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## **GREATWALLE INC.**

**長城匯理公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08315)**

**(I) PROPOSED SHARE CONSOLIDATION;  
(II) CONNECTED TRANSACTION INVOLVING  
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;  
AND  
(III) REFRESHMENT OF THE SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME**

**Independent Financial Adviser**



**Euto Capital Partners Limited**

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes 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. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders by way of poll at the EGM.

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain the same and be traded in board lots of 10,000 Consolidated Shares.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

### **THE SUBSCRIPTION**

The Board is pleased to announce that on 18 March 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$0.275 per Subscription Share.

Upon the Share Consolidation becoming effective, the Company has a total of 332,351,339 issued Consolidated Shares. The Subscription Shares, being 249,090,909 new Consolidated Shares, representing (i) approximately 74.95% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 42.84% of the total number of issued Consolidated Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

The gross proceeds and net proceeds (after deducting professional fees and other related expenses) from the Subscription shall be approximately HK\$68.5 million and HK\$67.5 million, respectively. The total amount payable by the Subscriber to the Company under the Subscription Agreement will be satisfied by the capitalization and full settlement of the Shareholder Loan in the sum of HK\$68.5 million. Upon Completion, the total amount of the Shareholder Loan will be reduced entirely.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, the Subscriber is wholly-owned by Mr. Song, who is an executive Director, the chairman of the Company and a Controlling Shareholder interested in 922,325,231 Existing Shares, representing approximately 55.50% of the issued share capital of the Company. Therefore, the Subscriber is an associate of Mr. Song and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a non-exempt connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the announcement, reporting and Independent Shareholders’ approval requirements under the GEM Listing Rules.

The Company has established the Independent Board Committee comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the Subscription as required under the GEM Listing Rules.

Euto Capital Partners Limited has been appointed by the Independent Board Committee as the Independent Financial Adviser in respect of the Subscription Agreement and the transactions contemplated thereunder.

**The Completion is subject to the fulfilment of the conditions precedent under the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

#### **REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME**

The Board proposes to seek the approval by the Shareholders on the refreshment of Scheme Mandate Limit. If the refreshment of the Scheme Mandate Limit is approved, on the basis of 332,351,339 Consolidated Shares in issue upon the Share Consolidation becoming effective, the Board will be able to grant options to subscribe for up to a total of 33,235,133 Consolidated Shares, representing approximately 10% of the total issued Consolidated Shares as at date of the EGM.

#### **THE EGM**

The EGM will be convened and held (i) for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation and the refreshment of the Scheme Mandate Limit, and (ii) for the Independent Shareholders to consider, if thought fit, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate. The Subscriber and its associates, Greatwalle Holding and Mr. Song, as at the date of the EGM, shall be required to abstain from voting of the resolution(s) regarding the Subscription Agreement and the transactions contemplated thereunder.

Saved as disclosed and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Subscription and is required to abstain from voting on the resolution(s) of the Company in approving the Subscription Agreement and the transactions contemplated thereunder at the EGM.

**GENERAL**

A circular containing, among other things, (i) further information on (a) the Share Consolidation; (b) the Subscription Agreement and the transactions contemplated thereunder, and (c) the refreshment of the Scheme Mandate Limit; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription Agreement and the transactions contemplated thereunder; (iv) a notice to convene the EGM; and (v) other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 13 April 2021.

**(I) PROPOSED SHARE CONSOLIDATION**

The Board proposes 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 and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

**Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the proposed Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the Hong Kong laws (where applicable) and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 30 April 2021, being the second Business Day immediately after the date of the EGM.

### **Effect of the Share Consolidation**

As of the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 4,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,661,756,697 Shares have been allotted and issued and are fully paid or credited as fully paid. Assuming that no further Existing Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$40,000,000 divided into 800,000,000 Consolidated Shares of par value of HK\$0.05 each, of which 332,351,339 Consolidated Shares shall be in issue and fully paid or credited as fully paid.

