

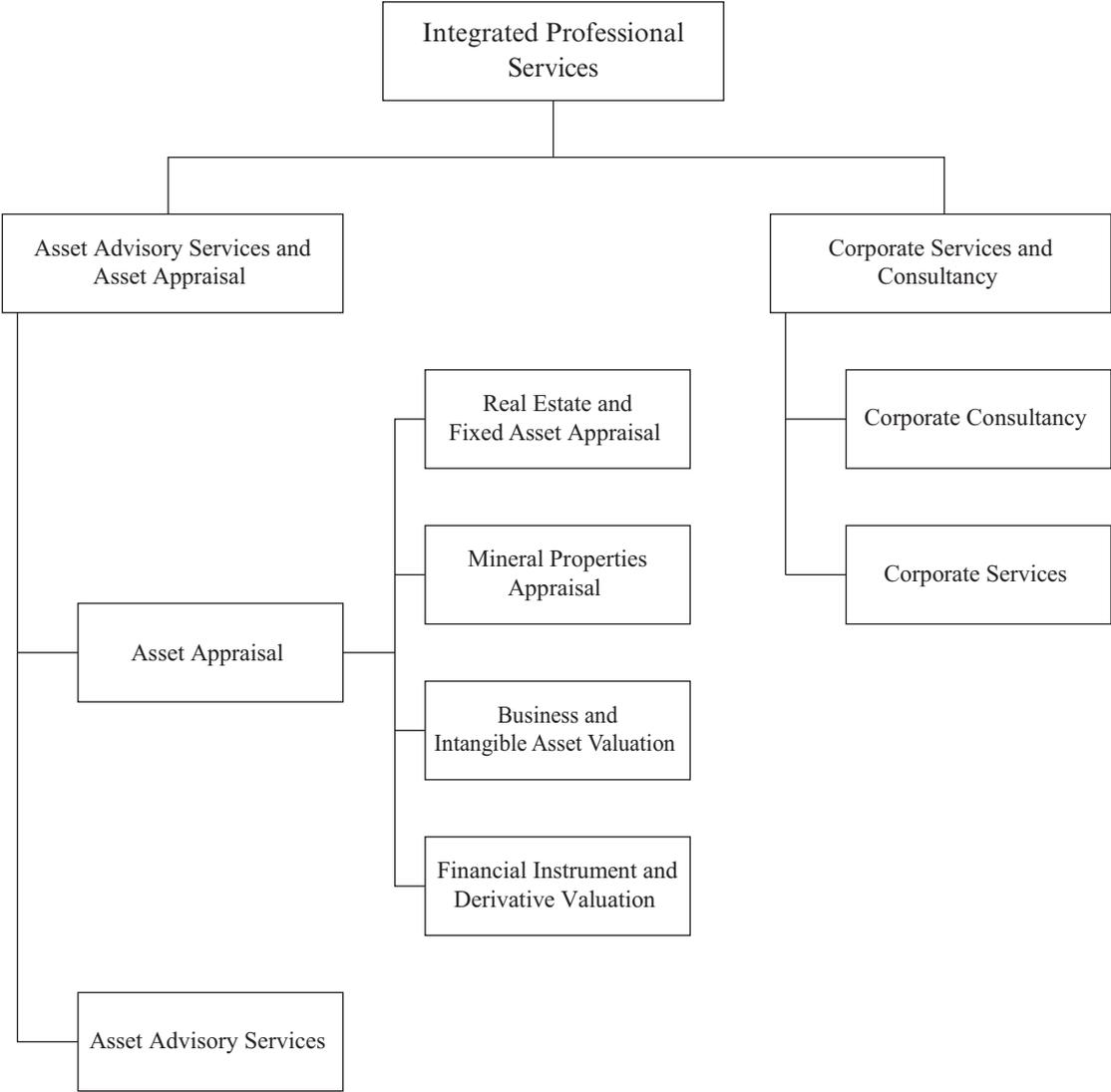
DESCRIPTION OF BUSINESS

The Group provides integrated professional services to public and private companies and individual investors mainly in Hong Kong and the PRC, which services can be broadly categorised into two sectors, being (i) asset advisory services and asset appraisal and (ii) corporate services and consultancy. These services range from sourcing and identifying investment targets for clients seeking investment opportunities, conducting evaluation on various assets and potential investments, undertaking due diligence and viability study on the targeted investments, and after clients have made an investment, or for clients with existing investments, the Group can provide corporate consultancy such as performance enhancement as well as back office administration service, and for clients wishing to realize their investments, provide strategic advice on disposal and identify potential new investors.

The Group is able to provide an integrated, multi-disciplined professional service to its clients with its multi-disciplined professional team. For the same reason, the Group is also able to provide advisory services across a multitude of assets.

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The following chart provides an overview of the various services the Group provides:



Asset advisory services and asset appraisal*Asset appraisal*

Asset appraisal is the core business of the Group before it expands into the other services currently provided by it. This sector of the Group's business provides valuation services across a wide spectrum of asset classes, including real estate and other fixed assets, mineral properties, business and intangible assets, financial assets including financial instruments and derivatives. In its engagements, the Group is required to provide independent valuation reports, both to public and private businesses to meet market, regulatory and fiduciary requirements for various purposes including IPOs, M&As, litigation, liquidation, financial reporting compliance and fairness opinions. Members of the Group's professional team provide their expertise in different disciplines of asset appraisals and act as independent professionals in the provision of these services.

Set out below are the different categories of appraisal services which the Group can provide and description of the assets for valuation in each category:

Appraisal Services	Assets
Real estate and fixed asset appraisal	<ol style="list-style-type: none">1. real estate;2. plant and machinery;3. work-in-progress; and4. inventory.
Mineral properties appraisal	<ol style="list-style-type: none">1. exploration areas;2. pre-development projects;3. development projects; and4. operating mines.

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- | | |
|---|---|
| Business and intangible asset valuation | <ol style="list-style-type: none">1. business enterprise or interest2. intangible asset<ol style="list-style-type: none">a. marketing related: trademarks, trade names, service marks, collective marks, certification marks, internet domain names, trade dress, newspaper mastheads and non-competition agreements;b. customer related: customer lists, order or production backlog, customer contracts and the related customer relationship which meet contractual-legal criterion and non-contractual customer relationships which meet the separability criterion;c. artistic related: plays, operas, ballets, books, magazines, newspapers, other literary works, video and audiovisual materials, musical works, pictures and photographs which meet contractual or legal rights criterion;d. contract-based: licensing, royalty and standstill agreements, advertising, construction, management, service or supply contracts, leased agreements, franchise agreements, operating and broadcasting rights, use rights such as drilling, water, air, mineral, timber-cutting, servicing contracts such as mortgage service contracts and employment contracts; ande. technology-based: patented and unpatented technology, computer software, databases and trade secrets such as secret formulas, process or recipes. |
| Financial instrument and derivative valuation | <ol style="list-style-type: none">1. equity related: share options, employee shares options, pre-IPO shares options, restricted shares, warrants, convertible bonds, equity-linked notes, accumulators, convertible preference shares and other exotic options;2. interest rate related: callable and/or putable corporate bonds, interest rate options, interest rate swaps and other structured interest rate related products;3. currency related: non-delivery forwards, currency forwards, currency swaps, currency options; and4. credit risk related: financial guarantee valuation. |

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Set out below is the revenue attributable to each category of appraisal services provided by the Group for each of the years/period during the Track Record Period:

	For the year ended 31 March 2009 (HK\$'000)	For the year ended 31 March 2010 (HK\$'000)	For the nine months period ended 31 December 2010 (HK\$'000)
Real estate and fixed asset appraisal	7,889	10,600	4,707
Mineral properties appraisal	1,827	3,085	5,407
Business and intangible asset valuation	11,182	9,117	5,993
Financial instrument and derivative valuation	<u>4,621</u>	<u>4,258</u>	<u>3,640</u>
Total	<u><u>25,519</u></u>	<u><u>27,060</u></u>	<u><u>19,747</u></u>

Set out below is the range of fees charged for each category of appraisal services provided by the Group for each of the years/period during the Track Record Period:

	For the year ended 31 March 2009 (HK\$)	For the year ended 31 March 2010 (HK\$)	For the nine months period ended 31 December 2010 (HK\$)
Real estate and fixed asset appraisal	1,000– 1,720,000	1,800– 1,700,000	1,500– 880,000
Mineral properties appraisal	40,000– 1,080,000	30,000– 2,200,000	80,000– 780,000
Business and intangible asset valuation	8,000– 894,000	30,000– 1,000,000	10,000– 460,000
Financial instrument and derivative valuation	8,000– 146,000	4,000– 110,000	2,000– 300,000

Although fees for the engagements can differ widely, engagements with fees below HK\$100,000 accounted for approximately 79% of the total number of engagements for asset appraisal services of the Group.

