



长城汇理
GREAT WALLE



INTERIM REPORT
2023/24

GREATWALLE INC.
長 城 匯 理 公 司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8315

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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.*

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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. Song Xiaoming (*Chairman*)

Ms. Song Shiqing

Mr. Su Congyue

Non-executive Director:

Mr. Chung Man Lai

Independent Non-executive Directors:

Mr. Li Zhongfei

Mr. Zhao Jinsong

Mr. Liu Chengwei

AUDIT COMMITTEE

Mr. Zhao Jinsong (*Chairman*)

Mr. Li Zhongfei

Mr. Liu Chengwei

REMUNERATION COMMITTEE

Mr. Li Zhongfei (*Chairman*)

Mr. Zhao Jinsong

Mr. Liu Chengwei

NOMINATION COMMITTEE

Mr. Song Xiaoming (*Chairman*)

Mr. Li Zhongfei

Mr. Zhao Jinsong

COMPANY SECRETARY

Ms. Li Yan

AUTHORISED REPRESENTATIVES

Mr. Song Xiaoming

Ms. Song Shiqing

COMPLIANCE OFFICER

Ms. Song Shiqing

INDEPENDENT AUDITOR

BDO Limited

Certified Public Accountants

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

COMPANY WEBSITE

www.kingforce.com.hk

STOCK CODE

8315

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2023**

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Revenue	3	16,245	24,400	41,344	44,232
Cost of services rendered		(15,663)	(22,383)	(40,345)	(41,133)
Gross profit		582	2,017	999	3,099
Other income	4	112	2,308	8,649	2,929
Administrative expenses		(7,831)	(3,727)	(13,813)	(9,389)
Finance costs	5	(405)	(750)	(818)	(1,526)
Loss before income tax	6	(7,542)	(152)	(4,983)	(4,887)
Income tax expense	7	-	(2)	(5)	(3)
Loss for the period		(7,542)	(154)	(4,988)	(4,890)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		4,291	(3,260)	(1,050)	(6,458)
Other comprehensive income for the period		4,291	(3,260)	(1,050)	(6,458)
Total comprehensive income for the period		(3,251)	(3,414)	(6,038)	(11,348)
Loss for the period attributable to:					
Owners of the Company		(7,455)	(176)	(4,935)	(4,812)
Non-controlling interests		(87)	22	(53)	(78)
		(7,542)	(154)	(4,988)	(4,890)
Total comprehensive income for the period attributable to:					
Owners of the Company		(3,144)	(3,411)	(5,965)	(11,228)
Non-controlling interests		(107)	(3)	(73)	(120)
		(3,251)	(3,414)	(6,038)	(11,348)
		HK cents	HK cents	HK cents	HK cents
Loss per share for loss attributable to owners of the Company					
- Basic and diluted		(1.28)	(0.03)	(0.85)	(0.83)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	Notes	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	12,633	12,634
		12,633	12,634
Current assets			
Trade receivables	11	10,041	9,904
Prepayments, deposits and other receivables		15,159	5,877
Amount due from a related party		1,806	1,806
Cash and cash equivalents		25,177	40,917
		52,183	58,504
Non-current assets held for sale		–	3,524
		52,183	62,028
Current liabilities			
Trade payables	12	1,072	1,918
Accrued expenses and other payables		18,014	15,755
Loans from related parties		13	13
Amounts due to related parties		2,884	7,120
Lease liabilities		4,811	5,155
Promissory note payable	13	18,750	18,750
Borrowings	14	7,180	7,187
		52,724	55,898
Net current (liabilities)/assets		(541)	6,130
Total assets less current liabilities		12,092	18,764
Non-current liabilities			
Lease liabilities		8,365	8,999
		8,365	8,999
Net assets		3,727	9,765
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	29,072	29,072
Reserves		(22,217)	(16,252)
		6,855	12,820
Non-controlling interests		(3,128)	(3,055)
Total equity		3,727	9,765

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

	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 2022	29,072	224,877	7,241	(5,270)	3,771	(225,928)	33,763	(2,828)	30,935
Loss for the period	-	-	-	-	-	(4,812)	(4,812)	(78)	(4,890)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	(6,416)	-	(6,416)	(42)	(6,458)
Total comprehensive income for the period	-	-	-	-	(6,416)	(4,812)	(11,228)	(120)	(11,348)
At 30 September 2022 (unaudited)	29,072	224,877	7,241	(5,270)	(2,645)	(230,740)	22,535	(2,948)	19,587
At 1 April 2023 (audited)	29,072	224,877	7,241	(5,270)	(857)	(242,243)	12,820	(3,055)	9,765
Loss for the period	-	-	-	-	-	(4,935)	(4,935)	(53)	(4,988)
Other comprehensive income: Exchange difference on translation of financial statements for foreign operations	-	-	-	-	(1,030)	-	(1,030)	(20)	(1,050)
Total comprehensive income for the period	-	-	-	-	(1,030)	(4,935)	(5,965)	(73)	(6,038)
At 30 September 2023 (unaudited)	29,072	224,877	7,241	(5,270)	(1,887)	(247,178)	6,855	(3,128)	3,727

