



GREATWALLE INC.
長 城 匯 理 公 司

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

INTERIM REPORT **2020/21**



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*This report, for which the directors (the “**Directors**”) of Greatwall Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. Song Xiaoming (*Chairman*)
Ms. Song Shiqing (*appointed on 25 August 2020*)
Mr. Hon Hoi Chuen
Ms. Lin Shuxian

Non-executive Director:

Mr. Chung Man Lai

Independent Non-executive Directors:

Mr. Li Zhongfei
Mr. Zhao Jinsong
Ms. Guan Yan

AUDIT COMMITTEE

Mr. Zhao Jinsong (*Chairman*)
Mr. Li Zhongfei
Ms. Guan Yan

REMUNERATION COMMITTEE

Mr. Li Zhongfei (*Chairman*)
Mr. Zhao Jinsong
Ms. Guan Yan

NOMINATION COMMITTEE

Mr. Song Xiaoming (*Chairman*)
Mr. Li Zhongfei
Mr. Zhao Jinsong

COMPANY SECRETARY

Ms. Lam Yuen Ling Eva

AUTHORISED REPRESENTATIVES

Ms. Song Shiqing
Mr. Hon Hoi Chuen

INDEPENDENT AUDITOR

BDO Limited

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PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

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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 2020**

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue	3	11,481	3,401	29,955	6,511
Cost of services rendered		(10,260)	(2,443)	(26,127)	(5,675)
Gross profit		1,221	958	3,828	836
Other income	4	4,948	87	5,079	282
Administrative expenses		(8,557)	(14,955)	(14,965)	(27,482)
Finance costs	5	(736)	(630)	(1,354)	(1,281)
Loss before income tax	6	(3,124)	(14,540)	(7,412)	(27,645)
Income tax expense	7	(3)	–	(29)	–
Loss for the period		(3,127)	(14,540)	(7,441)	(27,645)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		81	198	111	413
Other comprehensive income for the period		81	198	111	413
Total comprehensive income for the period		(3,046)	(14,342)	(7,330)	(27,232)
Loss for the period attributable to:					
Owners of the Company		(2,816)	(13,541)	(6,649)	(25,419)
Non-controlling interests		(311)	(999)	(792)	(2,226)
		(3,127)	(14,540)	(7,441)	(27,645)
Total comprehensive income for the period attributable to:					
Owners of the Company		(2,725)	(13,362)	(6,542)	(25,039)
Non-controlling interests		(321)	(980)	(788)	(2,193)
		(3,046)	(14,342)	(7,330)	(27,232)
		HK cents	HK cents	HK cents	HK cents
Loss per share for loss attributable to owners of the Company	8	(0.21)	(1.09)	(0.51)	(2.04)
– Basic and diluted					

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	Notes	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	18,365	13,306
Goodwill		1,215	1,165
Other intangible assets	11	110	356
Amount due from the non-controlling equity holder of a subsidiary		219	210
		19,909	15,037
Current assets			
Trade receivables	12	20,125	23,166
Prepayments, deposits and other receivables		2,860	3,379
Amounts due from related parties		437	–
Tax recoverables		129	–
Cash at banks and in hand		27,626	16,420
		51,177	42,965
Current liabilities			
Trade payables	13	12,946	14,828
Accrued expenses and other payables		15,715	15,234
Loans from related parties		–	6,976
Amounts due to related parties		1,544	1,879
Amount due to an associate		364	349
Lease liabilities		4,962	421
Interest-bearing borrowings		6,313	–
Promissory note payable	14	20,150	22,550
		61,994	62,237
		(10,817)	(19,272)
Net current liabilities			
Total assets less current liabilities			
		9,092	(4,235)
Non-current liabilities			
Lease liabilities		735	–
Contingent consideration payable		2,119	2,033
		2,854	–
Net assets/(liabilities)			
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	16,618	12,463
Reserves		(10,527)	(19,666)
		6,091	(7,203)
Non-controlling interests		147	935
Total equity/(Capital deficiency)			
		6,238	(6,268)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	Share capital HK\$'000	Share premium* HK\$'000	Share option reserve* HK\$'000	Merger reserve* HK\$'000	Foreign exchange reserve* HK\$'000	Capital reserve* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	(Capital deficiency)/ Total equity HK\$'000
At 1 April 2019 (audited)	12,437	153,487	4,828	(5,270)	831	-	(138,974)	27,339	(1,880)	25,459
Transactions with owners:										
Equity-settled share options expenses	-	-	4,445	-	-	-	-	4,445	-	4,445
Cancellation of share option	-	-	(829)	-	-	-	-	(829)	-	(829)
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	4,495	4,495
Total transactions with owners	-	-	3,616	-	-	-	-	3,616	4,495	8,111
Loss for the period	-	-	-	-	-	-	(25,419)	(25,419)	(2,226)	(27,645)
Other comprehensive income:										
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	380	-	-	380	33	413
Total comprehensive income for the period	-	-	-	-	380	-	(25,419)	(25,039)	(2,193)	(27,232)
At 30 September 2019 (unaudited)	12,437	153,487	8,444	(5,270)	1,211	-	(164,393)	5,916	422	6,338
At 1 April 2020	12,463	153,805	8,339	(5,270)	411	-	(176,951)	(7,203)	935	(6,268)
Rights issue, net of expenses	4,155	15,681	-	-	-	-	-	19,836	-	19,836
Transactions with owners	4,155	15,681	-	-	-	-	-	19,836	-	19,836
Loss for the period	-	-	-	-	-	-	(6,649)	(6,649)	(792)	(7,441)
Other comprehensive income:										
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	107	-	-	107	4	111
Total comprehensive income for the period	-	-	-	-	107	-	(6,649)	(6,542)	(788)	(7,330)
At 30 September 2020	16,618	169,486	8,339	(5,270)	518	-	(183,600)	6,091	147	6,238

