



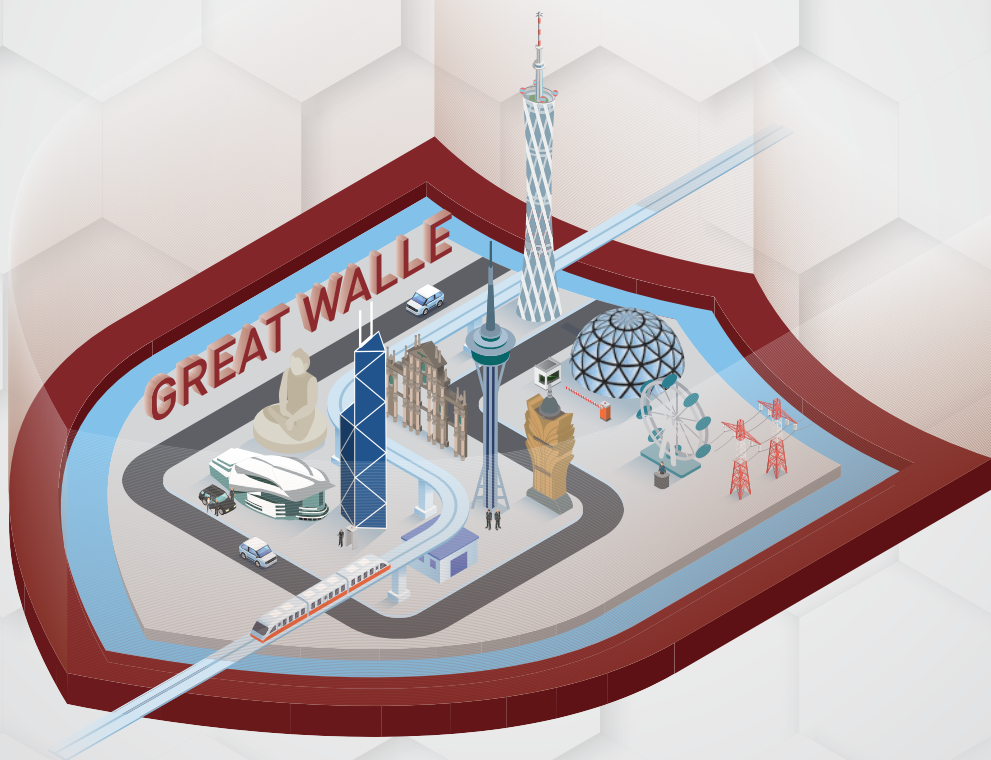
长城汇理
GREAT WALLE

GREATWALLE INC.

長 城 匯 理 公 司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8315



INTERIM REPORT
2022/23

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

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



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CORPORATE INFORMATION

DIRECTORS

Executive Directors:

Mr. Song Xiaoming (*Chairman*)
Ms. Song Shiqing
Mr. Su Congyue (Appointed on 22 July 2022)
Mr. Lyu Xingyuan (Appointed on 27 April 2022 and
resigned on 22 July 2022)
Ms. Lin Shuxian (Resigned on 8 April 2022)

Non-executive Director:

Mr. Chung Man Lai

Independent Non-executive Directors:

Mr. Li Zhongfei
Mr. Zhao Jinsong
Mr. Liu Chengwei

AUDIT COMMITTEE

Mr. Zhao Jinsong (*Chairman*)
Mr. Li Zhongfei
Mr. Liu Chengwei

REMUNERATION COMMITTEE

Mr. Li Zhongfei (*Chairman*)
Mr. Zhao Jinsong
Mr. Liu Chengwei

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Li Yan

AUTHORISED REPRESENTATIVES

Mr. Song Xiaoming
Ms. Song Shiqing

COMPLIANCE OFFICER

Ms. Song Shiqing

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants

LEGAL ADVISER

As to Hong Kong Laws
Tian Yuan Law Firm LLP
Suites 3304-3309, 33/F
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REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
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Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