* The total of these accounts represents "Reserves" in the consolidated statement of financial position.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

	Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net cash used in operating activities	(27,108)	(5,745)
Net cash generated from/(used in) investing activities	9,524	(689)
Net cash used in financing activities	(2,199)	(5,357)
Net decrease in cash and cash equivalents	(19,783)	(11,791)
Cash and cash equivalents at beginning of the period	50,850	69,987
Effect of foreign exchange rates change	(5,890)	(7,346)
Cash and cash equivalents at end of the period	25,177	50,850
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	25,177	50,850

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

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 Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Unit 1112, 11/F., The Metropolis Tower, No. 10 Metropolis Drive, Hunghom, Kowloon, Hong Kong.

The Company's shares were listed on the GEM of the Stock Exchange of Hong Kong Limited (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 (the "**Group**") are the provision of security guarding and property management services (the "**Security Guarding and Property Management Services**"), and the provision of business advisory and asset management services (the "**Asset Management Services**").

The directors of the Company (the "**Directors**") considered the Company's ultimate holding company as at 30 September 2023 is Shenzhen Great Walle Investment Corp., LTD. ("**Shenzhen Great Walle**"), a company established in the People's Republic of China (the "**PRC**") and its ultimate controller party is Mr. Song Xiaoming ("**Mr. Song**").

The interim condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), unless otherwise stated other than subsidiaries operating in the PRC of which functional currency is Renminbi, the functional currency of the Company and other subsidiaries is HK\$.

The unaudited interim condensed consolidated financial information for the six months ended 30 September 2023 (the "**Reporting Period**") have been reviewed by the audit committee of the Board (the "**Audit Committee**") but have not been reviewed or audited by the Company's auditor.

The Group's unaudited interim condensed consolidated financial statements for the six months ended 30 September 2023 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**") and the applicable disclosure provisions of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**"). The interim financial information has been prepared on the historical cost basis.

The accounting policies adopted in preparation of the unaudited interim 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 2023, 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 HKCIPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2023. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts in the Report 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 interim 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 2023.

2. SEGMENT INFORMATION

The Group currently has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

- (a) "Security Guarding and Property Management" segment involves provision of security guarding and property management services; and
- (b) "Asset Management" segment involves provision of business advisory and asset management services.

Revenue generated, loss incurred from operations, total assets and liabilities by each of the Group's operating segments are summarised as follows:

	Security Guarding and Property Management		Asset Management		Total	
	2023	2022	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue from external customers	40,979	43,903	365	329	41,344	44,232
Total segment loss from operations	(970)	(11)	(2,325)	(3,144)	(3,295)	(3,155)
Finance costs					(818)	(1,526)
Unallocated corporate income					173	1,248
Unallocated corporate expenses					(2,650)	(1,454)
Loss before income tax					(4,983)	(4,887)
Income tax expense					(5)	(3)
Loss for the period from operations					(4,988)	(4,890)

There was no inter-segments transfer during the six months ended 30 September 2023 and 2022.

	Security Guarding and Property Management		Asset Management		Total	
	2023	2022	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Other segment information						
Depreciation of property, plant and equipment	236	108	18	3	254	111
Depreciation of right-of-use assets	1,438	1,150	105	17	1,543	1,167
Reversal of impairment of trade receivables	-	(204)	-	-	-	(204)
Income tax expense	5	3	-	-	5	3
Capital expenditure*	865	637	387	2	1,252	639

* Capital expenditure consists of additions to property, plant and equipment.

2. SEGMENT INFORMATION – Continued

All assets are allocated to operating segments other than unallocated assets (mainly comprising certain other receivables and certain cash and bank balances).

	Security Guarding and Property Management		Asset Management		Total	
	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Segment assets	60,214	71,090	4,028	2,963	64,242	74,053
Corporate cash at banks and in hand					53	247
Other corporate assets					521	362
Total assets					64,816	74,662

All liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising promissory note payable, certain other payables and borrowings).

	Security Guarding and Property Management		Asset Management		Total	
	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Segment liabilities	26,526	32,848	1,890	1,578	28,416	34,426
Promissory note payable					18,750	18,750
Borrowings					7,180	7,187
Other corporate liabilities					6,743	4,534
Total liabilities					61,089	64,897

2. SEGMENT INFORMATION – Continued

Geographic information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets"). The geographical location of customers is based on the location at which the services are rendered. For intangible assets, the geographical location is based on the areas of operation. The geographical location of other specified non-current assets is based on the physical location of the assets.