After confirming engagement by a client, the client is usually required to pay an upfront fee and the Group will assign a professional team with relevant experience and professional qualifications (e.g. member of the Royal Institution of Chartered Surveyors for property valuation and Certified Valuation Analyst for business valuation) to perform the valuation. Based on the scope of work defined in the engagement, the professional team begins the appraisal process, which may include site visit, market research, building

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valuation model, performing financial analysis, application of appropriate valuation methodologies and drafting of valuation report. Generally, an invoice for the second stage fee will be issued by the Group when a draft report is ready. The Group will review the valuation result and the draft report with the client. Upon finalization of the draft report and client's confirmation, the qualified professional staff who supervises the preparation of the valuation report and accepts the responsibility for it will sign off and issue the valuation report to the client, and the Group will invoice client for the balance of the fee.

The fee for each engagement for the Group's appraisal services is by agreement between the Group and the client on a case by case basis, typically being a fixed fee based on the estimated time to be spent on the engagement. The agreed fee is usually payable by stage payment based on milestone agreed with clients. The Group normally issues bills according to its engagement letter. Under the Group's standard engagement letters, the Group normally charges an up front fee which represents approximately 50% of the total fee payable when engagement is confirmed. The balance is usually payable in two stages, i.e. usually another 40% when the Group submits a draft report and usually the balance 10% when the final report is issued. However, where if the final report is issued shortly after the draft report, the Group may only issue one bill for the 40% for draft report and the 10% for issue of the final report. If there is any delay or abandonment of the underlying project and no final report is issued, under the Group's standard engagement letters, the Group is still entitled to charge 80% of the total fee if the engagement attains the asset inspection stage, and 90% of the total fee if any draft report is submitted to the client, but the Group will not be entitled to charge the remaining 10% of the total fee. Revenue for these progressively billed engagements is recognised according to the percentage of completion. Apart from these progressively billed engagements, the Group may charge the fees one-off for engagements which can be completed in a relatively short duration. Revenue is usually recognised upon the issue of the final reports for these engagements.

The time required for completing each asset appraisal engagement varies, one of the factors being whether site visits requiring substantial traveling time are involved. Real estate and fixed asset appraisal services and mineral properties appraisal services often require inspection of the physical assets. On the other hand, site visits of business and intangible asset valuation are optional as valuation of such assets mainly focus on financial statement analysis, market research and industry overview. Valuation of financial

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instrument and derivatives does not require any site visit as the valuation is principally based on the terms in the contract of the financial instrument and derivatives and market data. Set out below is a summary of time and number of staff typically involved in each category of appraisal services:

Appraisal service	Number of staff	Number of staff	Staff involved	Time involved	Time involved	Site visit
	involved for engagements with fees below HK\$100,000	involved for engagements with fees above HK\$100,000		(day) for engagements with fees below HK\$100,000	(day) for engagements with fees above HK\$100,000	
Real estate and fixed asset appraisal	2	2-6	professional with authority to sign report, project manager, site inspector, analyst and researcher	1-14	15-60	Required
Mineral properties appraisal	2	2-3	professional with authority to sign report, project manager, analyst and researcher	14-21	22-60	Required
Business and intangible asset valuation	2	2-3	professional with authority to sign report, project manager, analyst and researcher	14-21	22-60	Optional
Financial instrument and derivative valuation	2	2	professional with authority to sign report and analyst	1-3	2-5	Not required

Due to factors including time constraint on completion of the valuation or asset location, the Group may subcontract to other qualified professionals part of the valuation process such as physical inspection, collection of information, establishing calculation models or report writing. Under the typical engagement letter of the Group, no prior consent is required to be obtained from clients for subcontracting.

The Group selects subcontractors based on their professional qualifications, experience, fee charged and availability. After the subcontractor is selected in each case, the Group will enter into a subcontracting agreement with the subcontractor. The standard form subcontracting agreement of the Group provides that the subcontractor should comply with the professional standards of the relevant professional institution and provide work product in a timely manner within the parameters outlined by the Group. Charges to subcontractor is payable within 30 days of the Group's receipt of an invoice for services satisfactorily performed by such subcontractor or within 10 days following receipt by the Group from its client of fees relating to the work performed by the subcontractor, whichever is later. The subcontracting agreement can be terminated by either party upon notice. Therefore, if an engagement is cancelled prior to the issuance of the valuation report, the Group is not obliged to pay the subcontracting charges until it receives the relevant revenue from client.

Despite the flexibility provided under the engagement letters with clients, the Group does not rely on subcontractors for performance of its services. For the two years ended 31 March 2010 and the nine months period ended 31 December 2010, the Group has only engaged 5, 7 and 4 subcontractors respectively for a total of 68 subcontracting jobs. The

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subcontracting charges incurred by the Group in its asset appraisal business for the year ended 31 March 2009 and 31 March 2010 and for the nine months ended 31 December 2010 were approximately HK\$1.88 million, HK\$1.08 million and HK\$216,000 (before write back of overprovision in prior year) respectively. The subcontracting charges were agreed on a fixed basis before confirmation of subcontracting. Since the professionals of the Group will monitor the progress of work done, review the calculation models as well as the draft valuation reports prepared by the subcontractor, and the contractors themselves being professionals are subject to relevant professional standards and guidelines, the Group believes that such subcontracting would not affect the Group's quality of work delivered to clients.

During the Track Record Period, the Group was engaged in approximately 680 asset appraisal engagements. Most of these engagements were for listed companies in Hong Kong, but the locations of these assets were wide ranging, from the PRC, Hong Kong, Taiwan, Macau, Mongolia, Singapore, Indonesia, the Philippines, Brunei and spanning across to countries such as Russia and Brazil.

The underlying assets being appraised by the Group during the Track Record Period also included a wide variety of assets, as demonstrated by the following examples:

Time of engagement/ announcement/ report	Client*	Asset appraised	Purpose for which appraisal was undertaken
Real estate and fixed asset appraisal			
March 2009	A listed group principally engaged in property development	Property	Financial reporting
June 2009	Hing Lee (HK) Holdings Limited (stock code: 396)	Property	IPO
December 2009	Perception Digital Holdings Limited (stock code: 8248)	Property	IPO
March 2010	A listed group principally engaged in property development	Property	Financial Reporting
March 2010	A listed group principally engaged in manufacturing and sales of knitted fabrics and dyed yarns	Property	Financial reporting
April 2010	A listed group principally engaged in pharmaceutical business	Property	Financial reporting
Mineral asset appraisal			
October 2009	North Asia Resources Holdings Limited (formerly known as Green Global Resources Limited) (stock code: 61)	Mining right of an iron mine	Very substantial acquisition

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Time of engagement/ announcement/ report	Client*	Asset appraised	Purpose for which appraisal was undertaken
May 2010	CST Mining Group Limited (formerly known as China Sci-Tech Holdings Limited) (stock code: 985)	Business valuation of a copper mining company	Very substantial acquisition
Business and intangible asset valuation			
April 2009	A listed group principally engaged in information technology	Business and intangible assets	Financial reporting
April 2009	A listed group principally engaged in agriculture	Biological assets	Financial reporting
June 2009	Sustainable Forest Holdings Limited (formerly known as Bright Prosperous Holdings Limited) (stock code: 723)	Concession rights of forests	Very substantial acquisition
November 2009	A listed group principally engaged in property development	Business valuation	Restructuring
March 2010	A listed group principally engaged in medical services	Business and intangible assets	Financial reporting
Financial instrument and derivative valuation			
March 2009	An investment company listed on the Main Board of the Stock Exchange	Accumulator, equity-linked note and convertible bond	Financial reporting
July 2009	A listed company principally engaged in manufacture and distribution of chemicals	Financial guarantee contract	Financial reporting
August 2009	An investment company listed on the Main Board of the Stock Exchange	Warrant, convertible bonds, callable perpetual bonds, guaranteed notes, accumulators	Financial reporting
January 2010	A private company principally engaged in investment holding	Interest rate swap	Financial reporting
March 2010	A listed group principally engaged in manufacturing of printed circuit board	Non-deliverable forward	Financial reporting

* *Note:* Due to confidentiality issues, the Company considers that it is not appropriate to disclose identities of the clients.