COMPANY WEBSITE

www.kingforce.com.hk

STOCK CODE

8315

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Revenue	3	24,400	12,585	44,232	27,439
Cost of services rendered		(22,383)	(12,873)	(41,133)	(27,462)
Gross profit		2,017	(288)	3,099	(23)
Other income	4	2,308	30	2,929	126
Administrative expenses		(3,727)	(7,418)	(9,389)	(12,396)
Finance costs	5	(750)	(759)	(1,526)	(1,501)
Loss before income tax	6	(152)	(8,435)	(4,887)	(13,794)
Income tax expense	7	(2)	(1)	(3)	12
Loss for the period		(154)	(8,436)	(4,890)	(13,782)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		(3,260)	175	(6,458)	1,374
Other comprehensive income for the period		(3,260)	175	(6,458)	1,374
Total comprehensive income for the period		(3,414)	(8,261)	(11,348)	(12,408)
Loss for the period attributable to:					
Owners of the Company		(176)	(8,147)	(4,812)	(13,228)
Non-controlling interests		22	(289)	(78)	(554)
		(154)	(8,436)	(4,890)	(13,782)
Total comprehensive income for the period attributable to:					
Owners of the Company		(3,411)	(7,974)	(11,228)	(11,851)
Non-controlling interests		(3)	(287)	(120)	(557)
		(3,414)	(8,261)	(11,348)	(12,408)
		HK cents	HK cents (Restated)	HK cents	HK cents (Restated)
Loss per share for loss attributable to owners of the Company					
– Basic and diluted		(0.03)	(1.65)	(0.83)	(3.14)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Notes	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	17,631	18,739
		17,631	18,739
Current assets			
Trade receivables	11	8,956	7,594
Prepayments, deposits and other receivables		10,158	4,705
Amount due from a related party		16	102
Cash at banks and in hand		50,850	69,987
		69,980	82,388
Current liabilities			
Trade payables	12	2,151	1,179
Accrued expenses and other payables		18,435	15,379
Loans from related parties		201	2,094
Amounts due to related parties		5,001	4,980
Lease liabilities		5,146	5,117
Promissory note payable	13	18,950	20,150
Borrowings	14	6,900	6,618
		56,784	55,517
Net current assets		13,196	26,871
Total assets less current liabilities		30,827	45,610
Non-current liabilities			
Lease liabilities		11,240	14,675
		11,240	14,675
Net assets		19,587	30,935
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	29,072	29,072
Reserves		(6,537)	4,691
		22,535	33,763
Non-controlling interests		(2,948)	(2,828)
Total equity		19,587	30,935

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Share capital HK\$'000	Share premium* HK\$'000	Share option reserve* HK\$'000	Merger reserve* HK\$'000	Foreign exchange reserve* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	(Capital deficiency)/ Total equity HK\$'000
At 1 April 2021	16,618	169,485	8,339	(5,270)	1,400	(193,910)	(3,338)	(883)	(4,221)
Rights issue, net of expenses	12,454	55,392	-	-	-	-	67,846	-	67,846
Transactions with owners	12,454	55,392	-	-	-	-	67,846	-	64,846
Loss for the period	-	-	-	-	-	(13,228)	(13,228)	(554)	(13,782)
Other comprehensive income:									
Exchange difference on translation of financial statements of foreign operations	-	-	-	-	1,377	-	1,377	(3)	1,374
Total comprehensive income for the period	-	-	-	-	1,377	(13,228)	(11,851)	(557)	(12,408)
At 30 September 2021 (unaudited)	29,072	224,877	8,339	(5,270)	2,777	(207,138)	52,657	(1,440)	51,217
At 1 April 2022 (audited)	29,072	224,877	7,241	(5,270)	3,771	(225,928)	33,763	(2,828)	30,935
Loss for the period	-	-	-	-	-	(4,812)	(4,812)	(78)	(4,890)
Other comprehensive income:									
Exchange difference on translation of financial statements for foreign operations	-	-	-	-	(6,416)	-	(6,416)	(42)	(6,458)
Total comprehensive income for the period	-	-	-	-	(6,416)	(4,812)	(11,228)	(120)	(11,348)
At 30 September 2022 (unaudited)	29,072	224,877	7,241	(5,270)	(2,645)	(230,740)	22,535	(2,948)	19,587

* 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 2022**

	Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Net cash used in operating activities	(5,745)	(6,044)
Net cash used in investing activities	(689)	–
Net cash used in financing activities	(5,357)	(4,951)
Net decrease in cash and cash equivalents	(11,791)	(10,995)
Cash and cash equivalents at beginning of the period	69,987	85,010
Effect of foreign exchange rates change	(7,346)	426
Cash and cash equivalents at end of the period	50,850	74,441
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	50,850	74,441

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Greatwalle Inc. (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2014. The Company's registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Unit 1112, 11/F., The Metropolis Tower, No. 10 Metropolis Drive, Hungghom, Kowloon, Hong Kong. The Company's shares were listed on the GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 August 2014.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (the "**Group**") are the provision of security guarding and property management services (the "**Security Guarding and Property Management Services**"), and the provision of asset management services (the "**Asset Management Services**").