* 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 2020**

	Six months ended	
	30 September	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(7,364)	(23,030)
Net cash used in investing activities	–	(1,298)
Net cash generated/(used in) from financing activities	18,662	(2,733)
Net increase/(decrease) in cash and cash equivalents	11,298	(27,061)
Cash and cash equivalents at beginning of the period	16,420	44,409
Effect of foreign exchange rates change	(92)	391
Cash and cash equivalents at end of the period	27,626	17,739
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	27,626	17,739

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

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 services, and the provision of asset management and business advisory 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 2020.

The HKICPA has issued a number of amendments and a new standard which are effective for the current accounting period of the Group, none of those developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- (a) "Security Guarding" segment involves provision of security guarding services;
- (b) "Asset Management" segment involves provision of business advisory and asset management services;
- (c) "Mobile Game" segment involves provision of mobile game business; and
- (d) "e-Education" segment involves provision of students' e-education and security services.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group use for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that finance costs, corporate income and expenses as incurred by the Group's headquarter and income tax expense are excluded from segment results.

The segment result of Asset Management previously presented in all other segment has been re-presented as Asset Management segment, so comparative figures have been re-presented to conform to the current year's presentation.

No asymmetrical allocations have been applied to reportable segments.

2. SEGMENT INFORMATION – Continued

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

	Security Guarding		Asset Management		Mobile Game		e-Education		Total	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000								
Revenue from external customers	29,155	5,026	800	1,485	-	-	-	-	29,955	6,511
Total segment loss from operations	(2,899)	(5,251)	(2,906)	(17,304)	(2)	(1)	(3)	(73)	(5,810)	(22,629)
Finance costs									(1,354)	(1,281)
Unallocated corporate income									3,099	-
Unallocated corporate expenses									(3,287)	(3,735)
Loss before income tax									(7,412)	(27,645)
Income tax expense									(29)	-
Loss for the period									(7,441)	(27,645)

There were no inter-segment transfers during the six months ended 30 September 2020 and 2019.

Unallocated corporate expenses mainly comprise legal and professional fees, remuneration, share option expenses and salaries.

	Security Guarding		Business Advisory and Management		Mobile Game		e-Education		Total	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Other segment information										
Depreciation of property, plant and equipments	248	645	3	-	-	-	-	-	251	645
Depreciation of right of use assets	264	115	305	1,047	-	-	-	-	569	1,162
Unallocated depreciation with head office and corporate assets									-	-
Total depreciation									820	1,807
Amortisation of other intangible assets	247	332	-	-	-	-	-	-	247	332
Capital expenditure	-	-	6,618	21	-	-	-	-	6,618	21
Unallocated capital expenditure associated with head office and corporate assets									-	-
Total capital expenditure*									6,618	21

* Capital expenditure consists of additions to property, plant and equipment, goodwill and other intangible assets.

2. SEGMENT INFORMATION – Continued

All assets are allocated to operating segments other than unallocated assets (mainly comprising interests in associates, certain other receivables and certain cash and cash equivalents).

As at 30 September 2020 (Unaudited)

	Security Guarding HK\$'000	Asset Management HK\$'000	Mobile Game HK\$'000	e-Education HK\$'000	Total HK\$'000
Segment assets	37,697	11,602	118	471	49,888
Tax recoverables					129
Corporate cash at banks and in hand					19,825
Other corporate assets					1,244
Total assets					71,086

All liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising loan from a controlling shareholder, promissory note payable, contingent consideration payable, tax payables and deferred tax liabilities).

	Security Guarding HK\$'000	Asset Management HK\$'000	Mobile Game HK\$'000	e-Education HK\$'000	Total HK\$'000
Segment liabilities	21,886	6,915	1,063	2,345	32,209
Promissory note payable					20,150
Other corporate liabilities					12,489
Total liabilities					64,848

As at 31 March 2020 (Audited)

	Security Guarding HK\$'000	Asset Management HK\$'000	Mobile Game HK\$'000	e-Education HK\$'000	Total HK\$'000
Segment assets	41,981	8,305	117	455	50,858
Tax recoverables					-
Corporate cash at banks and in hand					6,524
Other corporate assets					620
Total assets					58,002

All liabilities are allocated to operating segments other than unallocated liabilities (mainly comprising loan from a controlling shareholder, promissory note payable, contingent consideration payable, tax payables and deferred tax liabilities).