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The total fee received for the above engagements were approximately HK\$6.25 million.

The total revenue generated from asset appraisal during the Track Record Period amounted to approximately HK\$72.3 million.

After the end of the Track Record Period up to the Latest Practicable Date, the Group had 122 engagements for its asset appraisal services with a total fee of HK\$10.3 million, HK\$8.3 million of which has been billed between 1 January 2011 to the Latest Practicable Date. Majority of these engagements are for financial reporting purpose and are therefore expected to be completed around end of May 2011.

Possible changes to the property valuation disclosure requirements for listed companies in Hong Kong

As mentioned above, most of the engagements undertaken by the Group during the Track Record Period were for listed companies in Hong Kong. In December 2010, the SFC and the Stock Exchange issued a joint consultation paper on proposed changes to property valuation requirements regarding IPOs, acquisition and disposal transactions, which may have an adverse impact on the asset appraisal business of the Group.

Currently, a listing applicant is required to obtain property valuation reports and disclose valuation information for all property interests of its property activities. The consultation paper proposed that property interests with a carrying amount below 1% of the applicant's total assets will not need to be valued, although the total carrying amount of property interests not valued must not exceed 10% of the listing applicant's total assets. For applicant conducting non-property activities, it was proposed that such applicant will only be required to obtain property valuation reports for property interests of its non-property activities for each property interest with a carrying amount of 15% or more of its total assets. On the other hand, for M&A transactions of listed issuers, it was proposed that (i) requirement on property valuation will be removed if a company being acquired or disposed of is listed on the Stock Exchange, except where it is a connected transaction; (ii) the valuation requirement for listed issuer's existing property interests for a very substantial acquisition be removed; and (iii) for acquisition or disposal of an unlisted company, requirement for conducting a valuation be removed if the carrying amount of a property interest is below 1% of the total asset of the listed company while the total carrying amount of the property interests not requiring valuation must not exceed 10% of its total assets. Valuation of property interests ancillary to mining activities was also proposed to be removed where the circular includes a valuation report by an independent professionally qualified valuer of the associated mineral or petroleum assets or resources.

If the proposals were approved, requirement for valuation report of real estate interest may decrease for issuers listed in Hong Kong. However, the impact to the Group is only restricted to property valuation for the purpose of IPOs or M&A transactions. Valuation reports or opinions of value on property for purposes other than IPOs and M&A transactions or on valuation of other asset classes will not be affected. Furthermore, requirements on valuation for financial reporting purposes remain unchanged.

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An analysis of the gross revenue and gross profit from real estate valuation and the possible loss which may be caused by the proposed changes to property valuation requirements regarding IPOs and M&As is as follows:

Turnover:

Period	Total turnover of asset appraisal services <i>HK\$'000</i>	Turnover from real estate valuation business <i>HK\$'000</i>	Turnover from IPOs or M&As <i>HK\$'000</i>	Possible loss if the proposed changes <i>HK\$'000</i>	Percentage of possible loss to total turnover <i>HK\$'000</i>
For the year ended 31 March 2009	25,519	7,889	1,740	518	2.0%
For the year ended 31 March 2010	27,060	10,600	1,471	1,089	4.0%
For the nine months ended 31 December 2010	19,747	4,707	1,263	188	1.0%

Gross profit:

Period	Total gross profit of asset appraisal services <i>HK\$'000</i>	Gross profit from real estate valuation business <i>HK\$'000</i>	Gross profit from IPOs or M&As <i>HK\$'000</i>	Possible loss if the proposed changes <i>HK\$'000</i>	Percentage of possible loss to total gross profit <i>HK\$'000</i>
For the year ended 31 March 2009	14,686	4,540	1,001	298	2.0%
For the year ended 31 March 2010	18,609	7,290	1,012	749	4.0%
For the nine months ended 31 December 2010	12,518	2,719	789	96	0.8%

In terms of revenue, the bulk of the gross revenue of the Group's asset appraisal business during the Track Record Period was derived from non-real estate valuation. For the years ended 31 March 2009 and 2010 and the nine months period ended 31 December 2010, the turnover arising from real estate valuation were approximately HK\$7.89 million, HK\$10.6 million and HK\$4.71 million respectively. Out of such business, only a small portion was derived from real estate valuation for IPOs and M&As for listed issuers which would have been affected by the proposed changes in the Listing Rules. During such periods, only approximately HK\$0.52 million, HK\$1.09 million and HK\$188,000 were generated from property valuation in such areas. Such turnover accounted for only approximately 2.0%, 4.0% and 1.0% respectively of the turnover from asset appraisal services during the corresponding periods. Gross profits arising from real estate valuation business amounted to approximately HK\$4.54 million, HK\$7.29 million and HK\$2.72

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million for the years ended 31 March 2009 and 2010 and the nine months period ended 31 December 2010, and only approximately HK\$298,000, HK\$749,000 and HK\$96,000 were attributable to real estate valuation performed for IPO and acquisition or disposal purposes for Hong Kong listed issuers which would have been affected by the proposed changes in the Listing Rules. Such gross profits accounted for approximately 2.0%, 4.0% and 0.8% of the gross profits generated from asset appraisal services during the corresponding periods.

Given that real estate valuation for IPO and M&A purposes is not a significant portion of the Group's asset appraisal services as demonstrated above, that the Group is also engaged in real estate valuation for other purposes and valuation of other asset classes such as mineral properties, business and intangible asset as well as financial instrument and derivative, and that the Group is expanding into the asset advisory and corporate services and consultancy business, the Company believes that the possible impact of the proposed changes described above on the Company's asset appraisal services would not be significant although most of the Company's clients are listed companies.

Asset advisory services

Capitalizing on its wide client base from the asset appraisal business, the relationship that the Directors and the senior professionals of the Group have established with the proprietors and senior management of such clients, as well as its expertise in identifying the value of different assets, the Group expanded into the provision of asset advisory services in 2007. Such services typically involves identifying potential investment or investor, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic advice in relation to the client entering into an investment or realizing an investment.

The asset advisory services business has only a short operating history. Referrals from clients and other professional relationships established by the Group in its asset appraisal business is an important source of business for this sector. For all the engagements in asset advisory services carried out by the Group during the Track Record Period, the clients were referred to the Group by senior executives of the Group's clients. During the course of providing asset appraisal services, the Group would also have gained an understanding of various clients and their businesses and investments which would be a source of potential targets when the Group has received engagement for its asset advisory services.

For client looking for investment opportunities, after the potential client contacts the Group, the Group will discuss with the potential client (i) the intended area of investment including asset type, for example whether it is real estate and of which type such as residential or commercial and whether completed or pending development etc., natural resources such as gas, oil, coal and forestry, or minerals, (ii) the territorial preference and (iii) the intended investment amount. Once the Group has a thorough understanding of the potential client's investment plan, the Group will discuss with the potential client to tailor made the Group's scope of service. When the terms of engagement have been agreed and the engagement letter signed, then the Group will seek to track and identify potential investment targets in the asset type that the client is interested in, within the parameters provided by client. In this process, the Group's asset-advisory services department will first

approach the head of asset appraisal services department for potential sources of investment or investor of which their department might be aware or may contact. The Group may also approach other professionals of which the Group has established relationships for referrals. Once a potential project has been identified, the Group will, or engage consultants in the location where the potential investment is situated to, carry out a preliminary analysis, such as conducting market research, to determine whether there is any reasonable prospect of concluding the underlying transaction. When the client is affirmative of the potential investment target, the Group will assign its professionals with expertise in the relevant area to where the potential investment is located, or where appropriate further engage relevant consultants or researchers to conduct site visit and evaluation on the target investment, liaise with client's legal and other advisers for coordination of due diligence exercise and undertake viability study. The Group therefore is able to gather information and data relating to the underlying investment and to gain an in-depth understanding of such investment. With comprehensive information, the Group will then be able to advise its client on the structure and procedures of the underlying transaction. The Group may also provide advice to client on strategy on negotiation of terms relating to the underlying transaction. Once the definitive agreement for the underlying transaction is entered into between the client and the counterparty(ies), the Group will be entitled to receive the success-based fee when clients pay the relevant consideration pursuant to the underlying transaction.

