shares on subscription	*19(c)*	**14,000**	**126,000**	**–**	**–**	**–**	**–**	**140,000**	**–**	**140,000**
Transaction costs related to the subscription of shares	*19(c)*	**–**	**(120)**	**–**	**–**	**–**	**–**	**(120)**	**–**	**(120)**
Equity-settled share-based payments		**–**	**–**	**–**	**–**	**–**	**3,904**	**3,904**	**–**	**3,904**
At 31 March 2016		**48,580**	**542,908**	**5,359**	**(358)**	**(44,570)**	**4,032**	**555,951**	**6,750**	**562,701**

\# On 20 January 2016, the Group disposed of 19.9% of the issued share capital in a subsidiary to an independent third party at a consideration of HK$25,000,000. The amount of approximately HK$21,362,000 recognised directly in equity attributable to owners of the Company is arising from the difference between the consideration of HK$25,000,000 and carrying amount of the non-controlling interests of approximately HK$3,638,000 calculated based on 19.9% of the net assets of the subsidiary on 20 January 2016.

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 ordinary shares of the Company of HK$0.01 each (the "Share") are listed on GEM. The address of its registered office 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. The Company is an investment holding 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 (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2015 and early adopted HKFRS 9 (2014) "Financial Instruments". HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); 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 other 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:

	2016	2015
	HK$'000	*HK$'000*
Asset advisory services and asset appraisal	**37,150**	38,291
Corporate services and consultancy	**1,253**	3,455
Media advertising	**13,531**	4,079
Loan interest income	**3,145**	158
	55,079	45,983

4. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**39**	11
Reimbursement of out-of-pocket expenses	**613**	936
Sub-leasing income	**1,884**	1,819
Management fee income	**1,560**	2,990
Dividend income received from listed investments	**53**	730
Fair value gain on financial assets at fair value through profit or loss	**43,923**	–
Sundry income	**179**	–
	48,251	6,486

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Finance lease charges	**–**	5
Interest on bank borrowings	**122**	62
Interest on promissory notes	**8,077**	3,829
	8,199	3,896

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 Executive 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 lobbies of middle to high-end residential community

– Financial 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 is as follows:

	Asset advisory services and asset appraisal		Corporate services and consultancy		Media advertising		Financial services		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	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	**37,150**	38,291	**1,253**	3,455	**13,531**	4,079	**3,145**	158	**55,079**	45,983
Intersegment revenue	**624**	504	**2,748**	5,144	**–**	–	**–**	–	**3,372**	5,648
Segment profit/(loss) before finance costs and income tax expenses	**241**	(6,427)	**(9,059)**	(86,771)	**617**	1,867	**(4,861)**	(26,090)	**(13,062)**	(117,421)
As at 31 March										
Segment assets	**20,836**	2,331	**791**	35,270	**106,019**	99,141	**230,146**	73,884	**357,792**	210,626
Segment liabilities	**6,430**	10,536	**4,740**	3,080	**22,212**	100,473	**33,585**	137	**66,967**	114,226
Amounts included in the measure of segment profit/(loss) or segment assets:										
Bank interest income	**5**	4	**–**	–	**7**	2	**–**	–	**12**	6
Depreciation	**309**	311	**213**	313	**206**	64	**20**	5	**748**	693
Staff costs	**20,518**	13,233	**8,913**	9,961	**332**	82	**1,159**	212	**30,922**	23,488
Impairment loss on trade receivable	**123**	20,583	**2,635**	56,711	**–**	–	**–**	–	**2,758**	77,294
Impairment loss on loan receivables	**–**	–	**–**	–	**–**	–	**4,500**	–	**4,500**	–
Share of results of associates	**–**	–	**–**	–	**–**	–	**1,507**	849	**1,507**	849
Impairment loss on investment in an associate	**–**	–	**–**	–	**–**	–	**–**	(26,776)	**–**	(26,776)
Income tax expenses	**254**	967	**–**	–	**2,397**	634	**–**	–	**2,651**	1,601
Goodwill	**–**	–	**–**	–	**84,956**	84,956	**26,755**	26,755	**111,711**	111,711
Investments in associates	**–**	–	**–**	–	**–**	–	**73,616**	42,900	**73,616**	42,900
Additions to segment non-current assets	**748**	676	**–**	107	**98**	408	**–**	–	**846**	1,191

