

GREATWALLE INC. 長城匯理公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8315



FIRST QUARTERLY REPORT **2021/22**

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of Greatwall Inc. (the “**Company**”) and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

		For the three months ended 30 June	
	Notes	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue	2	14,854	18,474
Cost of services rendered		(14,589)	(15,867)
Gross profit		265	2,607
Other income	3	96	131
Administrative expenses		(4,978)	(6,407)
Finance costs	4	(742)	(618)
Loss before income tax	5	(5,359)	(4,287)
Income tax expense	6	13	(26)
Loss for the period from continuing operations		(5,346)	(4,313)
Discontinued operations			
Loss for the period from discontinued operations		-	(1)
Loss for the period		(5,346)	(4,314)
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of foreign operations		1,199	30
Other comprehensive income for the period		1,199	30
Total comprehensive income for the period		(4,147)	(4,284)
Loss for the period attributable to:			
Owners of the Company		(5,081)	(3,833)
Non-controlling interests		(265)	(481)
		(5,346)	(4,314)
Total comprehensive income for the period attributable to:			
Owners of the Company		(3,877)	(3,817)
Non-controlling interests		(270)	(467)
		(4,147)	(4,284)
		HK cents	HK cents
Loss per share for loss attributable to owners of the Company from continuing and discontinued operations			
- Basic and diluted	8	(0.31)	(0.31)
From continuing operations			
- Basic and diluted		(0.31)	(0.31)
From discontinued operations			
- Basic and diluted		-	-

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Merger reserve HK\$'000	Foreign exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	(Capital deficiency/ Total equity HK\$'000
At 1 April 2020 (audited)	12,463	153,805	8,339	(5,270)	411	(176,951)	(7,203)	935	(6,268)
Loss for the period	-	-	-	-	-	(3,833)	(3,833)	(481)	(4,314)
Other comprehensive income:									
Exchange difference on translation of financial statements for foreign operations	-	-	-	-	16	-	16	14	30
Total comprehensive income for the period	-	-	-	-	16	(3,833)	(3,817)	(467)	(4,284)
Share-based payment expenses of options granted by the Company during the period	-	-	-	-	-	-	-	-	-
At 30 June 2020 (unaudited)	12,463	153,805	8,339	(5,270)	427	(180,784)	(11,020)	468	(10,552)
At 1 April 2021 (audited)	16,618	169,485	8,339	(5,270)	1,400	(193,910)	(3,338)	(883)	(4,221)
Loss for the period	-	-	-	-	-	(5,081)	(5,081)	(265)	(5,346)
Other comprehensive income:									
Exchange difference on translation of financial statements for foreign operations	-	-	-	-	1,204	-	1,204	(5)	1,199
Total comprehensive income for the period	-	-	-	-	1,204	(5,081)	(3,877)	(270)	(4,147)
Share-based payment expenses of options granted by the Company during the period	-	-	-	-	-	-	-	-	-
At 30 June 2021 (unaudited)	16,618	169,485	8,339	(5,270)	2,604	(198,991)	(7,215)	(1,153)	(8,368)

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Greatwalle Inc. (formerly known as King Force Group Holdings Limited) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2014. The Company’s registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Room 2008, 20th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company’s shares were listed on the GEM of the Stock Exchange on 20 August 2014.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are the provision of security guarding services, and the provision of business advisory and asset management services.

The Group’s unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The unaudited condensed consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinances and GEM Listing Rules. They are prepared under the historical cost convention.

The accounting policies adopted in preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2021, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”).

In this report, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2021. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies and amounts in the Reporting Period and the corresponding previous periods.

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

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2021.

2. REVENUE

Revenue represents the net invoiced value of service rendered from the provision of security guarding service and the service income from the provision of business advisory and asset management services during the period.