The directors of the Company (the "**Directors**") consider the Company's ultimate holding company as at 30 September 2022 is Shenzhen Great Walle Investment Corp., LTD. ("**Shenzhen Great Walle**"), a company established in the People's Republic of China (the "**PRC**") and its ultimate controller party is Mr. Song Xiaoming ("**Mr. Song**").

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), with values rounded to the nearest thousand except when otherwise indicated.

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared in compliance with Hong Kong Accounting Standards ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**"). 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 financial statements for the year ended 31 March 2022, except for the adoption of standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 April 2022. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited interim condensed consolidated financial statements. Although the estimates are based on the management's best knowledge of and judgement on the present events and actions, the actual results may eventually differ from those estimates. The unaudited interim condensed consolidated financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022.

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost conventions, as modified by the revaluation of certain financial instruments which are carried at fair value.

The unaudited interim condensed consolidated financial statements has not been audited or reviewed by the Company's external auditors, but has been reviewed by the audit committee of the Company.

2. SEGMENT INFORMATION

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

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

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

	Security Guarding and Property Management		Asset Management		Total	
	2022	2021	2022	2021	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue from external customers	43,903	26,137	329	1,302	44,232	27,439
Total segment loss from operations	(11)	(7,938)	(3,144)	(2,388)	(3,155)	(10,326)
Finance costs					(1,526)	(1,501)
Unallocated corporate income					1,248	-
Unallocated corporate expenses					(1,454)	(1,967)
Loss before income tax					(4,887)	(13,794)
Income tax expense					(3)	12
Loss for the period from operations					(4,890)	(13,782)

There was no inter-segments transfer during the six months ended 30 September 2022 and 2021.

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

	Security Guarding and Property Management		Asset Management		Total	
	2022	2021	2022	2021	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Other segment information						
Depreciation of property, plant and equipment	108	92	3	4	111	96
Depreciation of right-of-use assets	1,150	601	17	410	1,167	1,011
Impairment loss on trade receivables	-	1,125	-	-	-	1,125
Reversal of impairment of trade receivables	(204)	-	-	-	(204)	-
Income tax expense	3	8	-	(20)	3	(12)
Capital expenditure*	637	21,583	2	-	639	21,583

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

2. SEGMENT INFORMATION – Continued

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

	Security Guarding and Property Management		Asset Management		Total	
	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Segment assets	83,242	93,235	3,919	7,140	87,161	100,375
Corporate cash at banks and in hand					161	392
Other corporate assets					289	360
Total assets					87,611	101,127

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

	Security Guarding and Property Management		Asset Management		Total	
	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000	30 September 2022 (Unaudited) HK\$'000	31 March 2022 (Audited) HK\$'000
Segment liabilities	(36,916)	(29,496)	(2,004)	(6,137)	(38,920)	(35,633)
Promissory note payable					(18,950)	(20,150)
Borrowings					(6,900)	(6,618)
Other corporate liabilities					(3,254)	(7,791)
Total liabilities					(68,024)	(70,192)

2. SEGMENT INFORMATION – Continued

Geographic information

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

	Revenue from external customers		Specific non-current assets	
	Six months ended 30 September 2022 (Unaudited) HK\$'000	Six months ended 30 September 2021 (Unaudited) HK\$'000	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Hong Kong (place of domicile)	10,244	4,223	6,975	6,056
PRC	33,988	23,216	10,656	12,683
	44,232	27,439	17,631	18,739

Information about major customers

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

	Six months ended 30 September 2022 (Unaudited) HK\$'000	Six months ended 30 September 2021 (Unaudited) HK\$'000
Customer A	7,439	18,241
Customer B	8,279	2,013
Customer C	9,376	–
Customer D	4,800	–