	Revenue from external customers		Specific non-current assets	
	Six months ended 30 September 2023 (Unaudited) HK\$'000	Six months ended 30 September 2022 (Unaudited) HK\$'000	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Hong Kong (place of domicile)	1,091	10,244	2,136	2,751
PRC	40,253	33,988	10,497	9,883
	41,344	44,232	12,633	12,634

Information about major customers

Revenue from major customers in the segment of security guarding and property management, each of them accounted for 10% or more of the Group's revenue, are set out below:

	Six months ended 30 September 2023 (Unaudited) HK\$'000	Six months ended 30 September 2022 (Unaudited) HK\$'000
Customer A	6,896	7,439
Customer B	9,390	8,279
Customer C	9,678	9,376
Customer D	6,241	4,800

3. REVENUE

Revenue represents the net invoiced value of service rendered from Security Guarding and Property Management Service and the service income from Asset Management Services during the Reporting Period.

	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Security Guarding and Property Management Services	16,008	24,244	40,979	43,903
Asset Management Services	237	156	365	329
	16,245	24,400	41,344	44,232

4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Bank interest income	79	24	102	29
Government grant ¹	-	1,065	25	1,679
Gain on modification of the terms of promissory note	-	1,200	-	1,200
Gain on disposal of property, plant and equipment	-	-	8,476	-
Sundry income	33	19	46	21
	112	2,308	8,649	2,929

¹ Government grant amounted to approximately HK\$1,679,000 for the six months ended 30 September 2022 represented the Employment Support Scheme under the second round of the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region to provide time-limited financial support to employers to retain employees who may otherwise be made redundant.

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest charges on promissory note	239	588	478	1,188
Interest on lease liabilities	21	17	49	51
Interest charges on loans from related parties	-	1	2	5
Interest charges on borrowings	145	144	289	282
	405	750	818	1,526

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Cost of services rendered	15,663	22,383	40,345	41,133
Depreciation of property, plant and equipment ¹	171	54	254	111
Depreciation of right-of-use assets ¹	730	378	1,543	1,167
Short-term leases expenses ¹	26	294	58	338
Employee benefits expenses (including directors' emoluments): Salaries, allowances and benefits in kind included in:				
– Cost of services rendered	15,435	22,197	40,076	40,781
– Administrative expenses	7,851	2,565	11,321	5,163
Retirement benefits – Defined contribution plans ² included in:				
– Cost of services rendered	170	186	410	352
– Administrative expenses	1,583	316	1,995	660
	25,039	25,264	53,802	46,956
Legal and professional fees ¹	531	257	773	595
Reversal of impairment of trade receivables	–	(757)	–	(204)

¹ Included in "administrative expenses" in the unaudited condensed 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).

7. INCOME TAX EXPENSE

The amount of taxation in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represents:

Loss	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Current tax				
PRC Enterprise Income Tax ("EIT")				
– Provision for the period	–	2	5	3
– Over-provision in respect of prior years	–	–	–	–
	–	2	5	3
Hong Kong Profits tax				
– Provision for the period	–	–	–	–
	–	2	5	3

7. INCOME TAX EXPENSE – Continued

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

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2022: 16.5%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the six months ended 30 September 2023. EIT is calculated on estimated assessable profits of the subsidiaries' operations in PRC at 25% (six months ended 30 September 2022: 25%).

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:

	Three months ended 30 September		Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Loss				
Loss for the period attributable to owners of the Company	(7,455)	(176)	(4,935)	(4,812)

	Three months ended 30 September		Six months ended 30 September	
	2023 '000	2022 '000 (Restated)	2023 '000	2022 '000 (Restated)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	581,442	581,442	581,442	581,442

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 shares of approximately 581,442,000 (for the six months ended 30 September 2022: 581,442,000).

The computation of diluted loss per share does not assume the exercise of the Company's share options for the Reporting Period as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

9. DIVIDENDS

The Board did not recommend a payment of interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

10. PROPERTY, PLANT AND EQUIPMENT

As at 30 September 2023, the carrying amounts of the Group's right-of-use assets in relation to premises in the PRC and Hong Kong are HK\$8,205,000 (31 March 2023 (audited): HK\$9,833,000). The depreciation charge for the six months ended 30 September 2023 of the Group's right-of-use in relation to premises are HK\$1,543,000 (six months ended 30 September 2022: HK\$1,167,000). As at 30 September 2023, no property, plant and equipment are under pledging.

11. TRADE RECEIVABLES

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Trade receivables	10,041	9,904

Trade receivables generally have credit terms of 7 to 30 days (as at 31 March 2023: 7 to 30 days).

The ageing analysis of trade receivables (net of impairment losses) based on invoice dates, as of the end of the reporting periods is as follows:

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Not more than 30 days	6,675	4,845
30-90 days	2,505	2,899
Over 90 days	861	2,160
	10,041	9,904

None of the trade receivables as at 30 September 2023 has been written off by the Group (31 March 2023: nil).