	Three months ended	
	30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Continuing Operations		
Provision of security guarding and property management services	14,150	18,079
Provision of business advisory and asset management services	704	395
	14,854	18,474

3. OTHER INCOME

	Three months ended	
	30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Continuing Operations		
Bank interest income	3	9
Sundry income	93	122
	96	131

4. FINANCE COSTS

	Three months ended	
	30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Continuing Operations		
Interest charges on promissory note repayable	600	600
Interests charge on loans from related parties	–	15
Interests charges on borrowings	132	–
Interest on lease liabilities	10	3
	742	618

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 30 June	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Continuing Operations		
Amortisation of other intangible assets ¹	–	208
Cost of services rendered	14,589	15,867
Depreciation of property, plant and equipment ¹	103	116
Depreciation of right-of-use assets ¹	348	302
Short-term leases expenses	71	363
Employee benefits expenses (including directors' emoluments):		
Salaries, allowances and benefits in kind included in:		
– Cost of services rendered	14,437	7,254
– Administrative expenses	2,678	2,492
Retirement benefits – Defined contribution plans ² included in:		
– Cost of services rendered	86	101
– Administrative expenses	366	102
	17,567	7,281
Legal and professional fees ¹	691	654
Impairment loss on trade receivables	596	575

¹ included in "administrative expenses" in the consolidated statement of profit or loss and other comprehensive income

² no forfeited contributions available for offset against existing contributions during the period

6. INCOME TAX EXPENSE

	Three months ended 31 December	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Current tax:		
PRC Enterprise Income Tax ("EIT")		
– Provision for the period	7	26
– Over-provision in respect of prior years	(20)	–
	(13)	26
Hong Kong Profits Tax		
– Provision for the period	–	–
Income tax (credit)/expenses	(13)	26

The Company was incorporated in the Cayman Islands that is tax-exempted as no business is carried out in the Cayman Islands under the laws of the Cayman Islands.

Hong Kong Profits Tax is calculated at 16.5% (2020: 16.5%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the year. EIT is calculated on estimated assessable profits of the subsidiaries' operations in PRC at 25% (2020: 25%). Income tax expense for other jurisdictions is calculated at the rates of taxation prevailing in the relevant jurisdictions.

7. DIVIDEND

The Board did not recommend a payment of a dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
– Continuing operations	(5,081)	(3,832)
– Discontinued operations	–	(1)
Loss from continuing operations and discontinued operations	(5,081)	(3,833)
Number of shares	2021 '000	2020 '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,661,757	1,246,318

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company, and the weighted average number of approximately 1,661,757,000 (2020: 1,246,318,000) ordinary shares in issue.

No adjustment had been made to the basic loss per share amounts presented for the three months ended 30 June 2021 and 30 June 2020 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

9. SUBSEQUENT EVENTS

Saved as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2021 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the three months ended 30 June 2021 (the “**Reporting Period**”), the subsidiaries of the Group principally engaged in (i) the provision of security guarding and property management services (the “**Security Guarding and Property Management Services**”); and (ii) the provision of asset management and business advisory services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a total revenue of approximately HK\$14,854,000, in which the Security Guarding and Property Management Services recorded a revenue of approximately HK\$14,150,000, and the Asset Management Services recorded a revenue of approximately HK\$704,000.

I. **Security Guarding and Property Management Services**

For the Group’s Security Guarding and Property Management Services, the Group operates in both Hong Kong and the PRC, and the Company’s business has enjoyed sustained growth for the past two consecutive years.

In Hong Kong, the Group is permitted to provide security guarding services under Type 1 security work in Hong Kong in accordance with the Security Company License regime. With years of operating experience, the Group has established a strong reputation in the field of manned security guarding services and has been certified by the ISO 9001:2008 Quality Management System Standard issued by the Hong Kong Quality Assurance Agency (HKQAA) for its ability to design and deliver security guarding services. Leveraging on the Company’s operation, management system and brand, the Group also provides professional services to other firms in the same industry in order to further develop its business. In the PRC, the Company’s property management and security guarding business has continued to grow and its client base has gradually expanded from government departments to schools and industrial parks. In order to further expand the revenue of the Group’s security guarding and property management business in the PRC, the Group has established Shandong Guanhui Foundation Business Management Co., Ltd.* (山東冠輝基業商業管理有限公司) in Shandong Province in late 2020 to mainly focus on the commencement of property management and security guarding business in larger schools and industrial parks. The Group has fully realised its comprehensive advantages in brand, operation and management system, and will continue to expand the scale of its security guarding and property management business in the PRC by riding on its foothold in the Hong Kong market and achieve sustained growth in operating revenue, with a view to building the Company into a prominent security guarding and property management enterprise in the PRC.

