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GREATWALLE INC.

長城匯理公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08315)

ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2020

The board (the “**Board**”) of directors (the “**Directors**”) of Greatwalle Inc. (the “**Company**”) is pleased to announce the first quarterly results of the Company and its subsidiaries (together as the “**Group**”) for the three months ended 30 June 2020. This announcement, containing the full text of the First Quarterly Report 2020/21 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of first quarterly results.

By order of the Board

Greatwalle Inc.

Song Xiaoming

Chairman and Executive Director

Hong Kong, 11 August 2020

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

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

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

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

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

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 JUNE 2020**

		For the three months ended 30 June	
	Notes	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue	2	18,474	3,110
Cost of services rendered		(15,867)	(3,232)
Gross profit/(loss)		2,607	(122)
Other income	3	131	195
Administrative expenses		(6,408)	(12,527)
Finance costs	4	(618)	(651)
Loss before income tax	5	(4,288)	(13,105)
Income tax expense	6	(26)	–
Loss for the period		(4,314)	(13,105)
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of foreign operations		30	215
Other comprehensive income for the period		30	215
Total comprehensive income for the period		(4,284)	(12,890)
Loss for the period attributable to:			
Owners of the Company		(3,833)	(11,878)
Non-controlling interests		(481)	(1,227)
		(4,314)	(13,105)
Total comprehensive income for the period attributable to:			
Owners of the Company		(3,817)	(11,677)
Non-controlling interests		(467)	(1,213)
		(4,284)	(12,890)
		HK cents	HK cents
Loss per share for loss attributable to owners of the Company			
– Basic and diluted	8	(0.31)	(0.96)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 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
Loss for the period	-	-	-	-	-	-	(11,878)	(11,878)	(1,227)	(13,105)
Other comprehensive income: Exchange difference on translation of financial statements for foreign operations	-	-	-	-	201	-	-	201	14	215
Total comprehensive income for the period	-	-	-	-	201	-	(11,878)	(11,677)	(1,213)	(12,890)
Share-based payment expenses of options granted by the Company during the period	-	-	957	-	-	-	-	957	-	957
At 30 June 2019 (unaudited)	12,437	153,487	5,785	(5,270)	1,032	-	(150,852)	16,619	(3,093)	13,526
At 1 April 2020 (audited)	12,463	153,805	8,339	(5,270)	411	-	(176,951)	(7,203)	935	(6,288)
Loss for the period	-	-	-	-	-	-	(3,833)	(3,833)	(461)	(4,314)
Other comprehensive income: Exchange difference on translation of financial statements for foreign operations	-	-	-	-	16	-	-	16	14	30
Total comprehensive income for the period	-	-	-	-	16	-	(3,833)	(3,817)	(467)	(4,284)
Share-based payment expenses of options granted by the Company during the period	-	-	-	-	-	-	-	-	-	-
At 30 June 2020 (unaudited)	12,463	153,805	8,339	(5,270)	427	-	(180,784)	(11,020)	468	(10,552)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 JUNE 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 Growth Enterprise Market ("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 are the provision of security guarding services, and the provision of business advisory and asset management services.

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

The accounting policies adopted in preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 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.

The unaudited condensed consolidated results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

2. REVENUE

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

	Three months ended	
	30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Provision of security guarding services	18,079	2,683
Provision of business advisory and asset management services	395	427
	18,474	3,110

3. OTHER INCOME

	Three months ended 30 June	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Bank interest income	9	2
Sundry income	122	193
	131	195

4. FINANCE COSTS

	Three months ended 30 June	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interest charges on promissory note repayable	600	600
Interests charge on loans from related parties	15	–
Interest on lease liabilities	3	51
	618	651

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 30 June	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Amortisation of other intangible assets ¹	208	208
Cost of services rendered	15,867	3,232
Depreciation of property, plant and equipment ¹	116	358
Depreciation of right-of-use assets ¹	302	1,072
Short-term leases expenses	363	–
Employee benefits expenses (including directors' emoluments):		
Salaries, allowances and benefits in kind included in:		
– Cost of services rendered	7,254	3,019
– Administrative expenses	2,492	6,988
Retirement benefits – Defined contribution plans ² included in:		
– Cost of services rendered	101	129
– Administrative expenses	102	671
Equity-settled share-based payment expenses ¹		
– Administrative expenses	–	957
	7,281	11,764
Legal and professional fees ¹	654	314
Operating lease charges in respect of:		
– Rented premises	–	231