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

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**58,451**	51,631
Elimination of intersegment revenue	**(3,372)**	(5,648)
Consolidated revenue	**55,079**	45,983

	2016	2015
	HK$'000	*HK$'000*
Profit or loss		
Total loss of reportable segments	**(13,062)**	(117,421)
Loss on disposal of a subsidiary	**(199)**	–
Equity-settled share-based payments	**(3,904)**	(18)
Fair value gain/(loss) on financial assets at fair value through profit or loss	**43,923**	(2,616)
Other unallocated corporate expenses	**(20,263)**	(3,276)
Finance costs	**(8,199)**	(3,896)
Consolidated loss for the year	**(1,704)**	(127,227)

	2016	2015
	HK$'000	*HK$'000*
Segment assets		
Total assets of reportable segments	**357,792**	210,626
Unallocated corporate assets	**25,444**	19,637
Deposit paid for acquisition of an associate	**325**	325
Deposit paid for acquisition of a subsidiary	**80,750**	
Financial assets at fair value through profit or loss	**169,734**	31,122
Amounts due from related parties	**11,125**	–
Consolidated total assets	**645,170**	261,710

	2016	2015
	HK$'000	*HK$'000*
Segment liabilities		
Total liabilities of reportable segments	**66,967**	114,226
Unallocated corporate liabilities	**13,741**	5,598
Amounts due to related parties	**1,605**	1,647
Amount due to a director	**156**	150
Consolidated total liabilities	**82,469**	121,621

	2016	2015
	HK$'000	*HK$'000*
Bank interest income		
Total interest income of reportable segments	**12**	6
Unallocated corporate interest income	**27**	5
Consolidated interest income	**39**	11

	2016	2015
	HK$'000	*HK$'000*
Depreciation		
Total depreciation of reportable segments	**748**	693
Unallocated depreciation of corporate assets	**92**	182
Consolidated depreciation	**840**	875

	2016	2015
	HK$'000	*HK$'000*
Staff costs		
Total staff costs of reportable segments	**30,922**	23,488
Unallocated corporate staff costs	**5,202**	10,178
Consolidated staff costs	**36,124**	33,666

Geographical information:

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**39,566**	36,623	**182,103**	73,725
The PRC except Hong Kong	**15,513**	6,540	**86,229**	85,967
Others	**–**	2,820	**325**	473
Consolidated total	**55,079**	45,983	**268,657**	160,165

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

There was no revenue from customers contributing 10% or more of total revenue for the years ended 31 March 2016 and 2015.

7. INCOME TAX EXPENSES

	2016	2015
	HK$'000	*HK$'000*
Current tax — Hong Kong Profits Tax		
Provision for the year	**254**	984
Over-provision in prior years	**–**	(17)
	254	967
Current tax — Enterprise Income Tax in the PRC		
Provision for the year	**2,397**	634
Deferred tax	**10,591**	–
	13,242	1,601

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the Year (2015: 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 Enterprise Income Tax rate applicable to subsidiaries registered in the PRC is 25% for the Year (2015: 25%).

8. PROFIT/(LOSS) BEFORE TAX

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

	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration	**580**	480
Staff costs including directors' remunerations		
Salaries, bonus and allowances	**31,242**	32,671
Share-based payments	**3,904**	18
Retirement benefits scheme contributions	**978**	977
	36,124	33,666
Depreciation	**840**	875
Loss on early redemption of promissory notes	**9,026**	–
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(43,923)**	2,616
Operating lease charges		
Land and buildings	**9,603**	7,706
Photocopier machines	**86**	72
	9,689	7,778

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (2015: Nil).

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss (2015: loss) 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$3,473,000 (2015: loss of approximately HK$127,602,000) and the weighted average number of ordinary shares of 2,704,963,136 (2015: 758,848,979 ordinary shares).

Diluted loss per share

Diluted loss per share attributable to owners of the Company for the years ended 31 March 2016 and 2015 are 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.