* For identification purpose only

II. Asset Management Services

During the Reporting Period, the Asset Management Services of the Group involved provision of business advisory and asset management services.

Since 2019, the Company has begun to gradually develop its Asset Management Services. In the PRC, the Company holds a private equity investment fund manager license issued by the Asset Management Association of China. The Group is confident in the potential and investment opportunities in the PRC and Hong Kong markets. The asset management team has been committed to exploring business and investment opportunities, aiming for quality and long-term investment targets, and increasing the scale of asset management. The assets managed by the Company will be mainly invested in two directions: first would be buyout-type mergers, in which the Company focuses on buying out companies with undervalued capital, asset and industrial and commercial value as well as those with room for transformation and improvement; second would be medium and long-term investments towards companies with long-term development value and leading position in a particular market segment. We believe that the economy of the PRC will continue to develop strongly, which will bring huge investment opportunities. The Company will actively engage in the future economic growth opportunities of the PRC, and over the next one to two years, the Company will drive the asset management business into the high-quality development phase.

OUTLOOK

The outbreak of the novel coronavirus epidemic in 2020 continues to affect the global economy. Owing to the stringent epidemic control and protective measures of the PRC government, the epidemic is well under control and the PRC economy has recovered more quickly than other countries. The Company will fully deploy its resources and capital to seize the opportunity of business development.

For the Security Guarding and Property Management Services, as Hong Kong and overseas markets are affected by the epidemic, human mobility will be restricted and economic activities will remain largely subdued. As such, the Group will continue to expand into the PRC market. The Company will continue to focus on exploring the security guarding and property management markets in schools, industrial parks and government departments, in order to continuously expand the scale of its security guarding and property management business.

For the Asset Management Services, the Asset Management Services of the Group have entered into a phase of rapid development, as the Company not only has a team with good track record, it also possesses vast market resources and project reserves. We believe that the asset management industry in the PRC has huge development potentials which will bring new development opportunities to the Group. At the same time, being an international financial centre, Hong Kong's capital market has strong regulatory capabilities, internationally leading financial infrastructures and an interconnection mechanism with the PRC's capital market. Although Hong Kong's economic prospect has been impacted by various factors such as the epidemic and the political environment, as well as challenges from both internal and external environments, its economy still possesses strong resilience and vitality. As the epidemic is gradually brought under control, part of the Company's asset management business that involves cross-border acquisitions is expected to pick up speed and the scale of the Company's fund management will grow. Therefore, the Group will gradually expand into the Hong Kong market with a continuous foothold in the PRC market, fully utilise all the Group's advantages, continuously expand its asset management scale, enhance the level of returns in asset management and transform the Asset Management Services into an important profit growth point for the Company.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2020 and 2021, majority of the Group's revenue was generated from the provision of Security Guarding and Property Management Services in Hong Kong and the PRC and provision of Asset Management Services. The following table sets forth the breakdown of the Group's revenue by types of contracts for the three months ended 30 June 2020 and 2021:

	Three months ended 30 June			
	2021		2020	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding and Property Management Services	14,150	95.3%	18,079	97.9%
Asset Management Services	704	4.7%	395	2.1%
Total	14,854	100%	18,474	100%

The Group's overall revenue decreased by approximately HK\$3,620,000 or 19.6% from approximately HK\$18,474,000 for the three months ended 30 June 2020 to approximately HK\$14,854,000 for the three months ended 30 June 2021. The decrease in revenue was mainly due to (i) decrease in revenue from the Security Guarding and Property Management Services in Hong Kong from approximately HK\$13,458,000 for the three months ended 30 June 2020 to approximately HK\$2,237,000 for the three months ended 30 June 2021 due to the impact of the COVID-19 pandemic; (ii) but which was partially offset by the increase in revenue from the Security Guarding and Property Management Services in the PRC from approximately HK\$4,621,000 for the three months ended 30 June 2020 to approximately HK\$11,913,000 for the three months ended 30 June 2021 through a series of operational measures in line with the Company's own characteristics.

