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ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Greatwalle Inc. (the “**Company**”) is pleased to announce the first quarterly results of the Company and its subsidiaries for the three months ended 30 June 2022. This announcement, containing the full text of the First Quarterly Report 2022/23 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of first quarterly results.

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

Hong Kong, 12 August 2022

As at the date of this announcement, the executive Directors are Mr. Song Xiaoming, Ms. Song Shiqing, Mr. Su Congyue; the non-executive Director is Mr. Chung Man Lai; and the independent non-executive Directors are Mr. Li Zhongfei, Mr. Zhao Jinsong and Mr. Liu Chengwei.

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

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its publication and on the website of the Company at www.kingforce.com.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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 Greatwalle 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 2022**

	Notes	For the three months ended 30 June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	2	19,832	14,854
Cost of services rendered		(18,750)	(14,589)
Gross profit		1,082	265
Other income	3	621	96
Administrative expenses		(5,662)	(4,978)
Finance costs	4	(776)	(742)
Loss before income tax	5	(4,735)	(5,359)
Income tax expense	6	(1)	13
Loss for the period		(4,736)	(5,346)
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of foreign operations		(3,198)	1,199
Other comprehensive income for the period		(3,198)	1,199
Total comprehensive income for the period		(7,934)	(4,147)
Loss for the period attributable to:			
Owners of the Company		(4,636)	(5,081)
Non-controlling interests		(100)	(265)
		(4,736)	(5,346)
Total comprehensive income for the period attributable to:			
Owners of the Company		(7,817)	(3,877)
Non-controlling interests		(117)	(270)
		(7,934)	(4,147)
		HK cents	HK cents (Restated)
Loss per share for loss attributable to owners of the Company	8		
– Basic and diluted		(0.8)	(1.45)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 2022**

	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 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)
At 30 June 2021 (unaudited)	16,618	169,485	8,339	(5,270)	2,604	(198,991)	(7,215)	(1,153)	(8,368)
At 1 April 2022 (audited)	29,072	224,877	7,241	(5,270)	3,771	(225,928)	33,763	(2,828)	30,935
Loss for the period	-	-	-	-	-	(4,636)	(4,636)	(100)	(4,736)
Other comprehensive income:									
Exchange difference on translation of financial statements for foreign operations	-	-	-	-	(3,181)	-	(3,181)	(17)	(3,198)
Total comprehensive income for the period	-	-	-	-	(3,181)	(4,636)	(7,817)	(117)	(7,934)
At 30 June 2022 (unaudited)	29,072	224,877	7,241	(5,270)	590	(230,564)	25,946	(2,945)	23,001

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Greatwalle Inc. (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 and property management services, and the provision of 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 2022, except for the adoption of the new and revised the 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 2022. 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 2022.

2. REVENUE

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

	Three months ended 30 June	
	2022 (Unaudited) HK\$’000	2021 (Unaudited) HK\$’000
Continuing Operations		
Provision of security guarding and property management services	19,659	14,150
Provision of asset management services	173	704
	19,832	14,854

3. OTHER INCOME

	Three months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Continuing Operations		
Bank interest income	5	3
Sundry income	2	93
Subsidies from Employment Support Scheme (<i>note</i>)	614	–
	621	96

Note:

The amount represented government grants obtained from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Company’s employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

4. FINANCE COSTS

	Three months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Continuing Operations		
Interest charges on promissory note repayable	600	600
Interests charge on loans from related parties	4	–
Interests charges on borrowings	138	132
Interest on lease liabilities	34	10
	776	742

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 30 June	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Continuing Operations		
Cost of services rendered	18,750	14,589
Depreciation of property, plant and equipment ¹	119	103
Depreciation of right-of-use assets ¹	726	348
Short-term leases expenses ¹	44	71
Employee benefits expenses (including directors' emoluments):		
Salaries, allowances and benefits in kind included in:		
– Cost of services rendered	18,584	14,437
– Administrative expenses	2,598	2,678
Retirement benefits – Defined contribution plans ² included in:		
– Cost of services rendered	166	86
– Administrative expenses	344	366
	21,692	17,567
Legal and professional fees ¹	338	691
Impairment loss on trade receivables ¹	553	596

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

² there were no contributions forfeited by the Group on behalf of its employees who leave the MPF scheme or the PRC retirement scheme (as the case may be).