	Security Guarding HK\$'000	Asset Management HK\$'000	Mobile Game HK\$'000	e-Education HK\$'000	Total HK\$'000
Segment liabilities	23,196	1,266	1,048	2,255	27,765
Contingent consideration payable					2,033
Promissory note payable					22,550
Other corporate liabilities					11,922
Total liabilities					64,270

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 goodwill and 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 2020 (Unaudited) HK\$'000	Six months ended 30 September 2019 (Unaudited) HK\$'000	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Hong Kong (place of domicile)	16,570	5,026	7,471	7,248
The People's Republic of China (the "PRC")	13,385	1,485	7,230	7,579
	29,955	6,511	14,701	14,827

3. REVENUE

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

Revenue is recognised over time as those services are provided. Invoices for security guarding services are issued on a monthly basis and are usually payable within 30 days.

Revenue from business advisory and asset management services is recognised over time as those services are provided. Invoices for regulated financial services are issued on a monthly basis and are usually payable within 30 days.

	Three months ended 30 September 2020 (Unaudited) HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Provision of security guarding services	11,076	2,343	29,155	5,026
Provision of business advisory and management services	405	598	800	1,485
	11,481	2,941	29,955	6,511

4. OTHER INCOME

	Three months ended 30 September 2020 (Unaudited) HK\$'000		Six months ended 30 September 2020 (Unaudited) HK\$'000	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Bank interest income	5	17	14	17
Imputed interest income on amount due from a non-controlling equity holder of a subsidiary	–	3	–	6
Government grant ¹	1,653	–	1,653	–
Sundry income ²	3,290	67	3,412	259
	4,948	87	5,079	282

¹ The Group successfully applied for fund support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Special Administrative Region Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

² Included the interest charges on promissory note waived by the noteholder of approximately HK\$3,000,000 for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

5. FINANCE COSTS

	Three months ended 30 September 2020		Six months ended 30 September 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interest charges on promissory note	600	600	1,200	1,200
Interest on lease liabilities	12	30	15	81
Interest charges on loans from related parties	12	–	27	–
Interest charges on other borrowings	112	–	112	–
	736	630	1,354	1,281

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 30 September 2020		Six months ended 30 September 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Amortisation of intangible asset ¹	39	124	247	332
Cost of services rendered	10,260	2,443	26,127	5,675
Depreciation of property, plant and equipment ¹	135	287	251	645
Depreciation of right-of-use assets ¹	267	90	569	1,162
Short-term leases expenses ¹	248	–	611	–
Employee benefits expenses (including directors' emoluments):				
Salaries, allowances and benefits in kind included in:				
– Cost of services rendered	9,633	2,322	16,887	5,341
– Administrative expenses	3,179	4,624	5,671	11,612
Retirement benefits – Defined contribution plans ² included in:				
– Cost of services rendered	81	65	182	194
– Administrative expenses	187	1,147	289	1,818
Equity-settled share-based payment expenses ¹				
– Administrative expenses	–	2,659	–	3,616
	13,080	10,817	23,029	22,581
Legal and professional fees ¹	872	1,145	1,526	1,459
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	–	2,453	–	2,684

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

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

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 2019		Six months ended 30 September 2019	
	(Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Current tax				
– PRC Enterprise Income Tax ("EIT")				
– Tax for the year	3	–	29	–
Deferred tax				
– Charged for the year	–	–	–	–
	–	–	29	–

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% (2019: 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% (2019: 25%). Income tax expense for other jurisdictions is calculated at the rates of taxation prevailing in the relevant jurisdictions.

8. LOSS PER SHARE

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

Loss	Three months ended 30 September 2020		Six months ended 30 September 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Loss attributable to owners of the Company	(2,816)	(13,541)	(6,649)	(25,419)

Number of shares	Three months ended 30 September 2020		Six months ended 30 September 2020	
	'000	2019 '000	'000	2019 '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,342,188,102	1,243,663	1,294,252,812	1,243,663

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share

1,342,188,102 1,243,663 1,294,252,812 1,243,663

The assumed exercise of the outstanding share options for the six months ended 30 September 2019 has anti-dilutive effect and has therefore been excluded from the above calculation.

9. DIVIDENDS

The Board did not recommend a payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

10. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 September 2020, the Group's capital expenditures mainly included right-of-use assets under leases located in Hong Kong and PRC, amount to approximately HK\$6,618,000 (six months ended 30 September 2019: HK\$21,000) and no material disposal of items of property, plant and equipment (six months ended 30 September 2019: nil).

11. INTANGIBLE ASSETS

For the six months ended 30 September 2020, the Group did not have any material acquisitions, written-off and disposal of intangible assets (six months ended 30 September 2019: nil).