3. REVENUE

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

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Security Guarding and Property Management Services	24,244	11,987	43,903	26,137
Asset Management Services	156	598	329	1,302
	24,400	12,585	44,232	27,439

4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2022	2021	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Bank interest income	24	21	29	24
Government grant ¹	1,065	–	1,679	–
Gain on modification of the terms of promissory note	1,200	–	1,200	–
Sundry income	19	9	21	102
	2,308	30	2,929	126

¹ Government grant represented the Employment Support Scheme under the second round of the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region to provide time-limited financial support to employers to retain employees who may otherwise be made redundant.

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2022	2021	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest charges on promissory note	588	600	1,188	1,200
Interest on lease liabilities	17	23	51	33
Interest charges on loans from related parties	1	2	5	2
Interest charges on borrowings	144	134	282	266
	750	759	1,526	1,501

6. LOSS BEFORE INCOME TAX

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

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Cost of services rendered	22,383	12,873	41,133	27,462
Depreciation of property, plant and equipment ¹	54	56	111	96
Depreciation of right-of-use assets ¹	378	600	1,167	1,011
Short-term leases expenses ¹	294	39	338	110
Employee benefits expenses (including directors' emoluments):				
Salaries, allowances and benefits in kind included in:				
– Cost of services rendered	22,197	12,751	40,781	27,188
– Administrative expenses	2,565	2,609	5,163	5,287
Retirement benefits – Defined contribution plans ² included in:				
– Cost of services rendered	186	83	352	169
– Administrative expenses	316	253	660	619
	25,264	15,696	46,956	33,263
Legal and professional fees ¹	257	213	595	904
Impairment loss on trade receivables	–	529	–	1,125
Reversal of impairment of trade receivables	(757)	–	(204)	–

¹ Included in "administrative expenses" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

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

7. INCOME TAX EXPENSE

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

	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Loss				
Current tax				
PRC Enterprise Income Tax ("EIT")				
– Provision for the period	2	1	3	8
– Over-provision in respect of prior years	–	–	–	(20)
	2	1	3	(12)
Hong Kong Profits tax				
– Provision for the period	–	–	–	–
	2	1	3	(12)

7. INCOME TAX EXPENSE – Continued

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

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the six months ended 30 September 2022. EIT is calculated on estimated assessable profits of the subsidiaries' operations in PRC at 25% (six months ended 30 September 2021: 25%).

8. LOSS PER SHARE

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

Loss	Three months ended 30 September		Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Loss for the period attributable to owners of the Company	(176)	(8,147)	(4,812)	(13,228)

Number of shares	Three months ended 30 September		Six months ended 30 September	
	2022 '000	2021 '000 (Restated)	2022 '000	2021 '000 (Restated)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	581,442	493,106	581,442	421,568

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company, and the weighted average number of shares of approximately 581,442,000 (for the six months ended 30 September 2021: 421,568,000, and the three months ended 30 September 2021: 493,106,000 have been adjusted for the effect of the Share Consolidation on 2 August 2021 and the bonus element of the issue of shares under subscription on 5 August 2021).

There were no diluted potential ordinary shares during the six months ended 30 September 2022 and 2021 and therefore, diluted loss per share equals to basic loss per share.

9. DIVIDENDS

The Board did not recommend a payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

10. PROPERTY, PLANT AND EQUIPMENT

On 15 September 2022, the Company entered into a formal agreement to sale a non-residential property, currently used and occupied by the Group as one of the offices to an independent third party at a consideration of HK\$12,000,000. As of the period ended 30 September 2022, the Group received sales deposit of HK\$1,200,000 and the Completion will take place on or before 12 April 2023. For details, please refer to announcements of the Company dated 4 and 5 September 2022.

10. PROPERTY, PLANT AND EQUIPMENT – Continued

As at 30 September 2022, the carrying amounts of the Group's right-of-use assets in relation to premises in the PRC and Hong Kong are HK\$14,680,000 (31 March 2022 (audited): HK\$16,308,000). The depreciation charge for the six months ended 30 September 2022 of the Group's right-of-use in relation to premises are HK\$1,167,000 (six months ended 30 September 2021: HK\$1,011,000). As at 30 September 2022, no property, plant and equipment are under pledging.