Cost of services rendered

For the three months ended 30 June 2020 and 2021, the cost of services rendered, which mainly consists of direct guard cost, was approximately HK\$15,867,000 and HK\$14,589,000, representing approximately 85.9% and 98.2% of the Group's revenue, respectively. Such increase of the cost of service in the percentage of revenue was primarily attributable to continuing increasing manpower service costs due to the general increase in the guard cost in the market during the Reporting Period.

As at 30 June 2021, the Group had a total of 520 employees, of which 493 were full-time and part-time guards providing manned security guarding and related services.

Gross profit

The Group's gross profit decreased by approximately HK\$2,342,000 or 89.8% from approximately HK\$2,607,000 for the three months ended 30 June 2020 to approximately HK\$265,000 for the three months ended 30 June 2021. The decrease of the Group's gross profit was mainly due to (i) the general increase of guard cost in the market; and (ii) the adverse impact of the COVID-19 pandemic to the general security guarding industry in Hong Kong as mentioned above.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$1,429,000 or 22.3% from approximately HK\$6,407,000 for the three months ended 30 June 2020 to approximately HK\$4,978,000 for the three months ended 30 June 2021. The decrease in the Group's administrative expenses was mainly due to (i) the decrease in consulting fee as a result of better cost control in the development of the Group's asset management services; (ii) the decrease in amortization of intangible assets, depreciation of property, plant and equipment; and (iii) the decrease in short-term leases expenses during the three months ended 30 June 2021.

Finance costs

The Group's finance costs increased by approximately HK\$124,000 or 20.1% from approximately HK\$618,000 for the three months ended 30 June 2020 to approximately HK\$742,000 for the three months ended 30 June 2021. The increase in the finance costs was mainly due to the increase in the interest charges on borrowings of approximately HK\$132,000 for the three months ended 30 June 2021.

Loss for the Reporting Period

Loss attributable to owners of the Company for the three months ended 30 June 2021 increase by approximately HK\$1,248,000 from approximately HK\$3,833,000 for the three months ended 30 June 2020 to approximately HK\$5,081,000 for the three months ended 30 June 2021. The increase in the Group's loss for the Reporting Period was mainly due to the reasons and factors as mentioned above.

DISCLOSURE OF INTERESTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary shares held/interested	Number of underlying shares held/interested pursuant to share options	Approximate percentage of the total number of issued shares of the Company
Song Xiaoming ("Mr. Song")	Interest in a controlled corporation	922,325,231(L) ^(Note 1)	–	55.50%
Hon Hoi Chuen	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Lin Shuxian ("Ms. Lin")	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Li Zhongfei	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Zhao Jinsong	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Guan Yan	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%

(L) represents a long position in the Shares

Notes:

- According to information available to the Company, the Shares held by Greatwalle Holding Limited were 922,325,231 Shares. Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*) ("Nansha Huiming"). Nansha Huiming is held as to approximately 91.9992% by Huiji Jiu Hao Investment, and as to approximately 0.0008% by Mr. Song. 深圳匯理九號投資諮詢企業(有限合伙) (Shenzhen Huiji Jiu Hao Investment Consulting Enterprise Limited Partnership*) ("Huiji Jiu Hao") is held as to 99.0000% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*) ("Great Walle Investment"). Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司). As such, Mr. Song is deemed to be interested in the above companies and the Shares and the underlying Shares of the Company under the SFO.
- These long positions represent the share options granted by the Company under the Share Option Scheme. For details, please refer to the section headed "Share Option Scheme" below.

* For identification purpose only

Long positions in the interest in the associated corporations

Name	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	深圳匯理九號投資諮詢企業(有限合夥) (Shenzhen Huiji Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest in a controlled corporation	990,000 ^(Note 1)	99.0000%
Ms. Lin	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Beneficial owner	3,828,902	68.9039%
		Interest in a controlled corporation	1,222,486	21.9995%
Ms. Lin	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Beneficial owner	1,111	0.0200%

Note: The associated corporation is a limited partnership with no share description or shares. The total number of shares represented the amount of capital contributed.