### **The outstanding Share Options**

As at the date of this announcement, there were outstanding Share Options granted under the Share Option Scheme entitling the holders thereto to subscribe for a total of 138,218,179 Existing Shares. The Directors will determine, according to the rules of the Share Option Scheme, the adjustments (if any) required to be made in respect of the outstanding Share Options as a result of the Share Consolidation. As the adjustments to the outstanding Share Options are subject to the Share Consolidation taking effect and the written confirmation by the auditors of the Company or the independent financial advisers appointed by the Company, the Company cannot determine the adjustments to be made as at the date of this announcement. The Company will make further announcements regarding the adjustments in accordance with the GEM Listing Rules in due course.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares as at the date of this announcement.

### **Status of the Consolidated Shares**

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's articles of association.

Other than the relevant expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares (if any) to which Shareholders would otherwise be entitled. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

**Listing application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

**Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

**Arrangement on odd lots trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best-efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots trading arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 30 April 2021, being the second Business Day immediately after the date of the EGM, the Shareholders may during the business hours, on or after Friday, 30 April 2021 and until Tuesday, 8 June 2021 (both days inclusive) submit share certificates for the Existing Shares in the color of blue to the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates in the colour of red for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Friday, 4 June 2021, trading will only be in Consolidated Shares and the share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

### **REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION**

Pursuant to Rule 17.76 of the GEM Listing Rules, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities where the market price of the securities of the issuer approaches the extremities of HK\$0.01, which the Stock Exchange considers to be any trading price less than HK\$0.10, according to the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020.



In view of the prevailing closing market price of the Shares, the share price of the Company has been trading at below HK\$0.10. As such, the Board proposed to implement the Share Consolidation which would also bring about a corresponding upward adjustment in the trading price of the Shares and will make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors in order to optimize the Shareholder base. Furthermore, the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders. In view of the above reasons, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

### **EXPECTED TIMETABLE**

The expected timetable for the implementation of the Share Consolidation is as follows:

<b>Event(s)</b>	<b>Time and Date</b>
Expected date of despatch of the Circular with notice of the EGM	Tuesday, 13 April 2021
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Thursday, 22 April 2021
Closure of register of members for the entitlement to attend and vote at the EGM	Friday, 23 April 2021 to Wednesday, 28 April 2021 (both days inclusive)
Latest date and time for lodging forms of proxy for the EGM	10:00 a.m. on Monday, 26 April 2021
Record date for attending the EGM	Wednesday, 28 April 2021
Expected date and time of the EGM	10:00 a.m. on Wednesday, 28 April 2021
Announcement of poll results of the EGM	Wednesday, 28 April 2021



**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation**

Effective date of the Share Consolidation	Friday, 30 April 2021
First day for free exchange of existing share certificates for new share certificates of the Consolidated Shares	Friday, 30 April 2021
Dealings in the Consolidated Shares commences	9:00 a.m. on Friday, 30 April 2021
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 30 April 2021
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 30 April 2021
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Friday, 14 May 2021
Parallel trading in the Consolidated Shares (in form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Friday, 14 May 2021
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Friday, 14 May 2021
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 4 June 2021
Parallel trading in Consolidated Shares (in form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Friday, 4 June 2021

Designated broker ceases to stand in the market  
to provide matching services for sale and  
purchase of odd lots of the Consolidated Shares

4:10 p.m. on Friday,  
4 June 2021

Last date and time for free exchange of existing  
share certificates for the new share certificates  
of the Consolidated Shares

4:30 p.m. on Tuesday,  
8 June 2021

All times and dates specified in this announcement refer to Hong Kong local times and dates. The expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation and is therefore for indicative purpose only. Any subsequent changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

### **NO CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain the same and be traded in board lots of 10,000 Consolidated Shares.

Based on the closing price of HK\$0.059 per Existing Share (equivalent to the theoretical closing price of HK\$0.295 per Consolidated Share) as at the date of this announcement, (i) the market value of each board lot of the Existing Shares is HK\$590; and (ii) the market value of each board lot of 10,000 Consolidated Shares would be HK\$2,950 assuming the Share Consolidation had been effective.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **(II) THE SUBSCRIPTION**

On 18 March 2021, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares. Set out below is a summary of the principal terms of the Subscription Agreement.