11. TRADE RECEIVABLES

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Trade receivables	8,956	7,594

Trade receivables generally have credit terms of 7 to 30 days (as at 31 March 2022: 7 to 30 days).

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 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Not more than 30 days	7,373	5,496
30-90 days	1,034	1,436
Over 90 days	549	662
	8,956	7,594

None of the trade receivables as at 30 September 2022 has been written off by the Group (31 March 2022: nil).

12. TRADE PAYABLES

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

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Not more than 30 days	2,151	1,179
30-90 days	-	-
Over 90 days	-	-
	2,151	1,179

13. PROMISSORY NOTE PAYABLE

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

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

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

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

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

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

On 30 April 2022, the Company entered into a fourth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 October 2022.

During the six months ended 30 September 2022, Mr. Fu discharged HK\$1,200,000 of principle amount of the promissory note and the revised principal amount of the promissory note was HK\$18,750,000. It hereby resulted in modification of the terms of the promissory note, the gain on modification with amount of the same amount was recognised for the period. The revised promissory note would bear fixed interest of approximately 1% per month and is adjustable where the principal changes. As at the date of this report, the Group is in the course of negotiation to further extend the promissory note.

14. BORROWINGS

The balance represented the unsecured debenture. On 15th July 2020, the Company has issued debentures with aggregate principal of approximately USD800,000 (equivalent to approximately HK\$6,202,000) to an independent third party. The debentures are unsecured, bearing interest rate at 8.5% per annum and repayable in July 2021.

On 15 July 2021, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to July 2022, and the principal amount of the unsecured debenture was amended to approximately USD834,000 (equivalent to approximately HK\$6,504,000).

On 15 July 2022, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to July 2023, and the principal amount of the unsecured debenture was amended to approximately USD869,000 (equivalent to approximately HK\$6,779,000).

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01	Number of ordinary shares of HK\$0.05	Amount HK\$'000
Authorised:			
At 1 April 2021	4,000,000,000	–	40,000
Share consolidation (note (i))	(4,000,000,000)	8,000,000,000	–
At 31 March 2022, 1 April 2022 (audited) and 30 September 2022 (unaudited)	–	8,000,000,000	40,000
Issued:			
At 1 April 2021	1,661,756,697	–	16,618
Share consolidation (note (i))	(1,661,756,697)	332,351,339	–
Issue of subscription shares (note (ii))	–	249,090,909	12,454
At 31 March 2022, 1 April 2022 (audited) and 30 September 2022 (unaudited)	–	581,442,248	29,072

Notes:

- (i) With effect from 5 August 2021, every five (5) issued and unissued shares of the Company of HK\$0.01 each were consolidated into one (1) consolidated share of the Company of HK\$0.05 each.
- (ii) On 18 March 2021, the Company entered into a subscription agreement (as amended and supplemented by a supplemental agreement dated 6 July 2021) with Walle Holding Limited, a company wholly-owned by Mr. Song Xiaoming (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Walle Holding Limited has conditionally agreed to subscribe for, 249,090,909 new consolidated ordinary shares (the "**Subscription Shares**") at a subscription price of HK\$0.275 per Subscription Share.

16. RELATED PARTY TRANSACTIONS AND BALANCES

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

	Notes	Six months ended 30 September	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Interest expense to a director of subsidiaries, Mr. Fu	(a)	1,188	1,200
Business advisory and asset management services income received from a related company	(a & b)	-	869
Interest paid to related parties	(c)	5	2

Notes:

- (a) The transactions above were carried out on the terms agreed between the relevant parties.
- (b) Transaction with Shenzhen Great Walle Capital Management Co., Ltd., a company controlled by the common shareholder.
- (c) Transactions with Greatwalle Holding Limited and Shenzhen Great Walle, immediate holding company and ultimate holding company.