6. INCOME TAX EXPENSE

	Three months ended 31 December	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Current tax:		
PRC Enterprise Income Tax ("EIT")		
– Provision for the period	1	7
– Over-provision in respect of prior years	–	(20)
	1	(13)
Hong Kong Profits Tax		
– Provision for the period	–	–
Income tax expenses/(credit)	1	(13)

Hong Kong Profits Tax is calculated at 16.5% (2021: 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% (2021: 25%).

7. DIVIDEND

The Board did not recommend a payment of a dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: 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:

	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Loss		
Loss attributable to owners of the Company	(4,636)	(5,081)

	2022 '000	2021 '000 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	581,442	349,244

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 581,442,000 (2021: 349,244,000) adjusted for the effect of the share consolidation on 2 August 2021 and the bonus element of the issue of shares under subscription on 5 August 2021).

The computation of diluted loss per share does not assume the exercise of the Company' share options for the period ended 30 June 2022 and 30 June 2021 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 2022 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the three months ended 30 June 2022 (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 services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a total revenue of approximately HK\$19.8 million, in which the Security Guarding and Property Management Services recorded a revenue of approximately HK\$19.6 million, and the Asset Management Services recorded a revenue of approximately HK\$0.2 million.

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

For the Group’s Security Guarding and Property Management Service, the Group operates in both Hong Kong and the People’s Republic of China (the “**PRC**”). Compared to corresponding period, revenue increased by approximately HK\$5.5 million from approximately HK\$14.1 million for the three months ended 30 June 2021 to approximately HK\$19.6 million for the Reporting Period.

In the PRC, the Group’s Security Guarding and Property Management Services has continued to grow and its client base has gradually expanded from government departments to schools and industrial parks. The Group has successfully expanded its Security Guarding and Property Management Services business in Dongying City, Shandong Province in the PRC in the second half of 2021. As a result, revenue from Security Guarding and Property Management Services in the PRC recorded a consecutive growth of approximately HK\$3.1 million from approximately HK\$11.9 million for the three months ended 30 June 2021 to approximately HK\$15.0 million for the Reporting Period. 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.

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. During the Reporting Period, revenue generated from Hong Kong Security Guarding and Property Management Services increased from HK\$2.2 million for the three months ended 30 June 2021 to approximately HK\$4.6 million. The significant increase in Security Guarding and Property Management Service in Hong Kong was mainly due to the increase in security staff secondment provided to customer. Securing Guarding and Property Management Services in Hong Kong was still under the pressure of repetition and duration of the outbreak of COVID-19 which greatly exceeded the original expectation, the border restriction between the PRC and Hong Kong during the Reporting Period and up to the date of report was still in place, it slowed down economic activities in Hong Kong and severely hit the business, commerce, catering, retail and tourism industries. The decline in the occupancy rate of commercial building and supply chain disruption resulted in the decrease in demand for local security guarding and property management services.

II. Asset Management Services

Since 2019, the Company has begun to gradually develop its Asset Management Services. In the PRC, the Group holds a private equity investment fund manager licence from the Asset Management Association of China. The Greater China asset management industry is facing both new challenges and new opportunities under the influence of policies such as China's economic structural transformation and dual circulation.

As at 30 June 2022, the Group managed privately offered funds in the PRC where these funds invested in promising companies listed or unlisted. Asset Management Services revenue during the Reporting Period decreased by 71.4% from approximately HK\$0.7 million for the three months ended 30 June 2021 to approximately HK\$0.2 million. The decrease was mainly due to the completion of continuing connected transaction in November 2021. Revenue from external customers remained steady for the three months ended 30 June 2022 and 2021.