11. GOODWILL

	Media advertising activities *(Note 1)* *HK$'000*	**Money lending activities** *(Note 2)* *HK$'000*	**Total** *HK$'000*
Cost			
Arising from business combination during the year ended 31 March 2015 *(Note 20)*	84,956	26,755	111,711
Carrying amount			
At 31 March 2015 and 2016	84,956	26,755	111,711

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 that goodwill arising from the acquisitions of Golden Vault Limited ("Golden Vault") and Alright Venture Limited ("Alright Venture") is allocated to two separate CGUs for the purpose of goodwill impairment testing. The CGU for Golden Vault is included in the segment of media advertising and Alright Venture is included in the financial 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 Vault 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 2016 included the earnings multiple of 23.9, marketability discount of 16.11% and control premium of 25%.

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 risk 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%.

12. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

	2016	2015
	HK$'000	*HK$'000*
Investments in associates:		
Unlisted investments		
Share of net assets	**8,568**	5,807
Goodwill	**92,008**	64,053
	100,576	69,860
Impairment loss	**(26,960)**	(26,960)
	73,616	42,900
Investment in a joint venture:		
Unlisted investment	**–**	–
Carrying amount at year end	**73,616**	42,900

Investments in associates

Details of the Group's associates at 31 March 2016 and 2015 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			2016	2015	
北京漢華信誠資產顧問有限公司*	The PRC	US$60,000	**50%**	50%	Inactive
Greater China London Limited	United Kingdom	GBP112,500	**20%**	20%	Inactive
Boxin Holdings Limited ("Boxin")	British Virgin Islands ("BVI")	HK$2	**49%**	30%	Investment holding

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

For impairment testing of investments in the associates for the Year, each investment is considered an individual CGU. The recoverable amount of the CGU has been determined based on the fair value less costs of disposal by using the income approach (discounted cash flow method). A discount rate of 14% (2015: 13.59%) and marketability discount rate of 16.11% (2015: 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 higher than its carrying amount, there was no impairment for the Year (2015: approximately HK$26,776,000).

On 22 October 2015, the Company completed an acquisition of additional 19% of the entire issued share capital of Boxin by issuing promissory notes with principal amount of HK$34,000,000. Based on the valuation carried out by a firm of independent qualified professional valuers, the fair values of the promissory notes at the dated of issue were approximately HK$29,209,000. After that, the Group had 49% of acquisition interest in Boxin.

The following table shows information of an associate that is material to the Group. The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associate.

Name	Boxin	
	2016	2015
Principal place of business/country of incorporation	Hong Kong/BVI	
Principal activities	Trading and exchange of gold and silver	
% of ownership interests	**49%**	30%
	HK$'000	*HK$'000*
At 31 March:		
Non-current assets	**297**	7,294
Current assets	**25,309**	12,008
Current liabilities	**(8,495)**	(559)
Net assets	**17,111**	18,743
Group's share of net assets	**8,384**	5,623
Goodwill	**65,232**	37,277
Carrying amount of interests	**73,616**	42,900
Post-acquisition result — period ended 31 March		
Revenue	**12,933**	9,072
Profit and total comprehensive income from operations	**5,236**	2,830

Investment in a joint venture

Details of the Group's joint venture at 31 March 2016 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			2016	2015	
Asia Pacific International Professional Managers Holdings Limited	BVI	US$2	**50%**	50%	Investment holdings

13. DEPOSIT PAID FOR ACQUISITION OF A SUBSIDIARY

On 9 December 2015, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement in relation to its acquisition of 95% of the entire issued share capital (the "Acquisition") of IAM Group Inc. ("IAM"). IAM has a directly wholly-owned subsidiary, an entity which is licensed to carry out type 1 (dealing in securities) regulated activity (as defined by the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)) (the "SFO"). The total consideration of the Acquisition is HK$80,750,000, which is mainly financed by the net proceeds from the placing and the subscription of the Shares. As at the date of this announcement, the Acquisition has not yet been completed.

14. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade and bill receivables	**63,127**	88,154
Less: Impairment loss	**(42,080)**	(69,274)
	21,047	18,880

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:

	2016	2015
	HK$'000	*HK$'000*
0 to 30 days	**3,444**	7,563
31 to 90 days	**7,495**	3,547
91 to 180 days	**5,435**	2,736
181 to 365 days	**3,359**	1,354
Over 365 days	**1,314**	3,680
	21,047	18,880

As at 31 March 2016, an allowance was made for estimated irrecoverable trade receivables of approximately HK$42,080,000 (2015: HK$69,274,000).