In respect of client who wishes to realize an investment, when the potential client reaches the Group, the Group will ask the potential client to provide information on the investment intended to be realized, financial information relating to the investment such as performance history and operation history, status of development if such investment is in progress of development, and expected return on the investment. With such information, the Group will discuss with the potential client to tailor make the scope of services to be provided by the Group. After the Group and the potential clients reach agreement over the proposed terms of engagement and engagement letter signed, the Group will commence work on studying market positioning, development planning and operational aspects in preparation for the disposal. The Group will then identify the appropriate time and opportunity for realization and to search for and identify potential purchaser(s) for the project, make recommendations on the structure and procedures of the disposal and will also provide advice on negotiation of the terms relating to the underlying transaction. Again, when the definitive agreement for the underlying transaction is entered into between the client and the counterparty(ies), the Group will be entitled to receive the success-based fee when client receives the relevant consideration under the definitive agreement. The fixed fee will be charged once the relevant work has been completed, whether or not the underlying transaction has been completed on time or at all.

The fee charged by the Group for each engagement is determined on a case-by-case basis, and made up of both fixed fees and a success-based fee. Fixed fees will be charged for work done such as due diligence investigation, viability study and evaluation and is based on the estimated time to be spent and the complexity of the project. Fixed fee revenue is billed when the relevant report incidental to the transactions, such as due diligence investigation, viability study and evaluation of the target investment, is issued. In addition, the Group will also charge a success-based fee which is calculated based on a percentage of

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the value of the underlying asset or the consideration agreed between the parties in the underlying transaction. The success-based fee is contingent upon the client's payment of or, as the case may, receipt of consideration pursuant to the underlying definitive agreement for such transaction. The Group will usually issue bill for the success-based fee after client confirms that it has paid or received such consideration. As the Group may not be able to readily obtain confirmation from clients that they have received or, as the case may be, paid the relevant consideration in the underlying transaction, there may be a time lag, amounting to an average of 3 months, in issuing invoices to clients notwithstanding the payment schedule in the engagement letters. In order to facilitate timely issue of invoices, the Group contacts clients and their counterparties to the underlying transactions regularly and check information from available public sources wherever applicable to monitor the progress of the engagements. Despite the time lag in issuing invoices, revenue recognition for the invoices issued during the Track Record Period is not affected, as the finance department recognised the revenue in the appropriate period according to the pre-set accounting policy.

For each engagement, the Group will usually either be engaged by a client looking for potential investment (or purchaser), or a client looking to dispose of its interest in an investment (or vendor). The Group has not been engaged by both the purchaser and the vendor in the same transaction so far. If there should be any opportunity in future where the Group may be engaged by both the vendor and the purchaser in the same transaction, the Group will assess whether there is any potential conflict of interest and will avoid putting the Group into such a position.

During the Track Record Period, the Group was engaged in 4 engagements and for the period immediately after the Track Record Period up to the Latest Practicable Date, the Group was appointed for another 2 engagements in asset advisory services, with the underlying assets all located in the PRC.

Set out below is a table summarizing the asset advisory services engagements undertaken by the Group since the commencement of the Track Record Period and up to the Latest Practicable Date:

Engagement number	Time of engagement	Approximate size of underlying investment	Services provided by the Group	Fee chargeable by the Group	Status	Fee recognised or to be recognised
1.	August 2007	RMB200 million	Sourcing of investor or purchaser and incidental work	US\$80,000 fixed fee and 3% success fee	Disposal of underlying investment was completed and invoices for fees payable to the Group have been issued and fully paid	(A) recognised during the Track Record Period approximately HK\$9.5 million (B) to be recognised for the year ended 31 March 2011 nil (C) to be recognised after 31 March 2011 nil

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Engagement number	Time of engagement	Approximate size of underlying investment	Services provided by the Group	Fee chargeable by the Group	Status	Fee recognised or to be recognised
2.	December 2008	RMB350 million	sourcing of investment and incidental work	US\$120,000 fixed fee and 3% success fee	Acquisition of investment was completed and invoices for fees payable to the Group have been issued and fully paid	(A) recognised during the Track Record Period approximately HK\$13 million (B) to be recognised for the year ended 31 March 2011 nil (C) to be recognised after 31 March 2011 nil
3.	July 2009	RMB461.25 million	sourcing of investor or purchaser and incidental work	US\$50,000 fixed fee and 3% success fee	Disposal of 80% interest the underlying investment was completed, invoices for fees payable to the Group have been issued and fully paid. The disposal of the remaining 20% interest has not yet commenced	(A) recognised during the Track Record Period approximately HK\$13.1 million (B) to be recognised for the year ended 31 March 2011 not known yet (C) to be recognised after 31 March 2011 not known yet
4.	August 2009	RMB180 million	advisory work on investment, after making of the targeted investment, sourcing purchaser, and incidental work	US\$170,000 fixed fee, 3% success fee for the investment made and 3% success fee for disposal of the underlying investment	Investment was completed, invoices for fees payable to the Group have been issued and fully paid. The second phase of the engagement in relation to client realizing the investment has not yet commenced	(A) recognised during the Track Record Period approximately HK\$7.1 million (B) to be recognised for the year ended 31 March 2011 not known yet (C) to be recognised after 31 March 2011 not known yet
5.*	February 2011	Preliminarily estimated at approximately HK\$700 million	Sourcing of investor or purchaser and incidental work	3% success fee	The Group has commenced market research for the transaction	(A) recognised during the Track Record Period nil (B) to be recognised for the year ended 31 March 2011 not known yet (C) to be recognised after 31 March 2011 not known yet
6.*	February 2011	Preliminarily estimated at approximately HK\$120 million	Sourcing of investor or purchaser and incidental work	US\$80,000 fixed fee and 3% success fee	The Group has commenced market research for the transaction	(A) recognised during the Track Record Period nil (B) to be recognised for the year ended 31 March 2011 not known yet (C) to be recognised after 31 March 2011 not known yet

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* Since the Company is still conducting market research and due diligence exercise on the relevant projects, the approximate size of the underlying investment is only a preliminary estimation made by the Company. The estimated size of the underlying transaction is subject to revision and the feasibility of the underlying project is yet to be ascertained depending on the findings from the due diligence exercise and market research. Furthermore, as disclosed in the risk factor “Dependency on performance of the property market in the PRC” in the “Risk factors” section of this prospectus, the property market in the PRC is considered to be a volatile market and the value of the project may fluctuate due to a number of factors such as social, political, economic and legal factors.

During the Track Record Period, the Group has undertaken four engagements in asset advisory services, the terms of which are as follows:

Engagement 1

The Group was engaged by sellers intending to dispose of their effective interest in a commercial development project which has a site area of approximately 5,000 sq.m. in Suzhou, the PRC through share sale. Although the engagement letter was signed in August 2007, the project was put on hold until late 2009 due to the sub prime crisis and financial tsunami in 2008 and 2009.

- Time of engagement** : August 2007
- Description of client** : a private limited liability company incorporated in the PRC which is principally engaged in real estate development and its shareholders, who are Independent Third Parties
- Approximate size of underlying investment** : The consideration for the transaction agreed between the client and the purchaser was approximately RMB200 million
- Major terms of engagement** : *(A) scope of work provided by the Group*
conducting market research, providing procedural and strategic advice, sourcing investor or purchaser, assisting in negotiation and completion of the transaction
(B) service fee chargeable by the Group
(i) fixed fees totaling approximately US\$80,000 for market research, due diligence exercise and development planning; and
(ii) a success fee being 3% of total enterprise value of the asset disposed

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- Status and actual/expected completion date** : For fixed fee services, a due diligence report and a viability study report were issued in March 2010. Definitive agreement for first disposal for a 30% interest at the consideration of RMB60 million was signed in March 2010 which was subsequently terminated by mutual agreement between client and the counterparty. Definitive agreement for second disposal for 100% interest at the consideration of RMB200 million was signed in June 2010. The Group is entitled to success fee on the amount client received under the first disposal although it was terminated. Therefore invoices for success fee were issued for consideration received by client under both sets of definitive agreements in the total sum of approximately HK\$8.95 million, approximately HK\$4.1 million of which has been paid during the Track Record Period and the balance, which related to the second disposal and issued only in December 2010, was settled in February 2011
- Breakdown of revenue recognised** : (i) fixed fee of HK\$0.6 million recognised in the year ended 31 March 2010 after issue of the due diligence report and viability report in March 2010 and settled in July 2010
- (ii) success fee of HK\$8.9 million recognised in the nine months ended 31 December 2010 upon issue of invoices after client received the corresponding portion of the consideration during the same period, of which HK\$4.1 million settled in October 2010 and HK\$4.8 million settled in February 2011

Engagement 2

The Group was engaged by the purchaser seeking potential investment in a commercial real estate project in Zhejiang, the PRC. The development invested has a site area of approximately 68,000 sq.m.