The Group targets to invest in (i) buyout or leveraged buyout funds; (ii) medium to long-term investments towards companies with long-term development value and have a leading position in a particular market segment; (iii) bonds; and (iv) security guarding and property management services in respect of vocational education, undergraduate education and related support education. The asset management team has been committed to exploring business and investment opportunities, aiming for quality and long-term investments and to increasing the scale of funds. We believe that the economy of the PRC will rebound after the epidemic and over the next few years, the Group will drive the asset management business into the high-quality development phase.

OUTLOOK

Following the development of the outbreak of COVID-19 and recent regulations in Hong Kong and the PRC, it is anticipated that the epidemic will gradually be contained and the economy will gradually recover in the fiscal year of 2023. Apart from focusing on the current Security Guarding and Property Management Services in the PRC and Hong Kong, the Group will consider exploring business and investment opportunities. The Group has a plan to extend its Security Guarding and Property Management Services in the PRC through constructing its own vocational schools, production and education integration bases and to provide Security Guarding and Property Management Services to such properties.

Leveraging the Group's asset management brand effect in the PRC, the Group intends to establish investment funds through our asset management platform, connecting the upstream and downstream educational industrial chains with portfolio investment management, as such to transform the Group into a boutique asset management vehicle.

The Board believes that the Group's strategy to extension of businesses could provide a better return to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2021 and 2022, 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. Total revenue of the Group increased by approximately HK\$5 million or 33.8% from approximately HK\$14.8 million for the three months ended 30 June 2021 to approximately HK\$19.8 million for the three months ended 30 June 2022. The following table sets forth the breakdown of the Group's revenue by types of revenue for the three months ended 30 June 2021 and 2022:

	Three months ended 30 June			
	2022		2021	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding and Property Management Services	19,659	99.1%	14,150	95.3%
Asset Management Services	173	0.9%	704	4.7%
Total	19,832	100%	14,854	100%

(a) *Security Guarding and Property Management Services*

Total revenue of Security Guarding and Property Management Services for the Reporting Period amounted to approximately HK\$19.6 million, it represented an increase of approximately HK\$5.5 million or approximately 39%, as compared with total revenue of approximately HK\$14.1 million for the three months ended 30 June 2021.

Since second half of 2021, the Group has expanded its Security Guarding and Property Management Services in Dongying City, Shandong Province in the PRC. As a result, revenue generated from Security Guarding and Property Management Service in the PRC recorded an increase of approximately HK\$3.1 million or 26.1% from HK\$11.9 million for the three months ended 30 June 2021 to approximately HK\$15.0 million for the Reporting Period. In addition, revenue of Hong Kong's Security Guarding and Property Management Services increased by approximately HK\$2.4 million or 109.1% from approximately HK\$2.2 million for the three months ended 30 June 2021 to approximately HK\$4.6 million for the Reporting Period. The increase was mainly due to the increase in the security staff secondment income of approximately HK\$2.6 million from HK\$1 million for the three months ended 30 June 2021 to approximately HK\$3.6 million for the Reporting Period which resulting from the customer did not have enough staff to meet the increase in customer volume, so our company provided this customer with a secondment service to meet the demand.

(b) *Asset Management Services*

Total revenue of Asset Management Services for the Reporting Period amounted to approximately HK\$0.2 million, it represented a decrease of approximately HK\$0.5 million or 71.4% as compared with total revenue of approximately HK\$0.7 million for the three months ended 30 June 2021. The decrease in revenue was mainly due to the completion of the continuing connected transaction in November 2021. Revenue from external customers remained steady for the three months ended 30 June 2022 and 2021.

Cost of services rendered

For the three months ended 30 June 2021 and 2022, the cost of services rendered amounted to approximately HK\$14.6 million and HK\$18.8 million respectively.