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

	2016	2015
	HK$'000	*HK$'000*
Balance at the beginning of the year	**69,274**	7,118
Impairment loss recognised	**2,758**	77,294
Amounts written off as uncollectible	**(29,952)**	(14,869)
Impairment loss reversed	**–**	(269)
Balance at the end of the year	**42,080**	69,274

As at 31 March 2016, trade receivables of approximately HK$9,997,000 (2015: HK$10,578,000) were past due but not impaired. These relate to a number of independent customers to whom there is no past history of default and normally have a much longer collection period of over 180 days. An aging analysis of these trade receivables is as follows:

	2016	2015
	HK$'000	*HK$'000*
Up to 3 months	**6,171**	5,197
3 to 6 months	**2,241**	477
6 months to 1 year	**417**	1,195
Over 1 year	**1,168**	3,709
	9,997	10,578

15. LOAN RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Loan receivables	**131,061**	1,502
Impairment loss	**(4,500)**	–
	126,561	1,502
Analysed as:		
Current assets	**126,561**	1,502

All loans receivables are denominated in HK$ and carried at fixed effective interest rate ranging from 2% to 8% (2015: 2% to 3%) per annum and with the terms ranging from 60 days to 1 year (2015: 6 months to 2 years).

The following is an aging analysis for the loans receivables at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0 to 30 days	**463**	581
31 to 90 days	**25,993**	112
91 to 180 days	**98,278**	190
181 to 365 days	**1,136**	219
Over 365 days	**691**	400
	126,561	1,502

As at 31 March 2016, an allowance was made for estimated irrecoverable loan receivables of approximately HK$4,500,000 (2015: Nil).

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

	2016 *HK$'000*	2015 *HK$'000*
Balance at the beginning of the year	**–**	–
Impairment loss recognised	**4,500**	–
Balance at the end of the year	**4,500**	–

At the end of the reporting period, the aging analysis of loans receivables that were past due but neither individually or collectively considered to be impaired is as follow:

	2016 *HK$'000*	2015 *HK$'000*
Up to 3 months	**292**	–
3 to 6 months	**120**	32
6 months to 1 year	**56**	381
	468	413

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 *HK$'000*	2015 *HK$'000*
Equity securities, at fair value		
Listed in Hong Kong	**169,734**	31,122

The investments represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of listed securities are based on current bid prices.

17. TRADE PAYABLES

The aging analysis of trade payables based on invoice date is as follows:

	2016 *HK$'000*	2015 *HK$'000*
0–90 days	**2,593**	3,579

18. PROMISSORY NOTES

	Promissory notes 1 *HK$'000* *(Note 1)*	Promissory notes 2 *HK$'000* *(Note 2)*	Total *HK$'000*
Issue of the promissory notes, at fair value	92,388	–	92,388
Interest on promissory notes	3,829	–	3,829
At 31 March 2015 and 1 April 2015	96,217	–	96,217
Issue of the promissory notes, at fair value	–	29,209	29,209
Interest on promissory notes	6,694	1,383	8,077
Redemption of promissory notes	(84,083)	–	(84,083)
At 31 March 2016	18,828	30,592	49,420

Notes:

1. 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 by the Group. The promissory note is interest-bearing at 3% per annum. The maturity date is the day falling on the tenth business day from the date of receipt by the Group of the 2016 Auditors' certificate. The 2016 Auditors' Certificate should be provided to the Group no later than 3 business days after 1 April 2017.

   Pursuant to the terms of the Acquisition, the Vendor have irrevocably and unconditionally warranted and guaranteed to the Company the profits 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 RMB6,200,000 (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 note or in cash.

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

   On 23 October 2015, an aggregate principal amount of HK$90,000,000 with accrued interest thereon were early redeemed by the Company, and settled by the net proceeds from the placing and the subscription of the Shares. A loss on early redemption of the promissory note of approximately HK$9,026,000 was recognised in the consolidated profit or loss.

2. On 22 October 2015, the Company issued promissory notes in an aggregate principal amount of HK$34,000,000 for the acquisition of additional 19% of the entire issued share capital of Boxin from an independent third party. The promissory note is interest-bearing at 3% per annum. The maturity date is the date falling on the tenth business day from the second anniversary of the completion date.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory note at the date of issue was approximately HK$29,209,000. The effective interest rate of the promissory note is 10.60% per annum.