12. TRADE PAYABLES

The ageing analysis of the Group's trade payables based on invoice dates, as at the end of each reporting period is as follows:

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Not more than 30 days	1,072	1,918
30-90 days	-	-
Over 90 days	-	-
	1,072	1,918

13. PROMISSORY NOTE PAYABLE

On 6 May 2016, the Company issued a promissory note to a former director of the Company and a director of a subsidiary, Mr. Fu Yik Lung ("**Mr. Fu**") to raise funding for the Group's working capital on the daily operation and the development of its existing businesses and any other future development opportunities.

The principal sum of HK\$19,500,000 together with its interest accrued are to be repaid on the date falling two years from 6 May 2016. The promissory note was unsecured and interest-bearing at 5% per annum during that period.

On 10 May 2018, the Group had entered into an extension agreement with Mr. Fu (the noteholder of the promissory note) pursuant to which the maturity date of the promissory note was extended to 4 August 2019, and the principal amount of the promissory note was amended to HK\$19,950,000. The extended promissory note shall bear fixed interest in the amount of HK\$200,000 per month.

On 4 April 2019, the Group had entered into a second extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 5 October 2020, and the principal amount was HK\$19,950,000. The extended promissory note would bear fixed interest in the amount of HK\$200,000 per month.

On 31 July 2020, the Group had entered into an agreement with Mr. Fu pursuant to which certain liabilities for the interest payable was discharged by Mr. Fu. It hereby resulted in substantial modification of the terms of the promissory note. The gain on modification with amount of HK\$2,400,000 was recognised for the year ended 31 March 2021.

On 14 May 2021, the Company entered into a third extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 30 April 2022.

On 7 June 2022, the Company entered into a fourth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 October 2022.

On 1 November 2022, the Company entered into a fifth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 July 2023. The Company is in the course of negotiating to extend the promissory note.

14. BORROWINGS

The balance represented the unsecured debenture. The Company had issued debentures with aggregate principal of approximately USD800,000 (equivalent to approximately HK\$6,202,000) to an independent third party in the previous years. The debentures are unsecured, bearing interest rate at 8.5% per annum and repayable in July 2021.

On 15 July 2021, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to July 2022.

On 15 July 2022, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to July 2023.

On 15 July 2023, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to July 2024.

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05	Amount HK\$'000
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 (audited) and 30 September 2023 (unaudited)	8,000,000,000	40,000
Issued:		
At 1 April 2022, 31 March 2023, 1 April 2023 (audited) and 30 September 2023 (unaudited)	581,442,248	29,072

16. RELATED PARTY TRANSACTIONS AND BALANCES

- a. In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions carried out with related parties during the period:

	Notes	Six months ended 30 September	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest expense to a former director of the Company and a director of a subsidiary, Mr. Fu	(i)	478	1,188
Interest paid to related parties	(ii)	2	5

Notes:

- i. The transactions above were carried out on the terms agreed between the relevant parties.
- ii. Transactions with Greatwalle Holding Limited and Shenzhen Great Walle, immediate holding company and ultimate holding company.

b. Compensation of key management personnel

	Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Short-term employee benefits	2,670	2,837
Post-employment benefits	240	240
	2,910	3,077

16. RELATED PARTY TRANSACTIONS AND BALANCES – Continued

c. Balance with related parties

	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
Receivables from/(payable to)		
Greatwalle Holding Limited, immediate holding company	(380)	(13)
Greatwalle Capital Limited, a fellow subsidiary	(37)	(37)
Shenzhen Great Walle Capital Management Co., Ltd., a fellow subsidiary	505	505
Shenzhen Dewei Consultation Co., Ltd., a fellow subsidiary	1,783	1,783
Ms. Song Shiqing, a director of the Company	(180)	(478)
Mr. Fu Yik Lung, a former director of the Company and a director of a subsidiary	(19,870)	(24,850)
Greatwalle International Limited, a fellow subsidiary	23	23

17. 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 September 2023 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2023 (the “**Reporting Period**”), 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 business advisory and asset management services (the “**Asset Management Services**”).

I. Security Guarding and Property Management Services

For the Group’s Security Guarding and Property Management Services, the Group operates in both the People’s Republic of China (the “**PRC**”) and in Hong Kong. Compared to corresponding period, revenue recorded a slight decrease of approximately HK\$2.9 million, or 6.7% for the Reporting Period from approximately HK\$43.9 million for the corresponding period to approximately HK\$41.0 million for the Reporting Period, it was mainly due to the decrease in Hong Kong business. Most of the Group’s revenue was generated in the PRC (approximately 97.3% of the Security Guarding and Property Management Services of the Group), business in the PRC recorded a consecutive growth by approximately HK\$6.2 million from HK\$33.7 million for the six months ended 30 September 2022 to approximately HK\$39.9 million for the Reporting Period. The increase in the PRC Security Guarding and Property Management Services was mainly attributed to the fully realised of the Group’s comprehensive advantages in brand, operation and management system, and it will continue to expand the scale of its security guarding and property management business in the PRC to achieve sustained growth in operating revenue, with a view to build the Company into a prominent security guarding and property management enterprise in the PRC. Security Guarding and Property Management Services revenue in Hong Kong decreased significantly from HK\$10.2 million for the corresponding period to HK\$1.1 million for the Reporting Period, given the economy in Hong Kong remains challenging, the Group intends to adjust its resources to focus in the PRC.