The cost of services rendered solely consists of direct guard costs provided for the Security Guarding and Property Management Services amounted to approximately HK\$14.6 million and HK\$18.8 million for the three months ended 30 June 2021 and 2022, representing approximately 98.6% and 94.9% of the Group's revenue respectively. Such decrease in the cost of services in the percentage of revenue was primarily attributable to better cost control by the implementation of better staff allocation and planning, as well as the adjustment on business based upon the Group's resource advantage during the Reporting Period.

As at 30 June 2022, the Group had a total of 1,233 employees (30 June 2021: 520 employees), of which 1,207 were full-time and part-time guards providing manned security guarding and related services (30 June 2021: 493). The increase in number of guards was due to the Group's business expansion in Dongying City, Shandong Province, the PRC.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$0.8 million or 266.7% from approximately HK\$0.3 million for the three months ended 30 June 2021 to approximately HK\$1.1 million for the three months ended 30 June 2022. The increase in the Group's gross profit was in line with the increase in revenue and mainly due to the better cost control the implementation of measures such as lowering cost and adjustment of market structure during the Reporting Period.

Other income

Other income mainly included the one-off government grant. For the Reporting Period, other income amounted to approximately HK\$0.6 million (2021: approximately HK\$0.1 million). The increase in other income was mainly due to the one-off government grant from the Employment Support Scheme under the Anti-epidemic launched by the Government of HKSAR in respect of the outbreak of COVID-19 approximately HK\$0.6 million being recognised for the Reporting Period.

Administrative expenses

The Group's administrative expenses increased by approximately HK\$0.7 million or 14% from approximately HK\$5.0 million for the three months ended 30 June 2021 to approximately HK\$5.7 million for the Reporting Period. The increase in the Group's administrative expenses was mainly due to the increase in depreciation of right-of-use assets recognised since second half 2021.

Finance costs

The Group's finance costs increased by approximately HK\$34,000 or 4.6% from approximately HK\$742,000 for the three months ended 30 June 2021 to approximately HK\$776,000 for the three months ended 30 June 2022. The increase in the finance costs was mainly due to the increase in finance charges on leased office premise.

Loss for the Reporting Period

Loss attributable to owners of the Company for the three months ended 30 June 2022 decreased by approximately HK\$0.5 million or 10% from approximately HK\$5.1 million for the three months ended 30 June 2021 to approximately HK\$4.6 million for the three months ended 30 June 2022. The decrease 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 2022, 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 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	433,555,955(L) ^(Note 1)	–	74.57%
Li Zhongfei	Beneficial owner	–	203,772(L) ^(Note 2)	0.04%
Zhao Jinsong	Beneficial owner	–	203,772(L) ^(Note 2)	0.04%

(L) represents a long position in the shares of the Company (the "Shares")

Notes:

1. According to information available to the Company:
 - (a) 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
 - (b) Greatwalle Holding Limited is wholly-owned by 廣州南沙匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited) ("**Nansha Huiming**").
 - (c) Nansha Huiming is held as to 99.9992% by 深圳匯理九號投資諮詢有限企業 (有限合夥) (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership) ("**Huili Jiu Hao Investment**") and as to 0.0008% by Mr. Song.
 - (d) Huili Jiu Hao Investment is held as to 99.99% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd*) ("**Great Walle Investment**").

- (e) 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, 深圳弘德商務有限公司 (Shenzhen Hongde Commercial Services Corporation Limited)).
- (f) As such, each of Nansha Huiming, Huiji Jiu Hao Investment, Great Walle Investment and Mr. Song is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under the SFO.
- (g) 249,090,909 Shares are held by Walle Holding Limited in the capacity of beneficial owner. Walle Holding Limited is wholly-owned by Mr. Song. As such, Mr. Song is deemed to be interested in 249,090,909 Shares held by Walle Holding Limited under SFO.
2. 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**” in this report.