19. SHARE CAPITAL

		Number of shares	Amount
		'000	*HK$'000*
Authorised:			
Ordinary shares of HK$0.01 (2015: HK$0.01) each			
At 1 April 2014 and 31 March 2015		2,000,000	20,000
Increase on 14 September 2015	*(a)*	8,000,000	80,000
At 31 March 2016		10,000,000	100,000
Issued and fully paid:			
Ordinary shares of HK$0.01 (2014: HK$0.01) each			
At 1 April 2014		501,840	5,018
Issued of shares on exercise of share options		3,809	39
Issued of shares upon open offer		252,320	2,523
Issue of consideration shares		100,000	1,000
At 31 March 2015 and 1 April 2015		857,969	8,580
Placing of shares	*(b)*	2,600,000	26,000
Subscription of shares	*(c)*	1,400,000	14,000
At 31 March 2016		4,857,969	48,580

Notes:

(a) At an extraordinary general meeting of the Company held on 14 September 2015, the authorised share capital of the Company was increased from HK$20,000,000 to HK$100,000,000 by the creation of an additional 8,000,000,000 Shares of HK$0.01 each.

(b) On 9 July 2015, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent has conditionally agreed to place, on a fully underwritten basis, a total of not less than six placees for an aggregate of 2,600,000,000 placing shares at the placing price of HK$0.10 per placing share. The placing of new shares was completed on 15 October 2015. The gross proceeds from the share placing is approximately HK$260,000,000. share placing expenses of approximately HK$4,122,000 was credited to the Company's share premium account.

(c) On 9 July 2015, the Company entered into the subscription agreement with the subscriber pursuant to which the subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,400,000,000 new shares at a price of HK$0.10. The subscription of shares was completed on 15 October 2015. The gross proceeds from the subscription shares is approximately HK$140,000,000. Share subscription expenses of approximately HK$120,000 was credited to the Company's share premium account.

The Group manages its capital to maintain an optimal capital structure so as to maximise the return to its shareholders, to protect the interests of its shareholders, safeguard the Group's ability to continue as a going concern and to be able to service its debts when they are due. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain various forms of debt/ equity financing available in the market at an appropriate cost when necessary.

Management reviews the capital structure on a quarterly basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, issue of new shares as well as issue of new debts or redemption of existing debts.

The Group's overall strategy remains unchanged during the Year.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange, it must have a public float of at least 25% of the shares.

20. BUSINESS COMBINATION

Acquisition I

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 the provision of media advertising services.

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

	HK$'000
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)
Total identifiable net assets at fair value	5,093
Non-controlling interest-20%	(1,018)
Goodwill	84,956
	89,031
Satisfied by:	
Promissory notes	92,388
Fair value of profit guarantee	(3,357)
	89,031
Net cash inflow arising on acquisition:	
Cash consideration paid	–
Cash and cash equivalents acquired	(1,562)
	(1,562)

The goodwill represented the excess of the fair value of the consideration as at the Completion Date and the amount of non-controlling interest in Golden Vault 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's 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 have 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 an report by an independent qualified professional valuers not connected with the Group, the Directors 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$1,867,000 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 ended 31 March 2015 would have been approximately HK$54,553,000 and approximately HK$123,577,000, respectively. The pro forma information is for illustrative purpose only.

At 31 March 2016, with reference to an report by an independent qualified professional valuers not connected with the Group, the Directors are of the opinion that the fair value of contingent consideration receivable resulting from 2016 Guaranteed Profit is HK$3,859,000. A gain on fair value change on a derivative financial asset of approximately HK$872,000 was recognised in the consolidated profit or loss and other comprehensive income.

Golden Vault contributed approximately HK$13,531,000 (2015: approximately HK$4,079,000) to the Group's revenue and a profit of approximately HK$7,125,000 (2015: approximately HK$1,875,000) to the consolidated statement of profit or loss and other comprehensive income for the Year.

Acquisition II

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

	HK$'000
Consideration:	
Cash paid	28,000
Total consideration	28,000

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

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 ended 31 March 2015 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

For the year ended 31 March 2015, the Group has recorded an impairment loss amounted to approximately HK$77 million of trade receivables. We have not been provided with sufficient audit evidence as to whether the impairment loss should be recorded in the year 2015 or prior years. However, we are satisfied that the trade receivables are fairly stated as at 31 March 2015.