- Time of engagement** : December 2008
- Description of client** : a private limited company incorporated in Hong Kong which is principally engaged in investment holding, an Independent Third Party
- Approximate size of underlying investment** : the enterprise value of the investment ultimately successfully sourced amounting to approximately RMB350 million

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Major terms of engagement	<p>: (A) <i>scope of work provided by the Group</i></p> <p>identifying potential investment, conducting market research, undertaking due diligence and evaluation of the underlying assets, studying viability of the targeted investment, providing procedural advice and assisting in negotiation and completion of the transaction</p> <p>(B) <i>service fee chargeable by the Group</i></p> <p>(i) fixed fees totaling approximately US\$120,000 for due diligence exercise, property and/or business evaluation in respect of the transaction, market research and viability study; and</p> <p>(ii) a success fee being 3% of total enterprise value of the investment acquired</p>
Status and actual/expected completion date	<p>: For fixed fee services, a due diligence report and a market research report were issued in June 2009. The definitive agreement for acquisition was signed in July 2009, invoices for fees payable to the Group have been issued and fully paid</p>
Breakdown of revenue recognised	<p>(i) fixed fee of HK\$0.9 million recognised in the year ended 31 March 2010 after issue of the due diligence report and market research report and settled in July 2010</p> <p>(ii) success fee of HK\$12.1 million recognised in the year ended 31 March 2010, after client paid the consideration during the same period, and was settled by client in July 2010</p>

Engagement 3

The Group was engaged by the client in Engagement 2 intending to dispose of its interest in the commercial real estate project acquired under Engagement 2.

Time of engagement	<p>: July 2009</p>
Description of client	<p>: a private limited company incorporated in Hong Kong which is principally engaged in investment holding, an Independent Third Party</p>
Approximate size of underlying investment	<p>: corresponding to the acquisition completed under Engagement 2, with the total enterprise value of the asset disposed amounting to RMB461.25 million</p>

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- Major terms of engagement** : (A) *scope of work provided by the Group*
- providing procedural and strategic advice, sourcing investor or purchaser and assisting in negotiation and completion of the transaction
- (B) *service fee chargeable by the Group*
- (i) fixed fee of US\$50,000 for advising on market positioning, development planning and operational aspect of the underlying project; and
- (ii) a success fee being 3% of total enterprise value of the asset disposed
- Status and actual/expected completion date** : For fixed fee services, a viability study report was issued in December 2009. The definitive agreement for the disposal of 80% interest in the real estate project was signed in December 2009, invoices for fees payable to the Group have been issued and fully paid. This is an ongoing engagement where the Group will continue to identify potential buyer for disposal of the remaining 20% interest at appropriate time.
- Breakdown of revenue recognised** : (i) fixed fee of HK\$0.4 million recognised in the year ended 31 March 2010 after issue of the viability study report and settled in August 2010
- (ii) success fee of HK\$4.1 million and HK\$8.6 million recognised in the year ended 31 March 2010 and the nine months ended 31 December 2010 respectively according to the period when client received relevant amount of consideration following which the invoice for the relevant fee was issued. Among the success fee of HK\$4.1 million, HK\$0.6 million and HK\$3.5 million were settled in August 2010 and November 2010 respectively. Among the success fee of HK\$8.6 million, HK\$3.8 million and HK\$4.8 million were settled in December 2010 and January 2011 respectively.

Engagement 4

The Group was engaged by an investor seeking investment in a commercial real estate development project in Shanghai, the PRC and thereafter realizing the same or its underlying assets. The project invested has a site area of approximately 26,000 sq.m.

Time of engagement : August 2009

Description of client : a private limited company incorporated in Hong Kong which is principally engaged in investment, an Independent Third Party

Approximate size of underlying investment : amount ultimately contributed by client to the project successfully identified by the Group amounting to approximately RMB180 million

Major terms of engagement : *(A) scope of work provided by the Group*

conducting market research, undertaking due diligence and evaluation of the underlying assets, studying viability of the targeted investment, providing procedural and strategic advice for investment in the target, after making of the targeted investment, sourcing purchaser, and assisting in negotiation and completion of the relevant transactions

(B) service fee chargeable by the Group

- (i) fixed fees totaling approximately US\$170,000 for due diligence exercise, property and/or business evaluation in respect of the transaction, market research, viability study, market positioning, development planning and operational aspects of the underlying project;
- (ii) a success fee being 3% of total enterprise value of the investment made; and
- (iii) a success fee being 3% of the total amount of consideration received by client in the disposal of the investment or underlying assets

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Status and actual/expected completion date : For fixed fee services, a due diligence report, a viability study report and a market research report were issued in October 2009. The definitive agreement for investment was signed in November 2009, and invoices for fixed fee of US\$120,000 and success fee of HK\$6.2 million have been issued and fully settled. The second phase of the engagement in relation to client realizing the investment has not yet commenced pending completion of construction of the development. Out of the fixed fee of US\$170,000, US\$50,000 is for work on market positioning, development planning and operational aspects of the project, but as the underlying project is still at construction stage, such work has not yet been commenced

Breakdown of revenue recognised : (i) fixed fee of HK\$0.9 million recognised in the year ended 31 March 2010 after issue of the due diligence report, market research report and viability study report and settled in November 2010.

(ii) success fee of HK\$1.0 million and HK\$5.2 million recognised in the year ended 31 March 2010 and the nine months ended 31 December 2010 respectively according to the time when client paid the relevant investment amount following which the relevant invoice was issued. For the success fee of HK\$1.0 million, client paid the investment amount in March 2010, and settled the fee in November 2010, while for the success fee of HK\$5.2 million, client paid investment amounts in April 2010, July 2010 and September 2010, and settled the relevant invoices in November 2010 and December 2010.

The total revenue generated from these four engagements during the Track Record Period amounted to approximately HK\$42.9 million.

After the Track Record Period and up to the Latest Practicable Date, the Group has signed two engagement letters relating to asset advisory services, the terms of which are summarised below:

- 1.* The Group was engaged by the seller intending to dispose of its interest in a hotel and commercial property project in Beijing, the PRC.

Time of engagement : February 2011

Description of client : a private limited liability company incorporated in the PRC which is principally engaged in property development, an Independent Third Party

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Approximate size of underlying investment : the preliminary estimation of the consideration for the disposal of the entire interest in such project is approximately HK\$700 million

Major terms of engagement : *(A) scope of work to be provided by the Group*
identifying appropriate time for realization and potential purchaser or investor, providing procedural and structural advice and assisting in negotiation and completion of the transaction

(B) service fee charged by the Group

a success fee being 3% of the total consideration of each transaction

Status : the Group is conducting market research for the transaction

* Since the Company is still conducting market research and due diligence exercise on the relevant project, the approximate size of the underlying investment is only a preliminary estimation made by the Company. The estimated size of the underlying transaction is subject to revision and the feasibility of the underlying project is yet to be ascertained depending on the findings from the due diligence exercise and market research. Furthermore, as disclosed in the risk factor “Dependency on performance of the property market in the PRC” in the “Risk factors” section of this prospectus, the property market in the PRC is considered to be a volatile market and the value of the project may fluctuate due to a number of factors such as social, political, economic and legal factors.

2.* The Group was engaged by the seller intending to dispose of its interest in certain residential properties in Beijing, the PRC.