Long positions in the interest in the associated corporations

Name of Director	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	Beneficial owner	1,000,000	100.0000%	
	Nansha Huiming	Beneficial owner	1,000	0.0008%	
		Interest in a controlled corporation	110,000,000	91.9992%	
	Huiji Jiu Hao Investment	Interest in a controlled corporation	990,000 ^(Note)	99.0000%	
	Great Walle Investment	Beneficial owner		3,828,902	68.9039%
		Interest in a controlled corporation		1,222,486	21.9995%

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.

Save as disclosed above, as at 30 June 2022, 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 of the GEM Listing Rules.

* For identification purpose only

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

As at 30 June 2022, persons (other than a director or chief executive of the Company) who had or deemed to have 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 who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group were 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	184,465,046(L)	31.73%
Walle Holding Limited	Beneficial owner	249,090,909(L)	42.84%
Nansha Huiming	Interest in a controlled corporation (<i>Note</i>)	184,465,046(L)	31.73%
Huili Jiu Hao Investment	Interest in a controlled corporation (<i>Note</i>)	184,465,046(L)	31.73%
Great Walle Investment	Interest in a controlled corporation (<i>Note</i>)	184,465,046(L)	31.73%

(L) represents a long position in the Shares

Note: According to information available to the Company:

- (a) 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
- (b) Greatwalle Holding Limited is wholly-owned by Nansha Huiming.
- (c) Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and as to 0.0008% by Mr. Song.
- (d) Huili Jiu Hao Investment is held as to 99.99% by Greatwalle Investment.
- (e) As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under SFO.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of other interests or short positions of substantial shareholders or any other person (other than the Directors and the chief executives of the Company) in the shares of the Company or underlying shares of the Company which would fall 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.

* For identification purpose only

SHARE OPTION SCHEME

The details of the movements of the share options under the Share Option Scheme for the three months ended 30 June 2022 are set out as follows:

Name or category of grantees	Exercise price during 1 April 2021 to 1 August 2021 (/HK\$)	Exercise price per share on or after 2 August 2021 (/HK\$)	Date of grant	Exercisable period (Note 1)	Number of share options (Note 2)					
					Balance as at 1 April 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Balance as at 30 June 2022
Directors										
Mr. Li Zhonglei	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	-	-	-	-	17,194
Mr. Zhao Jinsong	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	-	-	-	-	17,194
Former Directors										
Ms. Guan Yan	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,195	-	-	-	-	17,194
Mr. Hon Hoi Chuen	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	-	-	-	-	668,467
Mr. Li Mingming	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
Ms. Lin Shuxian	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	-	-	-	-	668,467
Ms. Pang Xiaoli	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	410,653	-	-	-	-	410,653
Employees of the Group										
In aggregate	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	2,826,141	-	-	-	-	2,826,141
	-	0.2242	11 October 2021	11 October 2021 to 10 October 2026	33,235,133	-	-	-	-	33,235,133
Total					45,883,329	-	-	-	-	45,883,329

Notes:

- (1) All of the share options granted have no vesting period or vesting condition.
- (2) Adjustment on the exercise price and number of the outstanding share options were made upon the completion of share consolidation on 2 August 2021. For details, please refer to the Company's announcements dated 3 August 2021 and 4 August 2021.

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the three months ended 30 June 2022.

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 2022.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: 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 2022.

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 2022 except for CG Code provision C.2.1.

CG Code provision C.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any officer with the title of chief executive officer 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 operation. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code from time to time.

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), Mr. Li Zhongfei and Liu Chengwei, 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 2022. The condensed consolidated financial results for the three months ended 30 June 2022 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 2022, 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 2022.

EVENTS AFTER THE REPORTING PERIOD

Change of executive Directors

Mr. Lyu Xingyuan has resigned from the position of an executive Director, and Mr. Su Congyue has been appointed as an executive Director, both with effect from 22 July 2022. For details, please refer to the Company's announcement dated 22 July 2022.

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

Hong Kong, 12 August 2022

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