### **THE SUBSCRIPTION AGREEMENT**

#### **Date:**

18 March 2021

#### **Parties:**

(i) the Company; and

(ii) the Subscriber

As at the date of this announcement, the Subscriber is wholly-owned by Mr. Song, who is an executive Director, the chairman of the Company and a Controlling Shareholder interested in 922,325,231 Existing Shares, representing approximately 55.50% of the issued share capital of the Company. Therefore, the Subscriber is an associate of Mr. Song and is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

#### **The Subscription Shares**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price of HK\$0.275 per Subscription Share.

Upon the Share Consolidation becoming effective, the Company has a total of 332,351,339 issued Consolidated Shares. The Subscription Shares, being 249,090,909 new Consolidated Shares, representing (i) approximately 74.95% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective; and (ii) approximately 42.84% of the total number of issued Consolidated Shares as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion).

## **The Subscription Price**

The Subscription Price is HK\$0.275 per Subscription Share, representing:

- (i) a discount of approximately 6.780% to the theoretical closing price of HK\$0.295 per Consolidated Share (after taking into the account the effect of the Share Consolidation) based on the closing price of HK\$0.059 per Existing Share as quoted on Stock Exchange on 18 March 2021, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 5.498% to the average theoretical closing price of approximately HK\$0.291 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.058 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the date of the Subscription Agreement.

The Subscription Price was determined at after arm's length negotiations between the Company and the Subscriber with reference to, among other matters, the prevailing market prices of the Shares. The Directors (other than the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking**

The Subscription Shares, when issued and fully paid up, shall rank pari passu in all respects among themselves and with other Shares in issue as at the date of allotment and issue of the Subscription Shares in accordance with the Company's articles of association.

## **Conditions precedent of the Subscription Agreement**

The Completion is conditional upon the fulfillment of the following conditions:

- (i) the approval of the Subscription Agreement and the transactions contemplated thereunder by the Board;
- (ii) the approval of the Subscription Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate, by the Independent Shareholders at the EGM;
- (iii) Greatwalle Holding, the Subscriber and the Company have entered into the Deed of Novation;

- (iv) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares;
- (v) upon the Share Consolidation becoming effective and dealings in the Consolidated Shares have commenced;
- (vi) all other necessary consents, approvals, permits or licenses required to be obtained from the relevant governmental authorities or regulatory bodies on the part of the Company and/or the Subscriber, if any, for the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect.

In the event that any of the above conditions precedent of the Subscription is not fulfilled on or before 10 May 2021 (or such other time and date as may be agreed by both parties), the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

### **Completion**

The Completion shall take place on the Completion Date in accordance with the terms of the Subscription Agreement.

### **Specific Mandate**

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders in the EGM.

### **Application for Listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective, assuming that no further Existing Shares are issued or repurchased between the date of this announcement and the date of the EGM; and (iii) immediately after the Share Consolidation becoming effective and the Completion, assuming that, save for the Share Consolidation and the Subscription Shares, there is no other change in the issued share capital of the Company from the date of this announcement and up to the Completion).

	As of the date of this announcement		Immediately after the Share Consolidation becoming effective, assuming that no further Existing Shares are issued or repurchased between the date of this announcement and the date of the EGM		Immediately after the Share Consolidation becoming effective and the Completion (assuming that, save for the Share Consolidation and the Subscription Shares, there is no other change in the issued share capital of the Company from the date of this announcement and up to the Completion)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Greatwalle Holding ( <i>Note</i> )	922,325,231	55.50	184,465,046	55.50	184,465,046	31.73
The Subscriber	–	–	–	–	249,090,909	42.84
Public Shareholders	739,431,466	44.50	147,886,293	44.50	147,886,293	25.43
<b>Total</b>	<b>1,661,756,697</b>	<b>100.00</b>	<b>332,351,339</b>	<b>100.00</b>	<b>581,442,248</b>	<b>100.00</b>

### *Note:*

According to information available to the Company and as of the date of this announcement, 922,325,231 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner. Greatwalle Holding Limited is wholly-owned by Guangzhou Nansha Huiming Investment Business Company Limited\* (廣州南沙區匯銘投資業務有限公司) (“**Nansha Huiming**”). Nansha Huiming is held as to approximately 91.9992% by Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership\* (深圳匯理九號投資諮詢企業(有限合夥)) (“**Huili Jiu Hao Investment**”), and as to approximately 0.0008% by Mr. Song. Huili Jiu Hao Investment is held as to 99.00% by Shenzhen Great Walle Investment Corp., Ltd.\* (深圳長城匯理投資股份有限公司) (“**Great Walle Investment**”). Great Walle Investment is ultimately controlled by Mr. Song. 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.