Time of engagement : February 2011

Description of client : a private limited liability company incorporated in the PRC which is principally engaged in printing media, an Independent Third Party

Approximate size of underlying investment : the preliminary estimation of consideration for the disposal of the entire interest in such project is approximately HK\$120 million

Major terms of engagement : *(A) scope of work to be provided by the Group*
conducting market research and analysis, identifying appropriate time for realization and potential purchaser or investor, providing procedural and structural advice and assisting in negotiation and completion of the transaction

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(B) service fee charged by the Group

- (i) fixed fees totaling approximately US\$80,000 for conducting market research and analysis and advising on disposal strategy and marketing of the underlying project; and
- (ii) a success fee being 3% of the total consideration of each transaction

Status : the Group is conducting market research for the transaction

- * Since the Company is still conducting market research and due diligence exercise on the relevant project, the approximate size of the underlying investment is only a preliminary estimation made by the Company. The estimated size of the underlying transaction is subject to revision and the feasibility of the underlying project is yet to be ascertained depending on the findings from the due diligence exercise and market research. Furthermore, as disclosed in the risk factor “Dependency on performance of the property market in the PRC” in the “Risk factors” section of this prospectus, the property market in the PRC is considered to be a volatile market and the value of the project may fluctuate due to a number of factors such as social, political, economic and legal factors.

Corporate services and consultancy

In order to widen the spectrum of professional services provided by the Group, it also expands its scope of service to corporate services and consultancy. Such service can be further subdivided into two arms.

One arm is corporate consultancy. Unlike asset advisory services which mainly concern sourcing of investments, undertaking evaluation of the underlying assets and provision of procedural and strategic advice in relation to an investment or realization of an investment, corporate consultancy business focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects with a view to enhancing corporate efficiency, performance and enterprise value. The fee to be charged by the Group on such services will usually be based on the improvements in results of the corporation and calculated based on percentage on target achievement. During the Track Record Period, the Group has 1 major engagement in this sector in which the Group was engaged to provide corporate consultancy services to a government-owned enterprise in the PRC. The Group engaged a PRC consultant, who has tertiary education majoring in industrial enterprise management (工業企業管理) and has practical experience in business management in the PRC, to station at the client’s office, and under the guidance of a director as well as a professional of the Group, the consultant liaise on a day-to-day basis for the provision of consultation to the client based on the analysis of the responsible director and professional, including advising on enhancement of operation procedures, setting up business strategy and modelling, advising on suppliers control, budgeting, cash flow management and financing, until its amount of turnover accumulated to specified target. Remuneration of the consultant was determined with reference to the nature of service, expected time to be spent by him on the project as well as negotiation on an arm’s length basis, and the remuneration was recorded in the Group’s

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financial statements as sub-contracting charges. The responsible director and professional also from time to time visited the client's office and monitor the progress of work. This project had been ongoing for almost two years until the target was met by the end of 2009. The consultant was not a staff of the Group at the material time but became an employee of the Group in August 2010. The Group received a remuneration of RMB3.0 million under this engagement. The services were subject to PRC Business Tax of approximately HK\$173,000 and a possible penalty ranging from 50% to five times of this amount. The services were not subject to PRC enterprise income tax due to no permanent establishment in the PRC. Revenue was recognised when the turnover of the customers met the specified targets.

Other than this major engagement, the Group has also provided business consultancy services with gross revenue of approximately HK\$0.60 million during the Track Record Period.

Towards the end of the Track Record Period, the Group was engaged by a PRC metal product manufacturer to provide consultancy services on proposed fund raising exercise, and the Group is entitled to charge a success fee at 5% of the fund raised by this client.

The other arm can generally be described as back office administration, which includes company secretarial service for private and listed companies, human resource management and administrative services, accounting and tax services including accounting system setup and support, bookkeeping, budgeting and forecast, payroll services, tax return preparation, and financial statement preparation, for which the Group is usually engaged on annual retainer with fixed fees charged on a monthly basis. The Group can also provide other ad hoc services include corporate communication and marketing services such as brand building, design of marketing materials and corporate event management, for which fees will be agreed on project-by-project basis based on time expected to be spent by the Group on the project.

During the Track Record Period, the Group had entered into 6 engagements in respect of corporate services in back office administration, generating a total revenue of approximately HK\$2.2 million. Three of such engagements were entered with connected persons of the Group, being GCA Professional Services, the substantial shareholder of the Group, and Greater China Capital Limited ("GC Capital") and Prosperity Investment, associates of substantial shareholders of the Group. During the Track Record Period, revenue derived from appointments by GCA Professional Services, GC Capital and Prosperity Investment were HK\$360,000, HK\$420,000 and HK\$720,000 respectively.

As this business segment is at initial stage of development, the Group unavoidably first sought work from related parties and promote itself within its existing clients. The contents of the Group's website have since been enhanced, containing detailed description of services which the Group may provide under this segment. The Directors also believe that the Group's profile and public awareness will be significantly enhanced after Listing which should further widen the client base of the Group. After the end of the Track Record Period up to the Latest Practicable Date, the Group has further obtained two engagements for its corporate services.

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For corporate consultancy, the Group has obtained 4 engagements since the end of the Track Record Period. In one of these engagements, the Group was appointed by an overseas mining operation to provide advice on pre-IPO planning work and co-ordination in the course of application for listing on the Main Board of the Stock Exchange. Major scope of services under this engagement includes (i) conducting due diligence exercise, (ii) setting up data room, (iii) assisting client in the selection of professional parties for the IPO project, (iv) coordinating professional parties engaged by the client and (v) assisting the client in collating documents for the IPO purpose. Fees payable to the Group under the engagement comprised fixed fees payable every half-year and success fee. There was also another engagement under which the Group would provide similar services regarding pre-IPO planning and coordination during the IPO process, and service fee will be charged on the basis of time spent by the Group on the project, payable to the Group monthly. For the remaining 2 engagements, the Group was engaged by 2 private companies to provide consultancy services for sourcing investors, under which the Group is entitled to charge a success fee at 2%–3% of the funds raised or received by clients.

Revenue distribution

The breakdown of the Group's turnover by business activity for the two years ended 31 March 2010 and the nine months ended 31 December 2010 is summarised as follows:

	Year ended 31 March		Nine months ended
	2009	2010	31 December 2010
	HK\$'000	HK\$'000	HK\$'000
Asset appraisal services income	25,519	27,060	19,747
Asset advisory services income	—	20,197	22,674
Corporate services and consultancy income	<u>135</u>	<u>3,613</u>	<u>2,530</u>
	<u>25,654</u>	<u>50,870</u>	<u>44,951</u>

No major business disruption

During the Track Record Period, the Company has not experienced any: (i) material failure relating to computer hardware, network security and data storage; (ii) professional liability claims; (iii) misconduct of the Company's client service professionals and therefore to the Company's knowledge any loss of business reputation; and (iv) business disruption resulting from acts of God, acts of war, epidemics and other factors outside of the Company's control.

COMPETITION AND COMPETITIVE STRENGTHS**Competition**

The Directors consider that the professional service industry is highly fragmented and unstructured with professional service firms with different sizes and areas of expertise where competition is mainly based on (i) quality of service provided by the professional staff; (ii) expertise and reputation of the firm; (iii) business network and client relationship of the key management; and (iv) pricing of the services provided.

The barrier of entry into the professional service industry to provide single specialty professional service (e.g. asset appraisal or asset advisory services or corporate consultancy or corporate services) is considered by the Directors to be low as it does not require substantial capital investment. The Group may face competition with smaller or newly established professional firms which often compete in terms of pricing. Any increase of competition from new professional service firms or competition based on pricing may have an adverse impact on the Group's market share and financial performance.

On the other hand, professional service firms which provide multi-disciplined professional services comparable to the Group are usually international firms which have more human resources and better access to capital than the Group.

The Group holds different market position in its different lines of business. For the Group's asset appraisal services, as at November 2010, there were 72 surveying and valuation firms in Hong Kong which vary in size and with different business models. Some of which provide single specialty service while others may provide more than one areas of services other than asset valuation such as leasing administration and property management. On the other hand, the Group's asset appraisal business mainly serves Hong Kong listed issuers. For the year ended 31 March 2009, the Group had provided asset appraisal services to 108 out of 1,266 listed issuers on the Stock Exchange, and for the year ended 31 March 2010, the Group was engaged by 102 out of 1,332 listed issuers on the Stock Exchange for its asset appraisal services.

For asset advisory services, since such line of business is relatively newly developed, the Group only has a small market share. Similarly, for corporate services and consultancy business, it is only at a start up stage and short of operating history, the Group's market share is also insignificant. In addition, the Group also has to compete in terms of the number of market players in this line of business. The research of the Trade Development Council showed that by December 2009, there were 4,480 consulting companies in Hong Kong which are engaged in business similar to the Group's corporate services and consultancy business. Therefore, the competition faced by the Group in respect of each line of service is intense.