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

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

6. INCOME TAX EXPENSE

	Three months ended 31 December 2020 (Unaudited) HK\$'000		2019 (Unaudited) HK\$'000		Nine months ended 31 December 2020 (Unaudited) HK\$'000		2019 (Unaudited) HK\$'000	
Current tax:								
PRC Enterprise Income Tax ("EIT")								
– Tax for the period	26		–		–		–	
Deferred tax								
– Charged for the period	–		–		–		–	
Income tax (credit)/expenses	26		–		–		–	

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

Hong Kong Profits Tax is calculated at 16.5% (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.

7. DIVIDEND

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

8. LOSS PER SHARE

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

Loss	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Loss attributable to owners of the Company	(3,833)	(11,878)
Number of shares	2020 '000	2019 '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,246,318	1,243,663

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company, and the weighted average number of approximately 1,246,318,000 (2019: 1,243,663,000) ordinary shares in issue.

No adjustment had been made to the basic loss per share amounts presented for the three months ended 30 June 2020 and 30 June 2019 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the three months ended 30 June 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\$18,474,000, in which the security guarding business recorded a revenue of approximately HK\$18,079,000, and the asset management business recorded a revenue of HK\$395,000.

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 three months ended 30 June 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 THREE MONTHS ENDED 30 JUNE 2020

Obtaining SFC's License to Carry out Type 4 and Type 9 Regulated Activities

On 11 June 2020, Greatwalle Asset Management, a wholly-owned subsidiary of the Company, has been licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Increase in Authorised Share Capital

Pursuant to the announcement dated 24 June 2020, in order to accommodate future expansion and growth of the Company and to provide the Company with greater flexibility to raise funds by allotting and issuing Shares in the future as and when necessary for investment into the group's businesses and also for general working capital of the Group, the board proposed to increase the authorised share capital of the Company from HK\$20,000,000.00 divided into 2,000,000,000 Shares 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. An ordinary resolution for the increase in authorised share capital was passed by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting of the Company (the "**EGM**") on 15 July 2020.

OUTLOOK

In 2020, the global economy is expected to suffer a certain degree of decline due to the impact of the novel coronavirus epidemic, and in a global context, the epidemic in the PRC is well under control.

For the security guarding business, the Group will continue to strongly expand into the PRC market and further expand its business by building on its existing operations scale. 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 number of customers in the Company's security guarding business has increased substantially.

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 managements 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 it has encountered challenges in both internal and external environments, it still possesses strong resilience and vitality. Therefore, the Group will use the asset management licenses obtained in the PRC and Hong Kong respectively as an opportunity to grasp macro-environment opportunities, fully utilise the Group's advantages, continuously expand the scale of the asset management business, improve the level of returns in asset management and turn the asset management business into an important profit growth point for the Company.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2019 and 2020, majority of the Group's revenue was generated from the provision of security guarding services in Hong Kong and the PRC. The following table sets forth the breakdown of the Group's revenue by types of contracts for the three months ended 30 June 2019 and 2020:

	Three months ended 30 June 2020		2019	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding Services	18,079	97.9%	2,683	86.2%
Asset Management Services	395	2.1%	427	13.8%
Total	18,474	100%	3,110	100%

The Group's overall revenue increased by approximately HK\$15,364,000 or 494.0% from approximately HK\$3,110,000 for the three months ended 30 June 2019 to approximately HK\$18,474,000 for the three months ended 30 June 2020. The increase in revenue was mainly due to (i) increase in revenue from the Security Guarding Services in Hong Kong from approximately HK\$2,683,000 for the three months ended 30 June 2019 to approximately HK\$18,079,000 for the three months ended 30 June 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\$4,621,000.

Cost of services rendered

For the three months ended 30 June 2019 and 2020, the cost of services rendered, which mainly consists of direct guard cost, was approximately HK\$3,232,000 and HK\$15,867,000, representing approximately 103.9% and 85.9% 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 June 2020, the Group had a total of 568 employees, of which 542 were full-time and part-time guards providing manned security guarding and related services.