Any adjustments to the figure as described above might have a consequential effect on the Group's results for the year ended 31 March 2015, and the related disclosures thereof in the consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matter 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 2016, 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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2015: 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) financial 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$37.2 million, representing a decrease of about 3.0% as compared to last financial year, which 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 having 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 63.7% to approximately HK$1.3 million as compared with that of last financial year.

The revenue from asset advisory services and asset appraisal, and corporate services and consultancy are primarily generated from mandates on a project-by-project basis, each of which may vary in scope, size and complexity of services to be rendered. In addition, terms and conditions of each mandate, including its payment schedule, are negotiated and determined on a project-by-project basis. For asset appraisal, fees are payable by stage payment based on milestone agreed with clients. If the underlying project does not reach any particular milestone, the Group will not be entitled to the corresponding service fee. Fees charged by the Group in respect of its asset advisory services and corporate consultancy business to a large extent are success-based or performance-based. If a project cannot be carried through to completion, or there is no successful underlying transaction, or performance target cannot be attained, or where the project is put on hold by client, the Group will not be entitled to such portion of the fees even if substantial amount of time and effort has been expended. As a result, the income and profitability of the Group may be unpredictable. Through the Group's continuous expansion of its operation, the client base and income source would be diversified and increased to minimise the risk of such uncertainties.

Media Advertising

In November 2014, the Group acquired a 80% equity interest in Golden Vault (collectively with its wholly-owned subsidiaries the "Golden Group"). 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 communities. 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 business segment brought approximately HK$13.5

million advertising income for the Group during the Year, representing an increase of about 231.7% as compared to last financial year. The sharp increase in the advertising income was mainly due to first full year revenue being recognised for this segment since it was acquired.

Financial Services

The Group commenced the provision of financial services in the year ended 31 March 2015 through its acquisitions of an associate, Boxin (together with its wholly-owned subsidiary, the "Boxin Group") and a subsidiary, Alright Venture (together with its wholly-owned subsidiary, the "Alright Group").

Boxin Group holds a licence granted by The Chinese Gold and Silver Exchange Society in Hong Kong for the operation of its business of trading and exchange of gold and/or silver and provides consultancy or agency services in Hong Kong. In light of the official launch of the Shanghai-Hong Kong Gold Connect, Hong Kong investors are allowed to trade on the main board and international board of the Shanghai Gold Exchange and correspondingly mainland investors to trade on The Chinese Gold and Silver Exchange Society in Hong Kong. Accordingly, having considered the future development prospect of the business of Boxin Group, in October 2015, the Group acquired an additional 19% equity interest in Boxin Group, and the Group's interests in Boxin Group increased from 30% to 49% as at 31 March 2016. During the Year, approximately HK$1.5 million (2015: HK$0.8 million) share of net profits of an associate was contributed from Boxin Group.

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. During the Year, the Group applied net proceeds from the placing and subscription of new Shares completed in October 2015 for the provision of loans to customers and the development of the money lending business. As at 31 March 2016, the Group had total loan receivables of approximately HK$126.6 million (2015: HK$1.5 million) and generated loan interest income of approximately HK$3.1 million (2015: HK$0.2 million) during the Year.

OUTLOOK

Although the revenue from asset advisory and corporate consultancy services are falling as compared with previous years due to a lack of optimism in the global economy and the volatile financial and capital market, the Group remains cautiously optimistic about 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 the Group's existing competitive advantages and market position in the core business segments, the experienced professional teams and provision of convenient one-stop professional services, the Group is confident to address such challenges.

Furthermore, the Group has recently completed a few business acquisitions. With the expansion of its operations to the media advertising and financial businesses, the Group believes that its client base and income source would be further diversified and increased. With the financial resources on hand, the Group will continue to actively seek investment and business opportunities in relation to companies engaged in the financial services industry in Hong Kong, in particular the money lending business and securities brokerage business, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company (the "Shareholders").

As disclosed in the Company's announcement dated 9 December 2015, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement in relation to its acquisition of 95% of the entire issued share capital (the "Acquisition") of IAM. IAM has a directly wholly-owned subsidiary, which is licensed to carry out type 1 (dealing in securities) regulated activity (as defined by the SFO). The total consideration of the Acquisition is HK$80.8 million, which is mainly financed by the net proceeds from the placing and subscription of new Shares completed in October 2015. As at the date of this announcement, the Acquisition has not yet been completed.