## INFORMATION OF THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding. As at the date of this announcement, The Subscriber is wholly-owned by Mr. Song, who is an executive Director, the chairman of the Company and a Controlling Shareholder.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in (i) the provision of security guarding services, and (ii) the provision of asset management and business advisory services.

In order to further expand the business scale of the Group's principal businesses, the Company's management has been committed to exploring business and investment opportunities and developing its security guarding business in the PRC and its asset management business. In light of the rapid business developments of the Company, the Company has expanded new business opportunities in Shandong Province in the PRC for its security guarding services and identified potential merger and acquisition targets for its asset management business in the latter half year of 2020 (the **"Business Expansion Plan"**). The Business Expansion Plan was not in the Company's initial business development plan when conducting the Rights Issue. The Directors estimate that the total amount of investment for the Business Expansion Plan to be approximately HK\$68.5 million. As at the date of this announcement, the unutilized net proceeds allocated to its security guarding and asset management business from the Rights Issue were approximately HK\$3.9 million and HK\$1.8 million, respectively which are insufficient to support the funding requirements of the Business Expansion Plan.

In order to meet the funding requirements of the Business Expansion Plan, the Board has approached securities firms and banks and considered other fund-raising alternatives. However and having considered the Group's (i) difficulties in obtaining additional financing under the existing financing environment given the Company's past business and financial performance; (ii) the economic and financial impact to the market price of the Shares through other equity fundraising activities; (iii) the Group's ability to repay its loans and interest when they fall due; (iv) the need to improve the net current assets of the Company before the end of the financial year and (v) the Company's interest in the Business Expansion Plan, the Board is of the view that the capitalization and full settlement of the Shareholder Loan in the sum of HK\$68.5 million via the Subscription to be the most feasible and appropriate means to raise funding for the Business Expansion Plan.

As at the date of this announcement, the Group was indebted to Greatwalle Holding in the aggregate sum of approximately HK\$68.5 million under the Shareholder Loan. Pursuant to the Subscription Agreement, the Subscription price will be settled by way of capitalization and full settlement of the Shareholder Loan in the sum of HK\$68.5 million. The Directors believe that the capitalization and full settlement of the Shareholder Loan to be in the interests of the Company as it can alleviate the repayment pressure of the Group and avoid unnecessary cash outflows from the Group in the future.



The Board also considers that following the Completion, the Subscription will enlarge the capital base of the Company and will reduce the gearing level of the Group thereby strengthening the financial position of the Group. It is expected that the Subscription will not have any material adverse impact on the operation and financial position of the Group.

The Board considers that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the parties to the Subscription Agreement and that the conditions and terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **USE OF PROCEEDS**

As at 30 September 2020, the Group had total current liabilities of approximately HK\$62.0 million, which comprised of an outstanding interest-bearing borrowings and promissory note payable of approximately HK\$6.3 million and HK\$20.2 million, respectively and both of which were due within one year. In addition, as of 30 September 2020, the net current liabilities of the Group were approximately HK\$10.8 million. Based on this financial position, the Directors found that it was difficult to bargain and negotiate with certain investors on the terms of any potential business investment and/or cooperation.

Therefore on 27 November 2020, the Company entered into the Revolving Loan Facility for a principal amount of up to HK\$80 million in aggregate granted by Greatwalle Holding. Further to the Revolving Loan Facility, Greatwalle Holding and the Company entered into the Loan Agreements, pursuant to which Greatwalle Holding as the lender has agreed to lend to the Company as borrower, term loans in the aggregate principal amount of HK\$68.5 million as Shareholder Loan, repayable in 1 year commencing from the date of drawdown of the term loans. As at the date of this announcement, Greatwalle Holding has granted a Shareholder Loan of an aggregate sum of approximately HK\$68.5 million to the Company which remains outstanding.