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 September 2023, the Group managed privately offered funds in the PRC where these funds invested in promising companies listed or unlisted. Asset Management Services revenue from external customers during the Reporting Period was approximately to HK\$0.4 million (30 September 2022: approximately 0.3 million), and it remains steady compared to the corresponding period. 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.

OUTLOOK

The Group will continue to increase its transparency and present a better corporate image to both existing and potential customers in order to capture the rich potential in the Security Guarding and Property Management Services in the PRC. This potential is driven by the continuous increase in real estate projects and large-scale events, increase in demand for more sophisticated facility management services. The Group has a plan to extend its Security Guarding and Property Management Services in the PRC through collaboration with local government to establish a family-friendly resort to provide Security Guarding and Property Management Service to such properties. The Board believes that the Group's strategy to extension of businesses could provide a better return to the shareholders of the Company (the "Shareholders").

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2023 and 2022, the Group's revenue was generated from Security Guarding and Property Management Services in the PRC and Hong Kong and the Asset Management Services. Total revenue of the Group decreased by approximately HK\$2.9 million or 6.5% from approximately HK\$44.2 million for the six months ended 30 September 2022 to approximately HK\$41.3 million for the Reporting Period. The following table sets forth the breakdown of the Group's revenue by types of contracts for the six months ended 30 September 2023 and 2022:

	Six months ended 30 September			
	2023		2022	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding and Property Management Services	40,979	99.1%	43,903	99.3%
Asset Management Services	365	0.9%	329	0.7%
Total	41,344	100%	44,232	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\$41.0 million, it represented a decrease of approximately HK\$2.9 million or approximately 6.7%, as compared with total revenue of approximately HK\$43.9 million for the six months ended 30 September 2022. Security Guarding and Property Management Services in the PRC increased by approximately HK\$6.2 million for the Reporting Period from approximately HK\$33.7 million for the six months ended 30 September 2022 to approximately HK\$39.9 million. The increase in the PRC Security Guarding and Property Management Services was mainly attributed to the fully realised of the Group's comprehensive advantages in brand, operation and management system. Security Guarding and Property Management Services in Hong Kong decreased from approximately HK\$10.2 million for the corresponding period to HK\$1.1 million for the Reporting Period, given the economy in Hong Kong remains challenging, the Group intends to adjust its resources to focus in the PRC.

(b) Asset Management Services

Total revenue of Asset Management Services from external customers remained steady for the six months ended 30 September 2023 and 2022 amounted to approximately HK\$0.4 million and approximately HK\$0.3 million respectively.

Cost of services rendered, gross profit and gross profit margin

For the six months ended 30 September 2023 and 2022, the cost of services rendered amounted to approximately HK\$40.3 million and approximately HK\$41.1 million respectively.

The cost of services rendered decreased in line with the decrease in revenue and mainly consisted of direct guard costs provided for the Security Guarding and Property Management Services amounted to approximately HK\$40.3 million and approximately HK\$41.1 million for the six months ended 30 September 2023 and 2022, representing approximately HK\$98.3% and 93.6% of the Group's Security Guarding and Property Management Services revenue respectively. Gross profit for the Reporting Period and the corresponding period amounted to approximately HK\$1.0 million and HK\$3.1 million respectively. Such decrease in gross profit margin was mainly due to the business performance in Hong Kong worsened and recorded gross loss for the Reporting Period, the Group intends to adjust its resource to focus in the PRC.

Other income

Other income for the six months ended 30 September 2023 and 2022 amounted to approximately HK\$8.6 million and approximately HK\$2.9 million respectively. The increase in other income was mainly attributable to the recognition of gain of disposal of property, plant and equipment of approximately HK\$8.5 million. Reference is made to the Company's announcement dated on 5 September 2022, the disposal of property, plant and equipment was completed on 12 April 2023, gain on disposal was the difference between the net sales proceeds and the carrying amount of the disposed property, plant and equipment.

Administrative expenses

The Group's administrative expenses increased by approximately HK\$4.4 million from approximately HK\$9.4 million for the six months ended 30 September 2022 to approximately HK\$13.8 million for the Reporting Period. The increase was mainly attributable to increase in staff related expenses to cope up with the Group's strategy on exploring potential projects to collaborate with local government to establish a family-friendly resort to provide Security Guarding and Property Management Services to such properties.

Finance costs

The Group's finance cost amounted to approximately HK\$0.8 million for the Reporting Period and approximately HK\$1.5 million for the corresponding period. It mainly consisted of interest on promissory notes and interest on unsecured debenture. Decrease in finance costs was mainly attributable to the decrease in interest on promissory notes.