Gross profit/(loss)

The Group's gross profit for the three months ended 30 June 2020 was approximately HK\$2,607,000, as compared with the gross loss of approximately HK\$122,000 for the three months ended 30 June 2019. The turn around performance was mainly due to the decrease in cost of services rendered as a result of the better cost control and income increased by implementing measures such as lowering cost and adjustment of market structure during the three months ended 30 June 2020.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$6,119,000 or 48.8% from approximately HK\$12,527,000 for the three months ended 30 June 2019 to approximately HK\$6,408,000 for the three months ended 30 June 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 three months ended 30 June 2020.

Finance costs

The Group's finance costs increased by approximately HK\$33,000 or 5.1% from HK\$651,000 for the three months ended 30 June 2019 to HK\$618,000 for the three months ended 30 June 2020. The decrease in the finance costs was mainly due to the decrease in the interest on lease liabilities for the three months ended 30 June 2020.

Loss for the Reporting Period

Loss attributable to owners of the Company for the three months ended 30 June 2020 decreased by approximately HK\$8,045,000 from approximately HK\$11,878,000 for the three months ended 30 June 2019 to approximately HK\$3,833,000 for the three months ended 30 June 2020. The decrease in the Group's loss for the Reporting Period was mainly due to the reasons and factors as mentioned above.

DISCLOSURE OF INTERESTS

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

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity/Nature of interests	Number of ordinary shares held/interested	Number of underlying shares held/interested pursuant to share options	Approximate percentage of the total number of issued shares of the Company
Song Xiaoming ("Mr. Song")	Interest in a controlled corporation	691,743,923(L) ^(Note 1)	—	55.50%
Pang Xiaoli ("Ms. Pang")	Beneficial owner	14,922,155(L)	—	1.20%
		—	2,015,242(L) ^(Note 2)	0.16%
Hon Hoi Chuen	Beneficial owner	—	12,436,626(L) ^(Note 2)	1.00%
Lin Shuxian ("Ms. Lin")	Beneficial owner	—	12,436,626(L) ^(Note 2)	1.00%
Guan Yan	Beneficial owner	—	1,000,000(L) ^(Note 2)	0.08%
Zhao Jinsong	Beneficial owner	—	1,000,000(L) ^(Note 2)	0.08%
Li Zhongfei	Beneficial owner	—	1,000,000(L) ^(Note 2)	0.08%

(L) represents a long position in the Shares

Notes:

- According to information available to the Company, the Shares held by Greatwalle Holding Limited were 691,743,923 Shares. Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited) ("Nansha Huiming"). Nansha Huiming is held as to approximately 91.9992% by Huili Jiu Hao Investment, and as to approximately 0.0008% by Mr. Song. 深圳匯理九號投資諮詢企業 (有限合夥) (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership) ("Huili Jiu Hao") is held as to 99.0000% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.) ("Great Walle Investment"). Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司). As such, Mr. Song is deemed to be interested in the above companies and the Shares and the underlying Shares of the Company under the SFO.
- These long positions represent the share options granted by the Company under the Share Option Scheme. For details, please refer to the section headed "Share Option Scheme" below.

* For identification purpose only

Long positions in the interest in the associated corporations

Name	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	深圳匯理九號投資諮詢企業(有限合夥) (Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest in a controlled corporation	990,000 ^(Note 1)	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%
Ms. Pang		Interest in a controlled corporation	1,222,486	21.9995%
	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*)	Beneficial owner	10,000 ^(Note 1)	1.0000%
	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Beneficial owner	73,637	1.3252%
		Interest in a controlled corporation	27,509 ^(Note 2)	0.4950%
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%

Notes:

1. The associated corporation is a limited partnership with no share description or shares. The total number of shares represented the amount of capital contributed.
2. These shares are beneficially owned by 深圳明銳科技有限公司 (Shenzhen Mingyue Technology Company Limited*), a company wholly-owned by Ms. Pang, and therefore Ms. Pang is deemed to be interested in these shares under the SFO.