12. TRADE RECEIVABLES

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Trade receivables	20,125	23,166

Trade receivables generally have credit terms of 7 to 30 days (as at 31 March 2020: 7 to 30 days). The Directors consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

At each reporting date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis.

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 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Not more than 30 days	7,300	11,911
30-90 days	2,614	10,069
Over 90 days	10,211	1,186
	20,125	23,166

At each reporting date, the Group reviews receivables for evidence of impairment on both individual and collective basis. None of the trade receivables as at 30 September 2020 (31 March 2020: none) has been identified by the Group as having an impairment issue.

13. 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 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
Not more than 30 days	3,287	5,811
30-90 days	1,908	8,295
Over 90 days	7,751	722
	12,946	14,828

14. PROMISSORY NOTE PAYABLE

On 6 May 2016, the Company issued a promissory note to a former director of the Company, Mr. Fu Yik Lung 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 Yuk Lung (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 has entered into a second extension agreement with Mr. Fu Yuk Lung 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.

During the Reporting Period, the Group has entered into a letter of intent with the noteholder in respect of the mutual willingness to extend the maturity date of the promissory note to 5 October 2021.

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Amount HK\$'000
Authorised:		
At 1 April 2020	2,000,000,000	20,000
Increase in authorised share capital (note (i))	2,000,000,000	20,000
At 31 March 2019 and 2020	4,000,000,000	40,000
Issued:		
At 1 April 2018	1,246,317,523	12,463
Issue of shares under Rights Issue (note (ii))	415,439,174	4,155
At 31 March 2020	1,661,756,697	16,618

Notes:

- (i) With effect from 15 July 2020, the authorised share capital of the Company from HK\$20,000,000.00 divided into 2,000,000,000 Shares was increased to HK\$40,000,000.00 divided into 4,000,000,000 Shares by the creation of additional 2,000,000,000 Shares of par value of HK\$0.01 each. The new Shares shall rank pari passu with each other and with the existing Shares in all respects upon issue and being fully-paid.
- (ii) On 19 August 2020, the Company conducted the rights issue (the "Rights Issue") to raise approximately HK\$20.8 million before expenses by issuing up to 415,439,174 rights shares at the subscription price of HK\$0.05 per rights share on the basis of one (1) rights share for every three (3) shares held by the qualifying shareholders. The Rights Issue was fully subscribed and completed on 9 September 2020 and approximately HK\$19,836,000 of net proceeds was received by the Company.

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:

		Six months ended 30 September	
	Notes	2020 HK\$'000	2019 HK\$'000
Operating lease and related charges paid to a former director, Ms. Liu Lai Ying		-	165
Interest expense to a former director of the Company/a director of subsidiaries, Mr. Fu Yik Lung	(a)	1,200	1,200
Consideration paid to a controlling shareholder	(b)	-	1,092

Note:

- (a) The transactions above were carried out on the terms agreed between the relevant parties.
- (b) The consideration paid above represented the acquisition of 99% shares of 廣州匯裕商務有限公司 together with its subsidiaries.

(b) Compensation of key management personnel

	Six months ended 30 September	
	(Unaudited) 2020 HK\$'000	2019 (Unaudited) HK\$'000
Total remuneration of directors during the periods were as follows:		
Short-term employee benefits	395	861
Post employment benefits	-	-
	395	861

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 2020 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2020 (the “**Reporting Period**”), the subsidiaries of the Group principally engaged in (i) the provision of security guarding services (the “**Security Guarding Services**”); and (ii) the provision of asset management and business advisory services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a revenue of approximately HK\$29,955,000, in which the security guarding business recorded a revenue of approximately HK\$29,155,000, and the asset management business recorded a revenue of HK\$800,000.

I. **Security Guarding Services**

For security guarding business, the Group operates in both Hong Kong and Mainland China.

In Hong Kong, the Group is permitted to provide security guarding services under Type I security work in accordance with the Security Company License regime. The Group’s services aim at safeguarding the safety of its customers, properties and assets and maintaining order at private events, with personal security guards provided by the Group to perform such services including patrolling, access control at entrance lobbies, registering visitors and preventing unauthorized access, handling and reporting complaints. The Group also provides guarding and private escorting service and crowd management service for events, venues, exhibitions, ceremonies and press conferences. With years of operating experience, the Group has established a strong reputation in the field of personal security guarding services and has been certified for its ability to design and deliver security guarding services with the ISO9001:2008 quality management system standard issued by the Hong Kong Quality Assurance Agency. Leveraged on the Company’s advantages in operation, management system and branding, the Group also provides professional services to other similar industries in order to further develop its business. Through a series of operational measures in line with the Company’s own characteristics, the Group’s security guarding business has recorded a larger growth as compared with the corresponding period of the last financial year.