Although the industry is fast-changing and the competition is intense, the Directors believe that the Group has its unique competitive strengths, e.g. the wide client base having served more than 100 listed companies during the Track Record Period and the reputation

established from its asset appraisal business and multi-disciplined professional services, which will enable the Group to compete successfully with its competitors and maintain its market niche in the Greater China region.

Competitive strengths

The Directors are of the view that the Group, having been established for more than a decade, has developed a diverse client base and reputation in the industry. The Directors believe the following are the Group's competitive strengths.

1. Long-standing client relationship and diverse client base in the capital market

The Group has built an entrenched relationship with clients from its asset appraisal business. Clients rely on the Group's expertise and independent advice to make investment decisions with the size up to billions of Hong Kong dollars. Although the Group serves mainly listed companies in Hong Kong, many of these companies have assets and businesses in the PRC and are engaged in very diversified businesses including property development, infrastructure, mining, information technology, biotechnology and health care, automobile, banking and finance, entertainment, manufacturing, retailing and more. During the Track Record Period, the Group served more than 100 listed companies in Hong Kong. There are at least 4 listed companies which have been clients of the Group for more than 10 years, and revenue contributed by these 4 clients accounted for approximately 13.2% of the total revenue generated from asset appraisal services during the Track Record Period.

2. Experienced professional team

The key executive, Mr. Ip, has extensive experience in the asset advisory industry. Mr. Ip has over 20 years of experience in providing asset appraisal services and has extensive experience in providing advice on investment, planning and development strategies of real estate. Besides Mr. Ip, as GC Appraisal started as an all round property asset appraisal company since its inception, it always maintains a multi-talented team of staff members including Chartered Valuation Surveyor, which was a main stream in the early days due to the emphasis on real estate valuation, a Certified Valuation Analyst for business valuation while a member of The American Society of Appraisers for plant & machinery valuation.

In order to cope with the changing needs of the market and various changes of valuation requests, GC Appraisal started expanding its talents pool in both number and professional disciplines significantly in 2007. The Group recruited an increased number of Certified Public Accountants and other professionals including Certified Valuation Analyst for business and intangible assets valuation, Financial Risk Managers, bachelor degree holder in financial engineering, Qualified Actuary for financial assets valuation and financial model review and build-up. These professionals of the Group have extensive experience in the relevant industry as well and maintain good relationships with other professionals (e.g. accountants, lawyers, financial advisors, investment bankers, and other professionals in the financial industry) from whom the Group also receives referral business.

3. One-stop professional service provider

The Group, as a one-stop professional service provider, offers a full range of multi-disciplined and value-added professional services across a multitude of asset classes including real estate, goodwill, mineral properties, trademarks and financial instruments.

The Group' different professional teams in different areas of expertise work collaboratively to provide multi-disciplined and customised advice to the Group's clients for their investment and strategic decisions while the corporate service team provides support to the client's operation by providing other valued-added professional services, such as general back office administration services. A breakdown of number of professionals engaged in the different expertise areas for each of the years/periods during the Track Record Period is set out under the paragraph "Multi-disciplined credentialed professionals" in this section. With such collaborative culture, the Group can provide one-stop service to the client. In a typical example of a potential acquisition of asset by a client, the Group can have its asset advisory team to source and identify targets for the client, to conduct evaluation on the potential investments and to undertake due diligence and viability study on the targeted asset, the corporate consultancy team to provide advice for operation and performance enhancement while the corporate service team can provide support to the client in human resources functions such as payroll and company secretarial duties. The Directors believe that the integrated approach of the Group in providing a full range of comprehensive professional services will benefit its clients in saving their time to source and communicate with different professional service providers. The Group can also diversify its services to reduce the risk of reliance on a single service and to benefit from cross-promoting of new professional service to the Group's existing clients. The one-stop model also enables the Group to diversify its revenue model with stable fixed fee on one hand, and success-based fee on the other.

4. Multi-disciplined credentialed professionals

Another core competence of the Group as a one-stop professional service provider is its multi-disciplined professional staff. The Directors, senior management and other professional staff of the Group possess professional qualifications, professional memberships or professional licenses in various specialties including asset appraisal, surveying, mineral properties appraisal, business valuation, intangible asset valuation, financial assets valuation, financial risk management, accounting, actuarial science and company secretary. Holders of these professional qualifications (some of them are trained oversea and internationally recognised) or licenses must meet relevant education and experience requirements of the respective professional associations and regulatory authorities. The Directors believe that with a team of professionals having different areas of expertise and disciplines, the Group has a competitive edge against those competitors who only specialises in a single professional service area as the Group will be able to serve its client better by drawing solutions from various areas of expertise. The Group itself can also benefit from better utilization of its professionals by cross-staff such professionals across multiple segments. Set out

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below is a breakdown of number of professionals engaged in the different expertise areas and their qualifications for each of the years/periods during the Track Record Period, and the headcount in an area of expertise may overlap with another since some professionals possess multi-disciplined qualifications:

For the year ended 31 March 2009

Professional service	Number of professionals	Professional credential
Real estate and fixed asset appraisal	3	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyor, Certified Public Valuer of The China Appraisal Society and Member of the American Society of Appraisers
Mineral properties appraisal	1	Associate Member of the American Institute of Minerals Appraisers
Business and intangible asset valuation	2	Certified Valuation Analyst and Registered Business Valuer of HKBVF
Financial instrument and derivative valuation	1	Bachelor of Business and Administration in Financial Engineering
Asset advisory services	2	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyors and Certified Public Valuer of The China Appraisal Society
Corporate consultancy	1	Chartered Certified Accountant

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For the year ended 31 March 2010

Professional service	Number of professionals	Professional credential
Real estate and fixed asset appraisal	3	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyors, Certified Public Valuer of The China Appraisal Society and Member of the American Society of Appraisers
Mineral properties appraisal	1	Associate Member of the American Institute of Minerals Appraisers
Business and intangible asset valuation	4	Certified Valuation Analyst, Registered Business Valuer of HKBVF and Accredited Business Valuer of the American Institute of Certified Public Accountants
Financial instrument and derivative valuation	4	Member of Institute of Actuaries of Australia, Master of Philosophy in Mathematics and Financial Risk Manager
Asset advisory services	2	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyors and Certified Public Valuer of The China Appraisal Society
Corporate consultancy	3	Chartered Certified Accountant, Certified Merger and Acquisition Advisor, Member of Institute of Actuaries of Australia

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For the nine months period ended 31 December 2010

Professional service	Number of professionals	Professional credential
Real estate and fixed asset appraisal	3	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyors, Certified Public Valuer of The China Appraisal Society and Member of the American Society of Appraisers
Mineral properties appraisal	1	Associate Member of the American Institute of Minerals Appraisers
Business and intangible asset valuation	5	Certified Valuation Analyst, Registered Business Valuer of HKBVF and Accredited Business Valuer of the American Institute of Certified Public Accountants
Financial instrument and derivative valuation	4	Member of Institute of Actuaries of Australia, Master of Philosophy in Mathematics and Financial Risk Manager
Asset advisory services	2	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyors and Certified Public Valuer of The China Appraisal Society
Company secretarial services	1	Member of The Institute of Chartered Secretaries and Administrators and Member of The Hong Kong Institute of Company Secretaries
Accounting services	1	Certified Public Accountant
Corporate consultancy	3	Chartered Certified Accountant, Certified Merger and Acquisition Advisor and Member of Institute of Actuaries of Australia

LICENSES**Asset appraisal services**

The Directors and the legal advisers to the Company as to the laws of Hong Kong confirm that the Group is not required to obtain any licence or permits for conducting of asset appraisal business from any governmental bodies in Hong Kong.

The Directors and the legal advisers to the Company as to the laws of the PRC confirm that the current business conducted by the Group does not fall within the Measures for the Administration of the Examination and Approval of Asset Appraisal Institutions (資產評估機構審批管理辦法) and the Group is not required to obtain any licence or permits for conducting such business from any governmental bodies in the PRC.