* For identification purpose only

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS IN SECURITIES OF THE COMPANY

As at 30 June 2021, substantial shareholders (not being the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, as follows:

Long positions in the Shares and underlying Shares of the Company

Name of substantial shareholders	Capacity/nature of interests	Number of shares held/interested	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	922,325,231(L)	55.50%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note 1)	922,325,231(L)	55.50%
深圳匯理九號投資諮詢企業(有限合伙)(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest of corporation controlled by the substantial shareholder (Note 1)	922,325,231(L)	55.50%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note 1)	922,325,231(L)	55.50%

(L) represents a long position in the Shares

Note: According to information available to the Company, 922,325,231 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner. Greatwalle Holding Limited is wholly-owned by Nansha Huiming. Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and as to approximately 0.0008% by Mr. Song. Huili Jiu Hao Investment is held as to 99.0000% by Great Walle Investment. As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 922,325,231 Shares held by Greatwalle Holding Limited under the SFO.

* For identification purpose only

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 2021, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The details of the movements of the share options under the Share Option Scheme for the three months ended 30 June 2021 are set out as follows:

Name or category of grantees	Exercise Price per share (HK\$)	Date of grant	Exercisable Period (Note)	Number of share options					Balance as at 30 June 2021
				Balance as at 1 April 2021	Granted during three months ended 30 June 2021	Exercised during three months ended 30 June 2021	Lapsed during three months ended 30 June 2021	Cancelled during three months ended 30 June 2021	
Directors									
Mr. Hon Hoi Chuen	0.234	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	9,328,944
	0.089	18 April 2019	18 April 2019 to 17 April 2029	3,342,335	-	-	-	-	3,342,335
Ms. Lin Shuxian	0.234	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	9,328,944
	0.089	18 April 2019	18 April 2019 to 17 April 2029	3,342,335	-	-	-	-	3,342,335
Mr. Li Zhongfei	0.234	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	932,894
	0.089	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	85,974
Mr. Zhao Jinsong	0.234	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	932,894
	0.089	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	85,974
Ms. Guan Yan	0.234	14 December 2018	14 December 2018 to 13 December 2028	932,894	-	-	-	-	932,894
	0.089	18 April 2019	18 April 2019 to 17 April 2029	85,974	-	-	-	-	85,974
Former Directors									
Ms. Pang Xiaoli	0.089	18 April 2019	18 April 2019 to 17 April 2029	2,053,265	-	-	-	-	2,053,265
Mr. Li Mingming	0.234	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	9,328,944

Name or category of grantees	Exercise Price per share (HK\$)	Date of grant	Exercisable Period (Note)	Number of share options					Balance as at 30 June 2021
				Granted during three months ended 30 June 2021	Exercised during three months ended 30 June 2021	Lapsed during three months ended 30 June 2021	Cancelled during three months ended 30 June 2021	Balance as at 1 April 2021	
Other employees of the Group									
In aggregate	0.234	14 December 2018	14 December 2018 to 13 December 2028	9,328,944	-	-	-	-	9,328,944
	0.089	18 April 2019	18 April 2019 to 17 April 2029	14,130,708	-	-	-	-	14,130,708
	0.144	5 September 2019	5 September 2019 to 4 September 2021	74,977,156	-	-	-	-	74,977,156
Total				138,218,179	-	-	-	-	138,218,179

Note: All of the share options granted have no vesting period or vesting condition.

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the three months ended 30 June 2021.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2021.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: Nil).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry to all the Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding directors' securities transactions during the three months ended 30 June 2021.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 15 to the GEM Listing Rules throughout the three months ended 30 June 2021 except for CG Code provision A.2.1.

Under the CG Code provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Ms. Pang Xiaoli as the chief executive officer of the Company (the “**CEO**”) on 25 August 2020, the Company does not have any officer with the title of CEO but the Company has appointed several staff at the subsidiary level for each business segment, who were responsible for the oversight of each business segment’s operations.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Zhao Jinsong (chairman of the Audit Committee) and Mr. Li Zhongfei, all of which are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, this report and the first quarterly results announcement of the Group for the three months ended 30 June 2021. The condensed consolidated financial results for the three months ended 30 June 2021 are unaudited, but have been reviewed by the Audit Committee.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

INTERESTS IN COMPETING BUSINESS

During the three months ended 30 June 2021, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) at the relevant time was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the three months ended 30 June 2021.