FINANCIAL REVIEW

Results of the Group

The Group's revenue for the Year was approximately HK$55.1 million (2015: approximately HK$46.0 million), representing an increase of about 19.8% from that of 2015. The increase in the Group's revenue during the Year was mainly attributable to the increase in media advertising income of HK$9.5 million as described under the section headed "Business Review" above.

The Group's cost of sales mainly consists of direct labour cost, material cost and sub-contracting charges. During the Year, the Group's cost of sales was approximately HK$22.7 million (2015: approximately HK$20.4 million), representing an increase of about 11.3% from that of 2015. The increase in cost of sales is in line with the increase in the Group's revenue.

The Group's other income for the Year was approximately HK$48.3 million (2015: approximately HK$6.5 million), representing an increase of about 643.1% from that of 2015. The increase in the Group's other income was mainly attributable to the fair value gain on financial assets at fair value through profit or loss of approximately HK$43.9 million, details of which are set out under the section headed "Significant Investments Held" below.

The Group's administrative expenses for the Year was approximately HK$45.9 million (2015: approximately HK$44.6 million), representing a slight increase of about 2.9% from that of 2015. The increase in the Group's administrative expenses during the Year was mainly due to the Group's further business expansion in the Year, hence more operating expenses were incurred for the Year.

The Group's finance costs for the Year was approximately HK$8.2 million (2015: approximately HK$3.9 million), representing an increase of about 110.3% from that of 2015. The significant increase was mainly attributable to the effective interest expenses recognised on promissory notes issued by the Company in November 2014 and October 2015.

The loss attributable to owners of the Company for the Year was approximately HK$3.5 million (2015: loss of approximately HK$127.6 million). Save as disclosed above, the decrease in the loss of approximately HK$124.1 million was also largely attributable to the significant decrease in the impairment losses on trade receivables, amount due from a joint venture and investment in an associate of approximately HK$74.5 million, HK$4.1 million and HK$26.8 million respectively, offset with the loss on early redemption of promissory notes and impairment loss on loan receivables of approximately HK$9.0 million and HK$4.5 million, respectively.

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 2016, the Group had cash and cash equivalents of approximately HK$23.7 million (2015: approximately HK$17.0 million). As at 31 March 2016, the Group had net current assets of approximately HK$354.1 million (2015: approximately HK$76.1 million). Current ratio as at 31 March 2016 was 16.8 (2015: 4.0).

The Group's operations and investments are financed principally by revenue generated from business operations, available bank balances and the net proceeds from the placing and subscription of new Shares completed during the Year. As at 31 March 2016, the Group had total borrowings (comprising bank borrowings and promissory notes) of approximately HK$51.0 million (2015: HK$97.9 million) and a net gearing ratio of approximately 0.05 (2015: 0.58), 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 7.8% (2015: 7%) while the promissory notes is denominated in Hong Kong dollars and interest-bearing at 3% (2015: 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 Placing Shares and Subscription Shares

On 15 October 2015, an aggregate of 2,600,000,000 Shares were successfully placed to not less than six placees at a price of HK$0.10 each (the "Placing") and an aggregate of 1,400,000,000 Shares were allotted and issued to Laberie Holdings Limited, an independent third party of the Company, at a price of HK$0.10 each (the "Subscription"). The net proceeds from the Placing and the Subscription (after deducting related placing commissions, professional fees and related expenses) were approximately HK$395.0 million and had been applied as follows:

	Intended use of net proceeds *(HK$ in million)*	**Actual use of net proceeds as at 31 March 2016** *(HK$ in million)*
Repayment of the promissory notes and the payment of interest accrued thereon	100.0	93.0
Development of the money lending business	100.0	100.0
Development of the securities brokerage business	150.0	81.0
General working capital	45.0	10.0
	395.0	284.0

Approximately HK$98.0 million of the remaining balance was temporary applied for the investments in equity securities listed in Hong Kong that offer the Group the opportunity for return through dividend income and fair value gains prior to suitable investment opportunities being identified by the Group.

Approximately HK$13.0 million of the remaining balance has been placed in bank to reserve for general operation of the Group.

Details of the Placing and the Subscription were disclosed in the Company's announcements dated 10 July 2015, 14 September 2015, 30 September 2015 and 15 October 2015, respectively and the Company's circular dated 27 August 2015.