Before or upon Completion, Greatwalle Holding, the Subscriber and the Company shall enter into the Deed of Novation, pursuant to which, among others, the rights, titles, benefits, interests and obligations of Greatwalle Holding with respect to the Company under the Loan Agreements shall be assigned and novated to the Subscriber. As at the date of this announcement, each of the Subscriber and Greatwalle Holding are ultimately and beneficially owned by Mr. Song.

The Board considers that the Shareholder Loan allows the Group to (i) strengthen its financial position without any interest burden; (ii) enhance the bargaining power for soliciting and negotiating terms of new business(es)/project(s) when it arises; and (iii) also provide financial flexibility necessary for the Group's business operation and development.

As the Company sought the Shareholder Loan as financial backing to support its efforts in soliciting potential business opportunities, it was uncertain for the Company if such business opportunities would materialize at that moment. Thus, the terms of the Shareholder Loan was meant to be short-term, flexible and without much burden to the Company. Pursuant to the terms of the Shareholder Loan, the Shareholder Loan is unsecured, interest free and is repayable within a year commencing from the date of drawdown of the Shareholder Loan.

Set out below is the intended use of proceeds from the aforesaid Shareholder Loan in the sum of HK\$68.5 million:

Proposed use of net proceeds from the Shareholder Loan	Allocation of the proposed use of net proceeds from the Shareholder Loan	Tentative allocation in proportion to total expected net cash proceeds arising from the Shareholder Loan
(1) Development plan of a project in Shandong Province for providing security and property management services in marine industrial parks, logistics parks, education parks and scenic parks in the surrounding provinces and cities (the "Project")	<p>The Group expects to utilize part of its net cash proceeds to expand its core business, which is intended to be applied to the development plan of the Project:</p> <p>(i) Approximately 25% (or approximately HK\$17.1 million) will be applied towards the payment of the Project's initial start-up, labor, rental, energy consumption, insurance, marketing and other management costs and expenses;</p> <p>(ii) Approximately 7% (or approximately HK\$4.8 million) will be applied towards capital expenditures which involve the purchase, maintenance and replacement of security and property management related equipment and facilities;</p> <p>(iii) Approximately 6% (or approximately HK\$4.1 million) will be applied towards employee salaries and staff training costs for our security and property management staff; and</p> <p>(iv) Approximately 6% (or approximately HK\$4.1 million) will be applied towards the general working capital of the Project.</p>	<p>Approximately 44% (or approximately HK\$30.1 million)</p>

<b>Proposed use of net proceeds from the Shareholder Loan</b>	<b>Allocation of the proposed use of net proceeds from the Shareholder Loan</b>	<b>Tentative allocation in proportion to total expected net cash proceeds arising from the Shareholder Loan</b>
(2) Establishing an investment fund with Shenzhen Huili Investment Limited* (深圳匯理投資有限公司) as the fund manager in which its investment objective is for making strategic investments of listed companies (the “Investment Fund”)	<p>The Group expects to utilize part of its net cash proceeds to explore strategic investment opportunities by establishing the Investment Fund:</p> <p>(i) Approximately 53% (or approximately HK\$36.4 million) will be contributed as funding to the Investment Fund; and</p> <p>(ii) Approximately 3% (or approximately HK\$2 million) will be applied towards the employee salaries and staff training costs for setting up and maintaining the investment research team for the Investment Fund.</p>	<p>Approximately 56% (or approximately HK\$38.4 million)</p>

As at the date of this announcement, no agreement has been entered to by the Company in relation to the Project and the Investment Fund.

The gross proceeds and net proceeds (after deducting professional fees and other related expenses) from the Subscription shall be approximately HK\$68.5 million and HK\$67.5 million, respectively. The total amount payable by the Subscriber to the Company under the Subscription Agreement will be satisfied by the capitalization and full settlement of the Shareholder Loan in the sum of HK\$68.5 million. Upon Completion, the total amount of the Shareholder Loan will be reduced entirely.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Set out below is the summary of equity fund raising activity of the Company during the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds	Intended use of Net proceeds	Unutilized proceeds as at the date of this announcement
5 August 2020, 19 August 2020 and 9 September 2020	Rights Issue on the basis of one (1) Rights Share for every three (3) shares held on the record date, with a total of 415,439,174 Rights Shares been accepted	Approximately HK\$19.8 million	i) approximately HK\$6.9 million for the general working capital of the Group for the ten months after completion of the Rights Issue;	approximately HK\$5.8 million
			ii) approximately HK\$6.0 million for repaying the indebtedness and liabilities of the Group;	HK\$0.5 million
			iii) approximately 20% or HK\$3.9 million for expanding the Group's security guarding business in the PRC by the first quarter of 2021;	approximately HK\$3.9 million
			iv) approximately 15% or HK\$3.0 million for developing and strengthening the Group's asset management business in the PRC and Hong Kong by the end of 2020	approximately HK\$1.8 million