Loss for the Reporting Period

Loss attributable to owners of the Company for the Reporting Report and corresponding period remained steady amounted to approximately HK\$5.0 million.

Interim dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

Liquidity, financial resources and capital structure

The management reviews the capital structure regularly. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

As at 30 September 2023 the share capital and total equity attributable to owners of the Company amounted to approximately HK\$29.1 million and HK\$6.9 million respectively (as at 31 March 2023: approximately HK\$29.1 million and HK\$12.8 million respectively). As at 30 September 2023, cash at banks and in hand of the Group amounted to approximately HK\$25.2 million (31 March 2023: HK\$40.9 million). As at 30 September 2023, the Group has a promissory note which is payable to a former director and a director of a subsidiary. For details, please refer to note 13 to the notes to unaudited condensed consolidated interim financial information. The Group did not carry out any interest rate hedging policy.

Charges over assets of the Group

As at 30 September 2023 and 31 March 2023, none of the Group's assets had been pledged.

Gearing ratio

As at 30 September 2023, the gearing ratio of the Group was 902.2% (31 March 2023: 338.7%). The gearing ratio is calculated based on the total debt at the end of the relevant period divided by the total equity at the end of the relevant period. Total debt includes the promissory note, loan from related parties, amounts due to related parties and borrowings. As at 30 September 2023, the Group did not have any bank borrowings, bank overdrafts and obligations under finance lease (31 March 2023: nil).

Capital expenditure

The Group acquired property, plant and equipment amounted to approximately HK\$1.3 million from direct purchase for the Reporting Period, which comprises of addition of right-of-use assets under leasehold and buildings (for the six months ended 30 September 2022: approximately HK\$0.6 million).

Capital commitments

As at 30 September 2023, the Group had no capital commitments (31 March 2023: nil).

Foreign exchange risk

The Group's business operations are primarily conducted in Hong Kong and PRC. The transactions, monetary assets and liabilities of the Group are mainly denominated in RMB and Hong Kong dollar. During the six months ended 30 September 2023, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates between the currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the six months ended 30 September 2023.

Significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets

During the six months ended 30 September 2023, save as disclosed in this report, the Company did not have any significant investment and had no material acquisition or disposal of subsidiaries or affiliated companies, and the Company has no plans for material investments or capital assets.

Employees and remuneration policy

The Group had 1,152 employees as at 30 September 2023 (31 March 2023: 1,001 employees). For the Reporting Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$53.8 million (for the six months ended 30 September 2022: approximately HK\$47.0 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The Group's remuneration policy is revised periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are employed.

Training and development

Our security services are mainly divided into three parts: security guard services, event security services and VIP escorting services. All of our security staff personnel obtain the Security Patrol Permit to ensure the competence in providing security service for our clients. We value the experience and capability of our staff to elevate our service quality. Our on-the-job patrol monitoring system helps to guide and assist employees to achieve optimal performances. Our goal is to supervise and ensure customers' needs are satisfied. Training plans are established for new and existing employees to connect them to our values and assist them to perform their roles. Our training purpose is also to foster a safe environment for all employees against sexual harassment and promote efficient internal communication between employees and management. We comply with the appropriate local laws and regulations in relation to the restrictions on the employment of child and forced labor. Our employees are properly vetted to ensure they are of proper working age.

Fund raising activity – Share Consolidation and connected transaction involving subscription of new shares under specific mandate on 2 August 2021

The gross proceeds and the net proceeds from the Subscription (after deduction professional fees and other related expenses) were approximately HK\$68.5 million and HK\$67.5 million respectively. As at 30 September 2023, a total amount of approximately HK\$44.3 million out of the net proceeds had been used by the Group and approximately HK\$23.2 million remain unused. As at 30 September 2023, the unused amount of net proceeds from the Subscription was placed with licensed banks in the PRC. The Group expects to gradually apply the remaining net proceeds from the Subscription (being consistent with the purposes as set out in the Company's circular dated 9 July 2021 and the adjusted timeline as disclosed in the 2021/22 annual report of the Company) in accordance with actual business needs and use up the remaining net proceeds with one year (i.e. on or before the end of fiscal year 2024). As at the date of this report, the Directors do not anticipate any change to the principal plan as to the use of the net proceeds.