The Group has been vigorously expanding into the broader PRC market since 2019. During the Reporting Period, the number of customer in the security guarding business in the PRC has experienced rapid growth. The PRC security guarding industry has been growing continuously since the reform and opening up of the country, and by 2018, the business scale of the security industry in the PRC has exceeded RMB170 billion, with an average annual growth rate of over 10%. The Group believes that the future development for the security guarding market in the PRC is huge, because (i) as an emerging market, the PRC has a population of approximately 1.4 billion and its industrialization and urbanization processes still have huge room for development. Construction of infrastructures and real estate development, etc. will further stimulate the development of the security guarding industry, facilitate the expansion of the security guarding service industry; (ii) the provision of security guarding for mainland government still occupies a large proportion of the overall market, and with the advancement of marketization in the future, the outsourcing of security guard will create more space for the industry to develop; and (iii) with the improvement of people’s living standards, safety awareness and demand will increase simultaneously, which will generate more demand for security guarding services.

II. Asset Management Services

During the six months ended 30 September 2020, the asset management services of the Group involved provision of business advisory and asset management services.

Since 2019, the Company has begun to gradually develop its asset management business. In the PRC, the Company has obtained a private equity fund manager licence from the Asset Management Association of China; in Hong Kong, Greatwalle (International) Asset Management Co., Limited ("**Greatwalle Asset Management**"), a wholly-owned subsidiary of the Company has obtained the license issued by the Securities and Futures Commission (the "**SFC**") to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") during the Reporting Period. Since then, the Group is qualified to conduct private equity fund management business in the PRC and asset management business in Hong Kong. The securities advisory business has laid a solid foundation for the Company to expand new profit growth points, thus continuously improving the Company's competitiveness.

The Company has an excellent asset management team, which has actively managing private equity funds amounted to nearly RMB5 billion for the past 6 years, and has achieved remarkable investment results. Our team consists of one of the earliest people working in M&A fund management business in the PRC, and has developed a systematic investment strategy and sound governance system. The assets managed by the Company will be mainly invested in two directions: first would be buyout-type mergers, in which the Company focuses on buying out companies with under-valued capital value, asset value and industrial and commercial value as well as with room for transformation and improvement; second would be medium and long-term investments towards enterprises that have long-term development value and leading position in particular market segments. Following the obtaining of the above licenses, the Company has quickly consolidated each and every resource to drive the asset management business into the high-quality development phase.

SIGNIFICANT EVENTS DURING THE SIX MONTHS ENDED 30 SEPTEMBER 2020

Change of Director

On 25 August 2020, Ms. Pang Xiaoli ("**Ms. Pang**") ceased to be the executive Director and the chief executive officer, the compliance officer and the authorised representative under Rule 5.24 of the GEM Listing Rules (the "**Authorised Representative**") of the Company while Ms. Song Shiqing ("**Ms. Song**") was appointed as the executive Director, the compliance officer and the Authorised Representative of the Company. Ms. Song is entitled to an annual director's fee of HK\$50,000 and a discretionary bonus to be determined by the board of Directors (the "**Board**"), which was determined with reference to the prevailing market conditions and her roles and responsibilities in the Group. She will hold office until the next annual general meeting of the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. Ms. Song is a younger sister of Mr. Song Xiaoming, the chairman of the Board and the executive Director.

Rights Issue

On 6 March 2019, the Company conducted the rights issue (the **"2019 Rights Issue"**) to raise approximately HK\$41.5 million before expenses by issuing up to 414,554,218 rights shares at the subscription price of HK\$0.10 per rights share on the basis of one (1) rights share for every two (2) shares held by the qualifying shareholders. The 2019 Rights Issue was fully subscribed and completed on 29 March 2019 and approximately HK\$40.6 million of net proceeds was received by the Company.

For detailed breakdown and description of the intended use of proceeds, please refer to the announcements of the Company dated 20 February 2019 and 28 March 2019 and the prospectus of the Company in relation to the Right Issue dated 7 March 2019. As at 30 September 2020, the Company has fully utilized of the proceeds of the 2019 Rights Issue. During the Reporting Period, the actual use of the net proceeds of the 2019 Rights Issue is as follows:

Date of announcements and prospectus	Description	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds as at 31 March 2020	Actual use of net proceeds as at 30 September 2020
20 February 2019, 7 March 2019 and 28 March 2019	Rights issue on the basis of one rights share for every two shares of the subscription price of HK\$0.10 per rights share	Approximately HK\$40.6 million	(i) Approximately 40% of the net proceeds for the development of the provision of business advisory and management services	(i) Fully used as intended	(i) Fully used as intended
			(ii) Approximately 25% of the net proceeds for strengthening the ongoing operations of the Group's security guarding business and to ensure the quality of the Group's security guarding services	(ii) Fully used as intended	(ii) Fully used as intended
			(iii) Approximately 35% of the net proceeds for the Group's general working capital	(iii) Approximately 27.5% of the net proceeds was used as intended	(iii) Fully used as intended

On 19 August 2020, the Company conducted the rights issue (the **"2020 Rights Issue"**) to raise approximately HK\$20.8 million before expenses by issuing up to 415,439,174 rights shares at the subscription price of HK\$0.05 per rights share on the basis of one (1) rights share for every three (3) shares held by the qualifying shareholders. The 2020 Rights Issue was fully subscribed and completed on 9 September 2020 and approximately HK\$19,836,000 of net proceeds was received by the Company.