Save for the abovementioned, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, the Subscriber is wholly-owned by Mr. Song, who is an executive Director, the chairman of the Company and a Controlling Shareholder interested in 922,325,231 Existing Shares, representing approximately 55.50% of the issued share capital of the Company. Therefore, the Subscriber is an associate of Mr. Song and is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Subscription constitutes a non-exempt connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the announcement, reporting and Independent Shareholders' approval requirements under the GEM Listing Rules.

**The Completion is subject to the fulfilment of the conditions precedent under the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

### **(III) REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME**

The Board proposes to seek the approval by the Shareholders on the refreshment of Scheme Mandate Limit. If the refreshment of the Scheme Mandate Limit is approved, on the basis of 332,351,339 Consolidated Shares in issue upon the Share Consolidation becoming effective, the Board will be able to grant options to subscribe for up to a total of 33,235,133 Consolidated Shares, representing approximately 10% of the total issued Consolidated Shares as at date of the EGM.

The Company adopted the Share Option Scheme on 31 July 2014. Apart from the Share Option Scheme, the Company has no other share option scheme in effect as at the date of this announcement.

The Scheme Mandate Limit was set at 10% of the Shares in issue as at the date of approval and adoption of the Share Option Scheme in compliance with the GEM Listing Rules. Subject to Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the said Shareholders' approval. At the annual general meeting of the Company held on 6 August 2019, the Scheme Mandate Limit was refreshed (the "**Previous Refreshment**") pursuant to which the Company was authorised to grant Share Options to subscribe for a maximum of 124,366,265 Existing Shares, representing approximately 10% of the total number of Existing Shares in issue.

Since the Previous Refreshment and up to the date of this announcement, the Company had granted Share Options to subscribe for a total of 150,029,233 Shares (including the upward adjustment of the outstanding Share Options granted by 2,559,595 upon completion of the Rights Issue on 9 September 2020), details of which are set out in the announcement of the Company dated 9 September 2020, of which 2,654,868 were exercised, and 9,156,186 were cancelled or lapsed.

As at the date of this announcement, there are only 186,436,158 Share Options available under the current scheme limit that may be granted to eligible participants under the Share Option Scheme.

The details of the Share Option Scheme and the movements of the Share Options under the Share Option Scheme since the Previous Refreshment and up to the date of this announcement are set out as follows:

Name or category of grantees	Exercise price before adjustment (HK\$)	Exercise price after adjustment (HK\$)	Date of grant	Granted since the Previous Refreshment	Exercised since the Previous Refreshment	Cancelled since the Previous Refreshment	Adjusted on 9 September 2020	Balance as at the date of this announcement
<b>Directors</b>								
Mr. Hon Hoi Chuen	0.2380	0.2340	14 December 2018	9,156,186	–	–	172,758	9,328,944
	0.0904	0.0890	18 April 2019	3,280,440	–	–	61,895	3,342,335
Ms. Lin Shuxian	0.2380	0.2340	14 December 2018	9,156,186	–	–	172,758	9,328,944
	0.0904	0.0890	18 April 2019	3,280,440	–	–	61,895	3,342,335
Ms. Song Shiqing	0.2380	0.2340	14 December 2018	9,156,186	–	(9,156,186)	–	–
Mr. Li Zhongfei	0.2380	0.2340	14 December 2018	915,618	–	–	17,276	932,894
	0.0904	0.0890	18 April 2019	84,382	–	–	1,592	85,974
Mr. Zhao Jinsong	0.2380	0.2340	14 December 2018	915,618	–	–	17,276	932,894
	0.0904	0.0890	18 April 2019	84,382	–	–	1,592	85,974
Ms. Guan Yan	0.2380	0.2340	14 December 2018	915,618	–	–	17,276	932,894
	0.0904	0.0890	18 April 2019	84,382	–	–	1,592	85,974