The staff of the Company signing a valuation report is required to have certain qualifications of valuers pursuant to key rules and regulations for asset appraisal industry in Hong Kong. For further details of such requirements, please refer to paragraph headed “Regulatory environment in Hong Kong for asset appraisal industry” under the section headed “Regulatory framework” of this prospectus. Set out below is a breakdown of number of professionals in the employment of the Group qualified to sign valuation reports in the different expertise areas and their qualifications as at the Latest Practicable Date, and the headcount in an area of expertise may overlap with another since some professionals may possess multi-disciplined qualifications to sign on different types of valuation reports:

Type of valuation report	Number of signing professionals	Professional credential
Real estate and fixed asset appraisal	1	Member of the Royal Institution of Chartered Surveyors, Member of The Hong Kong Institute of Surveyor
Mineral properties appraisal	1	Associate Member of the American Institute of Minerals Appraisers
Business and intangible asset valuation	3	Registered Business Valuer of HKBVF, Certified Valuation Analyst
Financial instrument and derivative valuation	1	Financial Risk Manager

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Asset advisory services

The Directors and the legal advisers of the Company confirm that the Group is not required to obtain any licence or permits for conducting its asset advisory services, in its current scope, from any governmental bodies both in Hong Kong and the PRC. Since the Group is not issuing any valuation reports under its asset advisory services engagements, the Company's employees handling these engagements are not required to obtain any licenses or permits from any government bodies in Hong Kong or the PRC or to hold any professional qualifications.

Corporate services and consultancy

The Directors and the legal advisers of the Company confirm that the Group is not required to obtain any licence or permits for conducting its corporate services and consultancy business, in its current scope, from any governmental bodies both in Hong Kong and the PRC.

Beijing GCA

The Directors and the legal advisers of the Company as to PRC laws confirm that Beijing GCA is not required to obtain any licence or permits for conducting business in its current scope from any governmental bodies in the PRC.

CLIENTS

For the two years ended 31 March 2010 and the nine months ended 31 December 2010, the five largest clients accounted for approximately 29.7%, 56.9% and 60.0% of the Group's total turnover respectively.

For the year ended 31 March 2009, all five largest clients engaged the Group for its asset appraisal services, and for the year ended 31 March 2010, three of the five largest clients engaged the Group for its asset advisory services whereas the other two were attributed to the Group's asset appraisal business. For the nine months ended 31 December 2010, the Group undertook asset advisory services for two of its five largest clients, and the remaining three clients engaged the Group for its asset appraisal services.

For each of the two years ended 31 March 2010 and nine months ended 31 December 2010, the largest client accounted for approximately 8.4%, 34.6% and 31.4% of the Group's total turnover respectively. The largest client for the year ended 31 March 2009 engaged the Group for its asset appraisal services, and the largest client for the year ended 31 March 2010 and nine months ended 31 December 2010 engaged the Group for its asset advisory services.

To the best of the knowledge of the Directors, none of the Directors, their respective associates and substantial shareholders of the Company had any interest in any of the Group's five largest clients for the Track Record Period.

During the Track Record Period, the Group's clients were mainly located in Hong Kong and the PRC. All of the Group's services rendered to its clients are charged in Hong Kong dollars, USD and RMB and are normally settled in cash.

INTERNAL CONTROL PROCEDURES

The Group has integrated its internal control system into its organizational structure, with all operation departments responsible for the implementation of the control measures based on the established policies and procedures; and the internal audit manager being responsible for testing various controls and to make recommendations to the management on improvement of the system.

Upon Listing, an executive Director, Mr. Leung, will perform the role of compliance officer. Mr. Leung will be supported by the Company Secretary, Ms. Fung Mei Ling to ensure that the internal control procedures are being followed. The head of internal audit will report to the audit committee which comprises of only independent non-executive Directors, making the internal audit function completely independent from the management.

Some of the guidelines and policies which the Group has put in place in relation to certain important internal control areas such as confidentiality, conflict of interest and maintenance of professional standard are highlighted below.

Chinese wall

As a professional services provider with a diversified range of businesses, the Group inevitably faces conflict of interests where two or more interests exist legitimately but which are competitive in nature. The Group recognises the importance of managing such conflict of interests. Hence, Chinese walls are established within the Group to prevent and control possible areas of conflicts and disclosure of price sensitive or confidential information by controlling the flow of non-public material information and handling of documents, hence preserving the integrity of the Group's operations.

To enforce the Chinese wall policy on an administrative level, the Group has established physical segregation and password-protected access between departments and functional units. In addition, the Group has adopted a policy on its information technology system security emphasizing on employee's responsibilities regarding information security. It specifies that confidential information shall be stored in systems which are restricted to authorised personnel only, and such policy is incorporated into the Group's staff handbook which has been issued to all employees.

Professional Independence

Independence is so critical to the business of the Group. It is the Group's policy to ensure that:

- a. staff shall at all the times act with integrity and avoid any actions or situations which are inconsistent with their professional obligation;

- b. there is an adequate level of staff awareness of the issues relating to conflict of interests; and
- c. conflict of interests is properly disclosed and handled.

Therefore, at the commencement of a project, all staff involved is required to assess his or her independence and objectivity by completing an independence checklist which will be reviewed by a Director. If any potential conflict of interest is identified, that staff must consult the department head or a Director for resolution or remedy of such threats to an acceptable level.

Under all circumstances, the Group will ensure that the interest of staff should be subordinated to those of clients where conflict of interests arises with clients.

Project Review Process

For employment of staff, the Group will make necessary inquiries to the relevant professional body for validity of qualification of such staff, and the staff is required to produce original certificate before confirmation of employment. In terms of signing of valuation report, the Group has an approved list of the professional staff who are authorised to sign the different types of valuation reports. The responsible team for each appraisal engagement will be headed by a professional with authority to sign the relevant report.

The Group has adopted standardised client information request checklist, report template for different valuation purposes or standards and valuation model template which control the valuation process and in turn facilitate review of the whole valuation process by the responsible officer of the report. For each asset appraisal project, the responsible team is also required to sign off on a project monitoring form upon completing each of the five stages in an appraisal project, such stages include signing of the proposal, physical inspection, reviewing draft report, submitting draft report and issuing the final report. With this policy, the progress of each case can be closely monitored through the recordings on such form.

In respect of asset advisory services, new project review procedure was established in March 2011. After confirmation of the engagement, the Director will assign a project manager and case worker(s) to handle the project. If preparation and issuance of report is required under the engagement, the draft reports and final reports will have to be reviewed by the project manager before issuance.

These processes ensure the adequacy and quality of work so as to minimise the chance of professional fault which may result in financial loss and reputation damage.

Finance department will be informed with the project status which allows the Finance Department to issue invoices in accordance with the payment term as agreed with client. This ensures healthy cash flow of the Group.

INTELLECTUAL PROPERTY RIGHTS

The Group does not hold any trademark in Hong Kong. The Group is the registered owner of several domain names. The Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the Group has not infringed any intellectual property rights belonging to third parties. The Directors have further confirmed that, to the best of their knowledge, the Group has not received any notice of such infringement up to the Latest Practicable Date.

Details of the intellectual property rights of the Group are set out in the section headed “Intellectual property rights of the Group” in Appendix VI to this prospectus.

INSURANCE

The Group maintained policies which cover potential losses or damages in respect of its operations. These policies cover, inter alia, losses in respect of office contents and losses arising from business interruption. Travel insurance policies are taken out for some of the Group’s employees who were required to travel on business trips. The Group also held insurance policy relating to employees’ compensation under the Employees’ Compensation Ordinance (Cap. 282) of the Laws of Hong Kong.

The typical engagement letters for asset appraisal business included a clause limiting the Group’s liability in connection with the engagement to the amount of fee received for such engagement. Despite such limitation of liability clause, the Group has also taken out professional indemnity insurance policy covering the liability for any loss or damage suffered by the client arising from negligent acts and omissions of GC Appraisal and its employees. Please refer to the subparagraph headed “Potential exposure to professional liability” under the paragraph headed “Risk relating to the Group” in the section headed “Risk factors” in this prospectus. The Group’s insurance coverage on professional liability may not be adequate to cover claims that clients may bring against the Group and as a result may not be adequate to protect the Group against all liability that may arise. Based on the Group’s experience in operating its business and its understanding of the prevailing industry practice, the Group believes that the level of professional liability insurance coverage is adequate for its current operations. As engagements are entered into between the Group and the clients, the responsible officer will not be directly and personally liable for any claims from the clients.

The Group had not made any material claim in insurance since the commencement of the Track Record Period and up to the Latest Practicable Date.

LEGAL COMPLIANCE

The Directors, the legal advisers as to Hong Kong laws and the legal advisers as to the laws of PRC confirm that, as at the Latest Practicable Date, the Group has complied with all applicable laws and regulations in the jurisdictions in which it operates and has obtained all necessary permits, certificates and licences for its operation since the commencement of the Track Record Period.