For detailed breakdown and description of the intended use of proceeds, please refer to the announcements of the Company dated 5 August 2020 and 9 September 2020 and the prospectus of the Company in relation to the 2020 Rights Issue dated 19 August 2020. During the Reporting Period, the actual use of the net proceeds of the 2020 Rights Issue is as follows:

Date of announcements and prospectus	Description	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds as at 30 September 2020
5 August 2020, 19 August 2020, and 9 September 2020	2020 Rights issue on the basis of one rights share for every three shares of the subscription price of HK\$0.05 per rights share	Approximately HK\$19,836,000	(i) Approximately 35% of the Net Proceeds will be used as the Group's general working capital for the ten months after completion of the 2020 Rights Issue;	(i) Approximately 1% was used as intended
			(ii) Approximately 30% of the Net Proceeds will be used for repaying the indebtedness and liabilities of the Group;	(ii) Approximately 10% was used as intended
			(iii) Approximately 20% of the Net Proceeds will be used for expanding the Group's security guarding business in the PRC by the first quarter of 2021;	(iii) Not used as intended
			(iv) Approximately 15% of the Net Proceeds will be used for developing and strengthening the Group's asset management business in the PRC and Hong Kong by the end of 2020.	(iv) Approximately 18% was used as intended

OUTLOOK

In 2020, the global economy has encountered tremendous difficulties as a result of the novel coronavirus epidemic, and Hong Kong's economic and social development has also been greatly affected, while the situation in the PRC is relatively under control and its economy is slowly recovering.

For the security guarding business, as Hong Kong and overseas markets were affected by the epidemic, in order to overcome the macroeconomic difficulty, the Group will continue to strongly expand into the PRC market and continue to expand its business scale in the PRC. The Company will focus on identifying the security guarding markets in well-known industrial parks, large developers, property owners, government departments, etc., in order to rapidly expand the scale of the security guarding business, and during the Reporting Period, the business scale of the Company's security business in the PRC continued to expand.

With respect to the asset management business, the Group possesses the foundation to drive for rapid development of the asset management business, not only does it have a team with good track record, it also possesses vast resources and project reserves. The Group will promote the development of the asset management businesses of the PRC and Hong Kong simultaneously. Since 2019, there has been a major shift in economic policies in the PRC, with the introduction of a series of policies to promote financial reform and promote the development of capital market, and thus enhance economic activity through the financial reform and capital market reform. We believe that the asset management business of the PRC has huge development potentials which will bring new development opportunities to the Group. At the same time, as an international financial center, Hong Kong's capital market has strong regulatory capabilities, internationally leading financial infrastructure and an interconnection mechanism with the PRC's capital market. Although Hong Kong's economic prospect has been impacted by various factors such as the epidemic and the political environment, as well as challenges in both internal and external environments, it still possesses strong resilience and vitality. During the Reporting Period, the asset management business in the PRC has been progressing rapidly and is expected to enter into a phase of rapid growth. Therefore, the Group will gradually expand into the Hong Kong market with a foothold in the PRC market, fully utilise all the Group's advantages, continuously expand the its asset management scale, enhance the level of returns in asset management and transform the asset management business into an important profit growth point for the Company.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2019 and 2020, the Group's revenue was generated from the provision of Manned Security Guarding Services in Hong Kong and provision of business advisory and management services. The following table sets forth the breakdown of the Group's revenue by types of contracts for the six months ended 30 September 2019 and 2020:

	Six months ended 30 September		2019	
	2020		2019	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding Services	29,155	97.3%	5,026	77.2%
Asset Management Services	800	2.7%	1,485	22.8%
Total	29,955	100%	6,511	100%

The Group's overall revenue increased by approximately HK\$23,444,000 or 360.1% from approximately HK\$6,511,000 for the six months ended 30 September 2019 to approximately HK\$29,995,000 for the six months ended 30 September 2020. The increase in revenue was mainly due to (i) increase in revenue from the Security Guarding Services in Hong Kong from approximately HK\$5,026,000 for the six months ended 30 September 2019 to approximately HK\$16,570,000 for the six months ended 30 September 2020 through a series of operational measures in line with the Company's own characteristics; and (ii) the revenue derived from the Security Guarding Services in the PRC of approximately HK\$12,585,000.

Cost of services rendered

For the six months ended 30 September 2019 and 2020, the cost of services rendered, which mainly consists of direct guard cost, was approximately HK\$5,675,000 and HK\$26,127,000, representing approximately 87.16% and 87.22% of the Group's revenue, respectively. Such decrease of the cost of service in the percentage of revenue was primarily attributable to better cost control by implementation of the better staff allocation and planning, based upon the Group's advantage in resources, during the Reporting Period.