Early and Partial Redemption of Promissory Notes

On 13 November 2014, the Company issued promissory notes in an aggregate principal amount of HK$110.0 million ("2014 PN") for the acquisition of a 80% equity interest in Golden Vault. On 23 October 2015, an aggregate principal amount of HK$90.0 million of the 2014 PN together with accrued interest thereon were early redeemed by the Company, and settled from the net proceeds from the Placing and the Subscription. Details of such redemption are set out in the Company's announcement dated 23 October 2015.

Issue of Promissory Notes

On 22 October 2015, the Company issued promissory notes in an aggregate principal amount of HK$34.0 million for the acquisition of an additional 19% equity interest in Boxin Group, details of which are set out in the Company's announcements dated 22 July 2015 and 22 October 2015, respectively.

CAPITAL COMMITMENT

As at 31 March 2016 and 2015, the Group did not have any significant capital commitments.

OPERATING LEASE COMMITMENTS

The Group's operating lease commitments are primarily related to the leases of its office premises, photocopier machines and advertising rent, and amounted to approximately HK$18.8 million and HK$11.3 million as at 31 March 2016 and 2015, respectively.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2016, the Group's financial assets at fair value through profit or loss, with market value of approximately HK$169.7 million (2015: HK$31.1 million), represented an investment portfolio of nine equity securities listed in Hong Kong.

Among the nine equity securities, approximately HK$81.3 million represented investment in one of the listed securities with investment cost of approximately HK$17.2 million. Since the Group acquired the aforesaid listed security at the time of placing, a significant fair value gain was resulted afterwards and accordingly, an unrealised gain of approximately HK$64.1 million was recognised during the Year.

During the Year, the Group recorded a realised loss of approximately HK$8.9 million (2015: loss of HK$0.2 million, and an unrealised gain of approximately HK$52.8 million (2015: loss of HK$2.4 million). Save for the unrealised gain of approximately HK$64.1 million from abovementioned listed security, the overall fair value loss on the listed securities held was mainly due to the unfavorable stock market in Hong Kong in general during the Year.

The future performance of the equity securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above and under the section headed "Business Review", there were no other significant investments held as at 31 March 2016.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In October 2015, the Group acquired a 19% equity interest in Boxin Group from an independent third party for a consideration of HK$34.0 million, satisfied by promissory notes in total principal sum of HK$34.0 million (subject to adjustments) issued by the Company. After the acquisition, Boxin Group will continue to be an associate of the Company. Details of the acquisition are set out in the Company's announcements dated 22 July 2015 and 22 October 2015, respectively.

In January 2016, New Valiant Limited ("New Valiant"), a wholly-owned subsidiary of the Company, disposed of a 19.9% equity interest in Greater China Appraisal Limited ("GCA"), a wholly-owned subsidiary of New Valiant, which is principally engaged in provision of asset appraisal, to an independent third party at a consideration of HK$25.0 million. After the disposal, GCA becomes an indirectly non-wholly owned subsidiary of the Company.

Save as disclosed above, there were no other material acquisitions and disposals of subsidiaries or affiliated companies during the Year.

CHARGES ON ASSETS

As at 31 March 2016 and 2015, there was no charge on assets of the Group.

CONTINGENT LIABILITIES

As at 31 March 2016 and 2015, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group employed 62 (31 March 2015: 64) employees. Total staff costs (including Directors' emoluments) were approximately HK$36.1 million (2015: HK$33.7 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 PRACTICES

The Board and the management of the Company are committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value of the Company. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules (the "CG Code").

During the Year, the Company complied with the code provisions as set out in the CG Code except for the following deviation:

Under code provision E.1.2, the chairman of the Board (the "Chairman") should attend the annual general meeting of the Company (the "AGM"). However, Mr. Tso Ping Cheong, Brian, the Chairman, was not able to attend the AGM held on 2 September 2015 owing to other commitment. The executive Directors and a member of each of the audit committee, nomination committee and remuneration committee of the Company were present thereat to answer any questions from the Shareholders.

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, the controlling shareholders or substantial 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 might compete with business of the Group during the Year.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year and this announcement have been reviewed by the audit committee of the Company, which was of the opinion that the consolidated financial statements and the announcement 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, 24 June 2016

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

This announcement 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.