Name or category of grantees	Exercise price before adjustment (HK\$)	Exercise price after adjustment (HK\$)	Date of grant	Granted since the Previous Refreshment	Exercised since the Previous Refreshment	Cancelled since the Previous Refreshment	Adjusted on 9 September 2020	Balance as at the date of this announcement
<b>Former Directors</b>								
Ms. Pang Xiaoli	0.0904	0.0890	18 April 2019	4,227,632	(2,212,390)	–	38,023	2,053,265
Mr. Li Mingming	0.2380	0.2340	14 December 2018	9,156,186	–	–	172,758	9,328,944
<b>Other employees of the Group</b>								
In aggregate	0.2380	0.2340	14 December 2018	9,156,186	–	–	172,758	9,328,944
	0.0904	0.0890	18 April 2019	14,311,505	(442,478)	–	261,681	14,130,708
	0.1470	0.1440	5 September 2019	73,588,691	–	–	1,388,465	74,977,156
<b>Total</b>				<u>147,469,638</u>	<u>(2,654,868)</u>	<u>(9,156,186)</u>	<u>2,559,595</u>	<u>138,218,179</u>

Since the adoption of the Share Option Scheme and up to the date of this announcement, there are 138,218,179 Share Options outstanding, representing approximately 8.32% of the total number of Existing Shares in issue.

After the rights issue completed on 9 September 2020, the issued share capital increased from HK\$12,436,626.55 to HK\$16,617,566.97. Upon the Share Consolidation becoming effective, the Company will have 332,351,339 Consolidated Shares in issue. Immediately after the Share Consolidation becoming effective and assuming that none of the outstanding Share Options as at the date of this announcement are exercised within the remaining exercise period, no further Consolidated or Existing Shares are issued and/or repurchased by the Company and no further Share Options are granted and exercised between the date of this announcement and the date of the EGM, the maximum number of Consolidated Shares which may be issued upon the exercise of all the Share Options to be granted under the refreshed Scheme Mandate Limit will be 33,235,133 Shares, representing approximately 10% of the total number of issued Shares as at the date of approval of the refreshed Scheme Mandate Limit by the Shareholders at the EGM.



The total number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will be within the 30% limit of the total number of Shares in issue from time to time as required under the GEM Listing Rules. The Board undertakes that no Share Options shall be granted under the Share Option Scheme or any other scheme(s) of the Company if this will result in the 30% limit being exceeded.

### **Conditions of the Refreshment of the Scheme Mandate Limit**

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders at the EGM to approve the proposed refreshment of the Scheme Mandate Limit;
- (2) upon the Share Consolidation becoming effective and dealings in the Consolidated Shares have commenced;
- (3) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Consolidated Shares to be allotted and issued upon exercise of any Share Options that may be granted under the refreshed limit of the Share Option Scheme, up to 10% of the issued Consolidated Shares as at the date of passing the relevant ordinary resolution of the EGM.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the new Consolidated Shares which may fall to be allotted and issued upon exercise of any Share Options that may be granted under the refreshed limit of the Share Option Scheme.

### **Reasons for the refreshment of the Scheme Mandate Limit**

The Board considers that the Share Option Scheme has always been a key incentive measure for boosting the growth of the Group's various businesses and enhancement of Shareholders' value as it provides incentive to the participants to promote the interest of the Group. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme and is in the interests of the Group and the Shareholders as a whole because it enables the Company to grant more options, which is a way of providing more rewards and motivation to its employees and other eligible persons under the Share Options Scheme for their contribution and continuing efforts to promote the interest of the Company and enhance the value of the Shares.

## **THE EGM**

The EGM will be convened and held (i) for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation and the refreshment of the Scheme Mandate Limit; and (ii) for the Independent Shareholders to consider, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate. The Subscriber and its associates, Greatwalle Holding and Mr. Song, as at the date of the EGM, shall be required to abstain from voting of the resolution(s) regarding the Subscription Agreement and the transactions contemplated thereunder.

Saved as disclosed and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Subscription and is required to abstain from voting on the resolution(s) of the Company in approving the Subscription Agreement and the transactions contemplated thereunder at the EGM.