As at 30 September 2020, the Group had a total of 539 employees, of which 501 were full-time and part-time guards providing manned security guarding and related services.

Gross profit

The Group's gross profit increased by approximately HK\$2,992,000 or 357.9% from approximately HK\$836,000 for the six months ended 30 September 2019 to approximately HK\$3,828,000 for the six months ended 30 September 2020. The increase of the Group's gross profit was mainly due to the decrease in cost of services rendered as a result of the better cost control by implementation of the better staff allocation and planning during six months ended 30 September 2019 and the revenue derived from the provision of business advisory and management services, but which was partially offset by the decrease in revenue of manned security guarding services as mentioned above.

Other income

The Group's other income increased by approximately HK\$4,797,000 or 1,701.1% from approximately HK\$282,000 for the six months ended 30 September 2019 to approximately HK\$5,079,000 for the six months ended 30 September 2020. The increase of the Group's other income was mainly due to the interest charges on promissory note waived by the noteholder of approximately HK\$3,000,000 and the government grants of approximately HK\$1,653,000 for the six months ended 30 September 2020.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$12,517,000 or 45.5% from approximately HK\$27,482,000 for the six months ended 30 September 2019 to approximately HK\$14,965,000 for the six months ended 30 September 2020. The decrease in the Group's administrative expenses was mainly due to (i) the decrease in staff cost as a result of better cost control in the development of the Group's asset management services; (ii) an absence of the recognition of the share option expenses; and (iii) the decrease in amortization of intangible assets, depreciation of property, plant and equipment during the six months ended 30 September 2020.

Finance costs

The Group's finance costs increased by approximately HK\$73,000 or 5.7% from HK\$1,281,000 for the six months ended 30 September 2019 to HK\$1,354,000 for the six months ended 30 September 2020. The increase in the finance costs was mainly due to the recognition of the interest charges on unsecured debentures for the six months ended 30 September 2020.

Loss for the Reporting Period

Loss attributable to owners of the Company for the six months ended 30 September 2020 decreased by approximately HK\$18,770,000 from approximately HK\$25,419,000 for the six months ended 30 September 2019 to approximately HK\$6,649,000 for the six months ended 30 September 2020. The decrease in the Group's loss for the Reporting Period was mainly due to the reasons and factors as mentioned above.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Share Capital

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 2020, the share capital and total equity attributable to owners of the Company amounted to approximately HK\$16,618,000 and HK\$6,091,000, respectively (as at 31 March 2020: approximately HK\$12,463,000 and HK\$7,203,000 (capital deficiency), respectively). As at 30 September 2020, the Group has a promissory note which is payable to a former director of the Company. Please refer to note 14 of the notes to unaudited condensed consolidated interim financial information, respectively.

Cash position

As at 30 September 2020, the cash at banks and in hand of the Group amounted to approximately HK\$27,626,000 (as at 31 March 2020: approximately HK\$16,420,000), representing an increase of approximately HK\$11,206,000 as compared to 31 March 2020.

Charges over assets of the Group

As at 31 March 2020 and 30 September 2020, none of the Group's assets had been pledged.

Gearing ratio

As at 30 September 2020, the gearing ratio of the Group was 449.0% (as at 31 March 2020: (501.0)%). 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, loans from related parties, amounts due to related parties and interest-bearing borrowings. As at 30 September 2020, the Group did not have any bank borrowings, bank overdrafts and obligations under finance leases.

Capital expenditure

For the six months ended 30 September 2020, the Group's capital expenditures mainly included right-of-use assets under leases located in Hong Kong and PRC, amount to approximately HK\$6,618,000 (for the six months ended 30 September 2019: approximately HK\$21,000).

Capital commitments

As at 30 September 2020, the Group had no capital commitments (as at 31 March 2020: Nil).

Foreign exchange risk

The Group's business operations are primarily conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollar. During the six months ended 30 September 2020, 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 2020.

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 2020, 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 539 employees as at 30 September 2020 (as at 31 March 2020: 586 employees). For the Reporting Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$23,029,000 (for the six months ended 30 September 2019: approximately HK\$22,581,000). 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.

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 2020, the Directors and chief executive of the Company (the “**Chief Executive**”) and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules 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	Number of underlying shares held/interested pursuant to share options	Approximate percentage of the total number of issued shares of the Company
Song Xiaoming (“ Mr. Song ”)	Interest in a controlled corporation	922,325,231(L) ^(Note 1)	–	55.50%
Hon Hoi Chuen	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Lin Shuxian (“ Ms. Lin ”)	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Li Zhongfei	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Zhao Jinsong	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Guan Yan	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%

(L) represents a long position in the shares of the Company (the “**Shares**”)

Notes:

1. According to information available to the Company, Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (“**Nansha Huiming**”). Nansha Huiming is held as to approximately 91.9992% by 深圳匯理九號投資諮詢企業(有限合夥) (“**Huili Jiu Hao Investment**”), and as to 0.0008% by Mr. Song. Huili Jiu Hao Investment is held as to 99.0000% by Great Walle Investment. Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司). As such, Mr. Song is deemed to be interested in the above companies under the interests in Shares and the underlying Shares of the Company of the 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” below.