	Allocation in respect of the intended use of the net proceeds of Subscription HK\$'000	Planned use of net proceeds remained unused as at 1 April 2023 HK\$'000	Actual use of net proceeds during the Reporting Period HK\$'000	Unused amount of net proceeds as at 30 September 2023 HK\$'000	Expected timeline for full utilisation of the remaining proceeds
Payment for the construction of main campus of the vocational educational centre	29,700	29,700	6,500	23,200	By end of 31 March 2024
Investment funds funding	35,775	7,540	7,540	-	-
Payment of employee salaries and staff training costs for setting up and maintaining the investment research team for the investment funds	2,025	2,025	2,025	-	-
	67,500	39,265	16,065	23,200	

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 September 2023, 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 Rule 5.46 to 5.68 of the GEM Listing Rules (the "Required Standard of Dealings"), were as follows:

Long position in the Shares and underlying Shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary Shares held/interested in	Number of underlying Shares held/interested in pursuant to share options	Approximate percentage of the total number of issued Shares of the Company
Mr. Song Xiaoming	Interests in a controlled corporation	433,555,955(L) ^(Note 1)	–	74.57%
Mr. Su Congyue	Beneficial Owner	–	2,534,255(L) ^(Note 2)	0.4%
Mr. Li Zhongfei	Beneficial Owner	–	203,772(L) ^(Note 2)	0.04%
Mr. 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:

- According to information available to the Company:
 - 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
 - Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited) ("Nansha Huiming").
 - Nansha Huiming is held as to 99.99% by 深圳匯理九號投資諮詢企業(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 Xiaoming ("Mr. Song").
 - 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").
 - 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, Huili 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 in 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.

Save as disclosed above, as at 30 September 2023, none of the Directors or the chief executive 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 Division 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 in Rule 5.46 to 5.67 of the GEM Listing Rules.

Long positions in the interest in the associated corporations

As at 30 September 2023, the Directors and chief executive of the Company had or was deemed to have 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 Division 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 to the required standard of dealings were as follows:

Name of Directors	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/ interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	Nansha Huiming	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	Huili Jiu Hao	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%
Mr. Su	Great Walle Investment	Beneficial owner	18,523	0.3333%

Note: The associated corporation in 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 September 2023, none of the Directors or chief executive of the Company had or was deemed to have 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.

Substantial shareholders and other persons who are required to disclose their interests in securities of the Company

As at 30 September 2023, persons (other than a director or chief executive of the Company) who had or were deemed to have interests or short positions in the Shares and underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under section 336 of the SFO, or 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 meetings of the Company or any other member of the Group were as follows:

Long positions in the Shares and underlying Shares of the Company

Number of substantial shareholders	Capacity/Nature of interests	Number of shares held/interested in	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	184,465,046(L)	31.73%
Nansha Huiming	Interest of corporation controlled by substantial shareholder ^(/Note)	184,465,046(L)	31.73%
Huili Jiu Hao	Interest of corporation controlled by substantial shareholder ^(/Note)	184,465,046(L)	31.73%
Great Walle Investment	Interest of corporation controlled by substantial shareholder ^(/Note)	184,465,046(L)	31.73%
Walle Holding Limited	Beneficial Owner	249,090,909(L)	42.84%

(L) represents a long position in the Shares

Notes: 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 so as to 0.0008% by Mr. Song.
- (d) Huili Jiu Hao Investment is held as to 99.99% by Great Walle 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 September 2023, the Company had not been notified of other interests or short positions of substantial shareholders or any other person (other than the Directors, and chief executives of the Company) in the Shares 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 would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Share Option Scheme**”) on 31 July 2014. In line with the amended Chapter 23 of the GEM Listing Rules, a summary of the terms of the Share Option Scheme are set out below:

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group or any entity which is an associated company of any member of the Group.

(b) Qualifying Participants

The Directors shall, in accordance with the provision of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer to any employee (whether full time or part time, including the Directors (including any executive Director and non-executive Director and independent non-executive Director)) of the Company, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group.

(c) Total number of Shares available for issue under the Share Option Scheme and percentage to the issued share capital as at the date of this report

58,144,224 shares (approximately 10% of the total issued share capital as at the date of this report).

(d) Maximum entitlement of each participant under the Share Option Schemes

Not exceeding 1% of the issued share capital of the Company for the time being in any 12-month period. Any further grant of options in excess of such limit must be separately approved by the Company's shareholders in general meeting.

(e) The period within which the Shares must be taken up under an option

A period (which may not expire later than 10 years from the date of offer of that option) to be determined and notified by the Directors to the grantee thereof.

(f) The minimum period for which an option must be before it can be exercised

Unless otherwise determined by the Directors, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(g) The amount payable on application or acceptance of the option and the period within which payments or calls must or made be made

A remittance in favour of the Company of HK\$1.00 on or before the date of acceptance (which may not be later than 21 days from the date of offer).

(h) The basis of determining the exercise price

Being determined by the Directors and being not less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and
- (iii) the nominal value of the Shares on the date.

(i) The remaining life of the Share Option Scheme

The Share Option Scheme is valid and effective for a period of 10 years commencing on 13 August 2014 (being the date of adoption of the Share Option Scheme).