## **Independent Board Committee and the Independent Financial Adviser**

The Company has established the Independent Board Committee comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the Subscription as required under the GEM Listing Rules.

Euto Capital Partners Limited has been appointed as the Independent Financial Adviser in respect of the Subscription Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular containing, among other things, (i) further information on (a) the Share Consolidation; (b) the Subscription Agreement and the transactions contemplated thereunder, and (c) the refreshment of the Scheme Mandate Limit; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription Agreement and the transactions contemplated thereunder; (iv) a notice to convene the EGM; and (v) other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 13 April 2021.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning as ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Company”	Greatwalle Inc. (長城匯理公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8315)
“Consolidated Shares”	share(s) of the Company immediately upon the Share Consolidation becoming effective
“Completion”	Completion of the Subscription pursuant to the Subscription Agreement
“Completion Date”	means the 3rd Business Day following the day on which on which all the conditions precedent as set out in the Subscription Agreement have been satisfied or such other date as the Company and the Subscriber may agree in writing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Deed of Novation”	the deed of novation to be entered into between Greatwalle Holding, the Subscriber and the Company before or upon Completion, pursuant to which, among others, the rights, titles, benefits, interests and obligations of Greatwalle Holding with respect to the Company under the Loan Agreements shall be assigned and novated to the Subscriber
“Directors”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held (i) for the Shareholders to consider, if thought fit, approve, among other things, the Share Consolidation and the refreshment of the Scheme Mandate Limit; and (ii) for the Independent Shareholders to consider, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate
“Existing Share(s)”	share(s) of the Company prior to the Share Consolidation becomes effective
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Greatwalle Holding”	Greatwalle Holding Limited, a limited liability company incorporated in Hong Kong on 29 December 2017 and a Controlling Shareholder of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, which has been formed in respect of the Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Euto Capital Partners Limited, a licensed corporation to carry out business in type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser appointed by the Company in respect of the Subscription Agreement and the transactions contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) other than those who are required under the GEM Listing Rules to abstain from voting at the EGM for the resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate for the allotment and issue of the Subscription Shares
“Loan Agreements”	the four loan agreements dated 27 November 2020, 10 December 2020, 28 December 2020 and 23 February 2021, respectively entered into between Greatwalle Holding as the lender and the Company as borrower relating to the provision of the Shareholder Loan in the aggregate sum of HK\$68.5 million
“Mr. Song”	Mr. Song Xiaoming (宋曉明), the executive Director, chairman of the Company and the Controlling Shareholder of the Company
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Revolving Loan Facility”	the revolving loan facility of a principal amount up to HK\$80 million in aggregate (or such equivalent amount in RMB) granted by Greatwalle Holding to the Company and/or its designated subsidiary(ies)
“Rights Issue”	the issue by way of rights of one (1) Rights Share for every three (3) Existing Shares in issue on 18 August 2020 at the subscription price of HK\$0.05 per Rights Share under the Rights Issue
“Rights Share(s)”	the 415,439,174 Existing Shares allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme, being 10% of the total number of the Company’s issued shares as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company which upon the Share Consolidation becoming effective will include the Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed 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 and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom
“Shareholder Loan”	the shareholder’s loan provided by Greatwalle Holding to the Company from time to time under the Revolving Loan Facility
“Shareholder(s)”	holder(s) of the Shares
“Share Options”	share option(s) granted or proposed to be granted by the Company to the grantees under the Share Option Scheme to subscribe for Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 31 July 2014
“Specific Mandate”	the specific mandate to be obtained from the Independent Shareholders at the EGM to allot and issue the Subscription Shares to the Subscriber pursuant to the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Walle Holding Limited, a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Mr. Song
“Subscription”	the subscription by the Subscriber for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 18 March 2021 in relation to the Subscription

“Subscription Price”	HK\$0.275 per Subscription Share
“Subscription Share(s)”	249,090,909 new Consolidated Shares
“%”	per cent

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

Hong Kong, 18 March 2021

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

*This announcement, for which the Directors 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 for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the website of GEM of the Stock Exchange at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at [www.kingforce.com.hk](http://www.kingforce.com.hk).*

\* For identification only