Long position in the interest in the associated corporations

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

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

Save as disclosed above, as at 30 September 2020, 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 Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

* For identification purpose only

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

As at 30 September 2020, substantial shareholders (not being a Director or the Chief Executive) who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO 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	922,325,321(L)	55.50%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%
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*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%

(L) represents a long position in the Shares

Note: According to information available to the Company, 922,325,321 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner. Greatwalle Holding Limited is wholly-owned by Nansha Huiming. Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and as to approximately 0.0008% by Mr. Song. Huili Jiu Hao Investment is held as to 99.0000% by Great Walle Investment. Great Walle Investment is ultimately controlled by Mr. Song. As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 922,325,321 Shares held by Greatwalle Holding Limited under the SFO.

Save as disclosed above, the Directors and Chief Executive are not aware that there is any party who, as at 30 September 2020, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

* For identification purpose only

SHARE OPTION SCHEME

The Company adopted the share option scheme on 31 July 2014, which will remain in force for a period of 10 years from its effective date. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards them for their contribution. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The principal terms of the Share Option Scheme are summarised in the section headed "Share Option Scheme" in Appendix V to the prospectus of the Company dated 13 August 2014. The latest refreshment of the 10% scheme limit on the number of shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme was approved by the shareholders in the annual general meeting of the Company held on 6 August 2019.

The maximum entitlement of each participant under the Share Option Scheme shall not exceed 1% of the shares in issue and an offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine, which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

As at 30 September 2020, there were no outstanding share options to subscribe for shares of the Company granted pursuant to the Share Option Scheme. The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme for the six months ended 30 September 2020 are set out as follows:

Name or category of grantees	Exercise Price during 1 April 2020 to 31 September 2020 (HK\$) (Note 2)	Exercise Price during 9 September 2020 to 30 September 2020 (HK\$) (Note 2)	Date of grant	Exercisable Period (Note 1)	Number of share options (Note 2)					Adjusted on 9 September 2020	Balance as at 30 September 2020
					Balance as at 1 April 2020	Granted during the six months ended 30 September 2020	Exercised during the six months ended 30 September 2020	Lapsed during the six months ended 30 September 2020	Cancelled during the six months ended 30 September 2020		
Directors											
Mr. Hon Hoi Chuen	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	61,895	3,342,335
Ms. Lin Shuxian	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	61,895	3,342,335
Mr. Li Zhongfei	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Mr. Zhao Jinsong	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Ms. Guan Yan	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Former Directors											
Ms. Pang Xiaoli	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	2,015,242	-	-	-	-	38,023	2,053,265
Mr. Li Mingming	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
Other employees of the Group											
In aggregate	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	13,869,027	-	-	-	-	261,681	14,130,708
	0.1470	0.1440	5 September 2019	5 September 2019 to 4 September 2021	73,588,691	-	-	-	-	1,388,465	74,977,156
Total					135,658,584	-	-	-	-	2,559,595	138,218,179

Notes:

- All of the shares granted have no vesting period or vesting condition.
- Adjustments on the exercise price and number of the outstanding share options were made upon the completion of rights issue on 9 September 2020. Please refer to the announcement dated 9 September 2020 for further details.

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the six months ended 30 September 2020.

As at the date of this report, there were 186,436,158 Shares available for issue under the Share Option Scheme, representing approximately 11.2% of the total number of issued shares of the Company if all of the share options are exercised.

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 2020.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: 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 (the "**Required Standard of Dealings**"). Having made specific enquiry to all the Directors and a former Director, Ms. Pang, all of the Directors 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 2020.

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 six months ended 30 September 2020.

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

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Zhao Jinsong (chairman of the Audit Committee), Mr. Li Zhongfei and Ms. Guan Yan, 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 2020. The condensed consolidated financial results for the six months ended 30 September 2020 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 2020, 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) 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.

CHANGES IN DIRECTORS' INFORMATION

Subsequent to the date of the 2019/20 annual report of the Company, the changes in Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the six months ended 30 September 2020 and up to the date of this report are set out below:

- a) Mr. Chung Man Lai ("**Mr. Chung**") was re-designated as an executive director of Aurum Pacific (China) Group Limited (the shares of which are listed on GEM of the Stock Exchange, Stock code: 8148) from the position of independent non-executive director with effect from 15 September 2020.
- b) Mr. Chung was appointed as the chief financial officer, company secretary, member of the risk management committee and authorised representative of D&G Technology Holding Company Limited (the shares of which are listed on the Main Board of the Stock Exchange, Stock code: 1301) with effect from 23 September 2020.

EVENTS AFTER THE REPORTING PERIOD

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 2020 and up to the date of this report.

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

Hong Kong, 12 November 2020

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