The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme during the Reporting Period are set out as follows:

Name or category of grantee	Exercise price per share on or after 2 August 2021 (HK\$)	Date of grant (Note 1)	Exercise period (Note 2)	Number of share options					Balance outstanding as at 30 September 2023	
				Balance outstanding as at 1 April 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period		
Directors										
Mr. Li Zhongfai	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	17,194	-	-	-	-	17,194	
Mr. Zhao Jinsong	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	17,194	-	-	-	-	17,194	
Mr. Su Congyue	0.445	18 April 2019	18 April 2019 to 17 April 2023	2,534,256	-	-	-	-	2,534,256	
Former Directors										
Ms. Lin Shuxian	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	1,865,788	-	-	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	668,467	-	-	668,467	-	-	
Ms. Guan Yan	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	17,194	-	-	-	-	17,194	
Mr. Hon Hoi Chuen	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	668,467	-	-	-	-	668,467	
Mr. Li Mingming	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788	
Ms. Pang Xiaoli	0.445	18 April 2019	18 April 2019 to 17 April 2023	410,653	-	-	-	-	410,653	
Employee of the Group										
In aggregate	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788	
	0.445	18 April 2019	18 April 2019 to 17 April 2023	291,885	-	-	-	-	291,885	
	0.2242	11 October 2021	11 October 2021 to 10 October 2026	33,235,133	-	-	-	-	33,235,133	
				45,883,329	-	-	2,534,255	-	43,349,074	

Notes:

1. The vesting period of the share option is from the date of the grant until the commencement of the exercise period.
2. All the share options granted have no vesting period or vesting condition.

3. The fair value of the share options granted on 11 October 2021, 5 September 2019, 18 April 2019 and 14 December 2018 respectively under the Scheme under the binomial option pricing model. Significant inputs into the model and assumptions were as follows:

Parameter	11 October 2021	5 September 2019	18 April 2019	14 December 2018
Share price on date of grant (<i>note 1</i>)	HK\$0.201	HK\$0.147*	HK\$0.0900*	HK\$0.260*
Exercise price (<i>note 2</i>)	HK\$0.2242	HK\$0.147*	HK\$0.0904*	HK\$0.265*
Risk-free rate	0.78%	1.52%	1.71%	2.27%
Expected option life	5 years	2 years	10 years	10 years
Expected volatility	107%	97%	106%	104%
Early exercise behavior (of the exercise price)	N/A	N/A	N/A	N/A

* Before adjustment of share consolidation and right issue.

notes:

- The price of the Shares disclosed as immediately preceding the grant date of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options.
- The expected volatility represents the historical volatility of the shares price of the ordinary shares of the Company.

The share options and weighted average share price are summarised as follow for the Reporting Periods presented:

Parameter	Number of share options	Weighted average exercise price
Outstanding at 1 April 2023	45,883,329	0.411
Lapsed during the Reporting Period	(2,534,255)	0.411
Outstanding at 30 September 2023	43,349,074	0.411

The share options outstanding at 30 September 2023, which are all exercisable, had exercise price of HK\$0.411 (31 March 2023: HK\$0.411) and a weighted average remaining contractual life of 3.67 (31 March 2023: 4.17) years.

At the end of the Reporting Period, the Company had 43,349,074 (31 March 2023: 45,883,329) share options outstanding under the Scheme which representing approximately 7.46% (31 March 2023: 7.89%) of the Company's shares in issue as at 30 September 2023. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 43,349,074 (31 March 2023: 45,883,329) additional ordinary shares of the Company and additional share capital of HK\$2,167,454 (31 March 2023: HK\$2,294,166) and share premium of HK\$15,649,015 (31 March 2023: HK\$16,584,055) (before issue expenses).

Subsequent to the end of the Reporting Period, no share options was exercised.

At the end of approval of these condensed consolidated financial statements, the Company has 43,349,074 share options outstanding under the Scheme, which represented approximately 7.46% of the Company's share in issue as at that date.

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 six months ended 30 September 2023.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, operation and business prospect may be affected by various principal risk and uncertainties directly or indirectly. These risks and uncertainties are set out in the section headed "KEY RISKS AND UNCERTAINTIES" under the section headed "REPORT OF DIRECTORS" of the annual report for the year ended 31 March 2023.

CORPORATE GOVERNANCE CODE

Compliance with the Required Standard of Dealings by Directors

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 and two former Directors, all of them confirmed that they have complied with the Required Standard of Dealings and the said guidelines regarding Directors' securities transactions during the six months ended 30 September 2023.

Compliance with the Corporate Governance Code

The Company has complied with the code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules throughout the six months ended 30 September 2023 except for Code Provision C.2.1.

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 operations. 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 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 Mr. Liu Chengwei, all of whom 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 interim results announcement of the Group for the six months ended 30 September 2023. The condensed consolidated financial results for the six months ended 30 September 2023 are unaudited, but have been reviewed by the Audit Committee. The Audit Committee is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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 of the Company.

INTERESTS IN COMPETING BUSINESS

During the six months ended 30 September 2023, none of the Directors and former 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) 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company has maintained sufficient public float as at the latest practicable date prior to the issue of this report.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent event after the Reporting Period and up to the date of this report.

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

Hong Kong, 10 November 2023

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.