* For identification purpose only

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2020, substantial shareholders (not being the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, as follows:

Long positions in the Shares and underlying Shares of the Company

Name of substantial shareholders	Capacity/nature of interests	Number of shares held/interested	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	691,743,923(L)	55.50%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note 1)	691,743,923(L)	55.50%
深圳匯理九號投資諮詢企業(有限合伙)(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest of corporation controlled by the substantial shareholder (Note 1)	691,743,923(L)	55.50%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note 1)	691,743,923(L)	55.50%

(L) represents a long position in the Shares

Note: According to information available to the Company, 691,743,923 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 691,743,923 Shares held by Greatwalle Holding Limited under the SFO.

* For identification purpose only

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 30 June 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.

SHARE OPTION SCHEME

The details of the movements of the share options under the Share Option Scheme for the three months ended 30 June 2020 are set out as follows:

Name or category of grantees	Exercise Price per share (HK\$)	Date of grant	Exercisable Period (Note)	Number of share options					Balance as at 30 June 2020
				Balance as at 1 April 2020	Granted during the three months ended 30 June 2020	Exercised during the three months ended 30 June 2020	Lapsed during the three months ended 30 June 2020	Cancelled during the three months ended 30 June 2020	
Directors									
Ms. Pang Xiaoli	0.0904	18 April 2019	18 April 2019 to 17 April 2029	2,015,242	-	-	-	-	2,015,242
Mr. Hon Hoi Chuen	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	3,280,440
Ms. Lin Shuxian	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	3,280,440
Ms. Guan Yan	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	84,382
Mr. Zhao Jinsong	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	84,382
Mr. Li Zhongfei	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	84,382
Former Director									
Mr. Li Mingming	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186

				Number of share options					
Name or category of grantees	Exercise Price per share (HK\$)	Date of grant	Exercisable Period (Note)	Balance as at 1 April 2020	Granted during the three months ended 30 June 2020	Exercised during the three months ended 30 June 2020	Lapsed during the three months ended 30 June 2020	Cancelled during the three months ended 30 June 2020	Balance as at 30 June 2020
Other employees of the Group									
In aggregate	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	–	–	–	–	9,156,186
	0.0904	18 April 2019	18 April 2019 to 17 April 2029	13,869,027	–	–	–	–	13,869,027
	0.1470	5 September 2019	5 September 2019 to 4 September 2021	73,588,691	–	–	–	–	73,588,691
Total				135,658,584	–	–	–	–	135,658,584

Note:

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

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

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2020.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2020 (three months ended 30 June 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. Having made specific enquiry to all the Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding directors' securities transactions during the three months ended 30 June 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 three months ended 30 June 2020.

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 which are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, this report and the first quarterly results announcement of the Group for the three months ended 30 June 2020. The condensed consolidated financial results for the three months ended 30 June 2020 are unaudited, but have been reviewed by the Audit Committee.

PRE-EMPTIVE RIGHTS

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

INTERESTS IN COMPETING BUSINESS

During the three months ended 30 June 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) at the relevant time was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the three months ended 30 June 2020.

EVENTS AFTER THE REPORTING PERIOD

Increase in Authorised Share Capital

On 15 July 2020, an ordinary resolution for the increase in authorized share capital was passed by the Shareholders at the EGM, and the authorized share capital of the Company was increased to HK\$40,000,000,000.00 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.

Proposed Rights Issue

On 5 August 2020, the Company announced its proposal to raise not less than approximately HK\$20.8 million before expenses by way of a rights issue by issuing not less than 415,439,174 rights shares on the basis of one rights share for every three shares held by the qualifying shareholders at a subscription price of HK\$0.05 per rights share (the "**Rights Issue**"). On 5 August 2020, the Company received from Greatwalle, being a controlling shareholder of the Company, the irrevocable undertaking, who has undertaken to take up an aggregate of 230,581,307 rights shares. Up to 230,077,395 rights shares are underwritten by First Capital Securities Limited, pursuant to the underwriting agreement dated 5 August 2020 (the "**Underwriting Agreement**") entered into between First Capital Securities Limited and the Company, subject to the terms and conditions set out in the Underwriting Agreement. For details, please refer to the announcement of the Company dated 5 August 2020.

Saved as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2020 and up to the date of this report.

By order of the Board

Greatwalle Inc.

Song Xiaoming

Chairman and executive Director

Hong Kong, 11 August 2020

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