- (b) **Compensation of key management personnel**

	Six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Short-term employee benefits	2,837	3,290
Post-employment benefits	240	123
	3,077	3,413

16. RELATED PARTY TRANSACTIONS AND BALANCES – Continued

(c) Loans from/amounts due from/(to) related parties

	Notes	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Amount due from a related party:			
– a director of the Company	(c)	16	–
– fellow subsidiaries	(c)	–	102
		16	102
Loans from related parties:			
– immediate holding company	(a)	(201)	(2,050)
– ultimate holding company	(b)	–	(44)
		(201)	(2,094)
Amounts due to related parties:			
– a director of the Company	(c)	–	(150)
– a director of a subsidiary	(c)	(4,640)	(4,640)
– fellow subsidiaries	(c)	(361)	(190)
		(5,001)	(4,980)

Notes:

- (a) *Loan from immediate holding company*
The loans are unsecured, interest-free and repayable on demand.
- (b) *Loan from ultimate holding company*
The loans is unsecured, bearing interest 1% per annum and repayable within one year.
- (c) *Amounts due from/(to) related parties*
These amounts due from/(to) related parties are unsecured, interest-free and repayable on demand.

17. COMPARATIVE FIGURES

As a result of the share consolidation completed on 2 August 2021 and the bonus element of the issue of shares under subscription completed on 5 August 2021, the loss per share for the six months ended 30 September 2021 and the three months ended 30 September 2021 have been retrospectively adjusted.

Certain comparative amounts have been reclassified to conform to current period's presentation.

18. 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 2022 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2022 (the “**Reporting Period**”), the principally activities of Company and its subsidiaries (the “**Group**”) engaged in (i) the provision of security guarding and property management services (the “**Security Guarding and Property Management Services**”); and (ii) the provision of asset management services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a total revenue of approximately HK\$44.2 million, in which the Security Guarding and Property Management Services recorded a revenue of approximately HK\$43.9 million, and the Asset Management Services recorded a revenue of approximately HK\$0.3 million.

(a) **Security Guarding and Property Management Services**

For the Group’s Security Guarding and Property Management Services, the Group operates in both Hong Kong and the People’s Republic of China (the “**PRC**”). Compared to corresponding period, revenue increased by approximately HK\$17.8 million from approximately HK\$26.1 million for the six months ended 30 September 2021 to approximately HK\$43.9 million for the Reporting Period.

In the PRC, the Group’s Security Guarding and Property Management Services has continued to grow and its client base has gradually expanded from government departments to schools and industrial parks. The Group has successfully expanded its Security Guarding and Property Management Services business in Dongying City, Shandong Province in the PRC since the second half of 2021. As a result, revenue from Security Guarding and Property Management Services in the PRC recorded a consecutive growth of approximately HK\$11.8 million from approximately HK\$21.9 million for the six months ended 30 September 2021 to approximately HK\$33.7 million for the Reporting Period. The Group has fully realised its comprehensive advantage in brand, operation and management system, and will continue to expand the scale of its Security Guarding and Property Management business in the PRC to achieve sustained growth in operating revenue, with a view to building the Company into a prominent security guarding and property management enterprise in the PRC.

In Hong Kong, the Group is permitted to provide security guarding services under Type 1 security work in Hong Kong in accordance with the Security Company License regime. With years of operating experience, the Group has established a strong reputation in the field of manned security guarding services. During the Reporting Period, revenue generated from Hong Kong Security Guarding and Property Management Services increased from HK\$4.2 million for the six months ended 30 September 2021 to approximately HK\$10.2 million for the Reporting Period. The significant increase in Security Guarding and Property Management Service in Hong Kong was mainly due to the increase in security staff secondment provided to customer. Despite the increase in revenue, Securing Guarding and Property Management Services in Hong Kong was still under the pressure of repetition and duration of the outbreak of COVID-19 which greatly exceeded the original expectation, the border restriction between the PRC and Hong Kong during the Reporting Period and up to the date of report was still in place, it slowed down economic activities in Hong Kong and severely hit the business, commerce, catering, retail and tourism industries.

(b) Asset Management Services

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

As at 30 September 2022, the Group managed privately offered funds in the PRC where these funds invested in promising companies listed or unlisted. Asset Management Services revenue during the Reporting Period decreased by 76.9% from approximately HK\$1.3 million for the six months ended 30 September 2021 to approximately HK\$0.3 million for the Reporting Period. The decrease was mainly due to the completion of continuing connected transaction in November 2021. Revenue from external customers remained steady for the six months ended 30 September 2022 and 2021. The Group targets to invest in (i) buyout or leveraged buyout funds; (ii) medium to long-term investments towards companies with long-term development value and have a leading position in a particular market segment; (iii) bonds; and (iv) security guarding and property management services in respect of vocational education, undergraduate education and related support education. The asset management team has been committed to exploring business and investment opportunities, aiming for quality and long-term investments and to increasing the scale of funds. We believe that the economy of the PRC will rebound after the epidemic and over the next few years, the Group will drive the asset management business into the high-quality development phase.