EVENTS AFTER THE REPORTING PERIOD

Completion of Directors Service Contracts of an Executive Director and an Independent Non-Executive Director; Change of Authorised Representative; Change of Composition of the Audit Committee and the Remuneration Committee and Proposed Appointment of an Independent Non-Executive Director

Upon expiration of the terms of offices under the service contracts entered into between the Company and each of Mr. Hon Hoi Chuen ("**Mr. Hon**") and Ms. Guan Yuan ("**Ms. Guan**") on 11 July 2021, Mr. Hon and Ms. Guan have ceased to be an executive Director and an independent non-executive Director respectively with effect from 12 July 2021.

Upon cessation of directorship on 12 July 2021, Mr. Hon has ceased to be an authorised representative of the Company (the "**Authorised Representative**") under Rule 5.24 of the GEM Listing Rules. Mr. Song has been appointed as an Authorised Representative with effect from 12 July 2021.

Following the cessation of Ms. Guan's directorship on 12 July 2021, the Board comprises two independent non-executive Directors only. The number of independent non-executive Directors is less than three as required under Rule 5.05(1) of the GEM Listing Rules. Ms. Guan has also ceased to be a member of each of the Audit Committee and the remuneration committee of the Company (the "**Remuneration Committee**"). The Company is unable to fulfill the requirement of having (i) a minimum of three members on the Audit Committee under Rule 5.28 of the GEM Listing Rules and the terms of reference of the Audit Committee and (ii) a minimum of three members on the Remuneration Committee under the terms of reference of the Remuneration Committee.

The Board has proposed an ordinary resolution to elect Mr. Liu Chengwei ("**Mr. Liu**") as an independent non-executive Director to fill the vacancy created by the cessation of directorship of Ms. Guan at the forthcoming annual general meeting of the Company (the "**AGM**"). Subject to the passing of the ordinary resolution appointing Mr. Liu as an independent non-executive Director at the AGM, Mr. Liu would be appointed as a member of each of the Audit Committee and the Remuneration Committee.

For details, please refer to the Company's announcement dated 12 July 2021 and the Company's circular dated 10 August 2021.

Share Consolidation and Connected Transaction Involving Subscription of New Shares under Specific Mandate

The Board proposed to implement the share consolidation on the basis that every five (5) issued and unissued existing shares be consolidated into one (1) consolidated share prior to the completion of the subscription mentioned below.

On 18 March 2021, the Company entered into a subscription agreement (as amended and supplemented by a supplemental agreement dated 6 July 2021) with Walle Holding Limited, a company wholly-owned by Mr. Song, (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Walle Holding Limited has conditionally agreed to subscribe for, 249,090,909 new consolidated shares (the "**Subscription Shares**") at the subscription price of HK\$0.275 per Subscription Share.

The share consolidation and the subscription were approved by the shareholders by way of poll at the extraordinary general meeting on 29 July 2021. The share consolidation became effective on 2 August 2021 and the completion of the subscription of new shares took place on 5 August 2021.

The number and the exercise prices of the outstanding share options were adjusted as a result of the share consolidation 2 August 2021.

For details, please refer to the Company's announcements dated 18 March 2021, 13 April 2021, 27 April 2021, 17 May 2021, 31 May 2021, 11 June 2021, 25 June 2021, 29 July 2021, 30 June 2021, 3 August 2021, 4 August 2021 and 5 August 2021 and the Company's circular dated 9 July 2021.

Saved as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2021 and up to the date of this report.

By order of the Board
Greatwalle Inc.
Song Xiaoming
Chairman and executive Director

Hong Kong, 11 August 2021

As at the date of this report, the executive Directors are Mr. Song Xiaoming, Ms. Song Shiqing and Ms. Lin Shuxian; the non-executive Director is Mr. Chung Man Lai; and the independent non-executive Directors are Mr. Li Zhongfei and Mr. Zhao Jinsong.