OUTLOOK

The global business environment is consistently challenging in the short run as a result of the recurrent nature of the COVID-19 pandemic and the emergence of new virus variants. Unsynchronised global pandemic prevention and control, uneven economic recovery, the expected inflation in long-term global economic environment as well as geopolitical uncertainties have all increased challenge to the Group.

Going forward, the Group will leverage its asset management brand effect in the PRC, to establish investment funds through our asset management platform and transform the Group into a boutique asset management vehicle. The Board believes that the Group's strategy to extent its businesses could provide a better return to the Shareholders.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2021 and 2022, the Group's revenue was generated from Security Guarding and Property Management Services in Hong Kong and the PRC and Asset Management Services. Total revenue of the Group increased by approximately HK\$16.8 million or 61.2% from approximately HK\$27.4 million for the six months ended 30 September 2021 to approximately HK\$44.2 million for the Reporting Period. The following table sets forth the breakdown of the Group's revenue by types of contracts for the six months ended 30 September 2021 and 2022:

	Six months ended 30 September			
	2022		2021	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding and Property Management Services	43,903	99.3%	26,137	95.3%
Asset Management Services	329	0.7%	1,302	4.7%
Total	44,232	100%	27,439	100%

(a) *Security Guarding and Property Management Services*

Total revenue of Security Guarding and Property Management Services for the Reporting Period amounted to approximately HK\$43.9 million, it represented an increase of approximately HK\$17.8 million or approximately 68.2%, as compared with total revenue of approximately HK\$26.1 million for the six months ended 30 September 2021.

Since second half of 2021, the Group has expanded its Security Guarding and Property Management Services in Dongying City, Shandong Province in the PRC. As a result, revenue generated from Security Guarding and Property Management Services in the PRC recorded an increase of approximately HK\$11.8 million or approximately 53.9% from HK\$21.9 million for the six months ended 30 September 2021 to approximately HK\$33.7 million for the Reporting Period. In addition, revenue of Hong Kong's Security Guarding and Property Management Services increased by approximately HK\$6.0 million or approximately 142.9% from approximately HK\$4.2 million for the six months ended 30 September 2021 to approximately HK\$10.2 million for the Reporting Period, which resulting from the customer did not have enough staff to meet the increase in customer volume, and our company provided this customer with a secondment service to meet the demand.

(b) *Asset Management Services*

Total revenue of Asset Management Services for the Reporting Period amounted to approximately HK\$0.3 million, it represented a decrease of approximately HK\$1 million, as compared with total revenue of approximately HK\$1.3 million for the six months ended 30 September 2021. The decrease in revenue was mainly due to the completion of the continuing connected transaction in November 2021. Revenue from external customers remained steady for the six months ended 30 September 2022 and 2021.

Cost of services rendered

For the six months ended 30 September 2022 and 2021, the cost of services rendered amounted to approximately HK\$41.1 million and HK\$27.5 million respectively.

The cost of services rendered increased in line with the increase in revenue and mainly consisted of direct guard costs provided for the Security Guarding and Property Management Services amount to approximately HK\$41.1 million and HK\$27.5 million for the six months ended 30 September 2022 and 2021, representing approximately 93.6% and 105.4% of the Group's Security and Property Management Services revenue respectively. Such improvement in the cost of services in the percentage of revenue was primarily attributable to better cost control by the implementation of better staff allocation and planning, as well as adjustment in business based upon the Group's resource advantage during the Reporting Period.

As at 30 September 2022, the Group had a total of 1,196 employees (31 March 2022: 1,347 employees), of which 1,162 full-time and part-time guards providing manned security guarding and related services (31 March 2022: 1,329).

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$3.1 million from approximately gross loss of HK\$23,000 for the six months ended 30 September 2021 to approximately gross profit HK\$3.1 million for the Reporting Period. The increase in the Group's gross profit and gross profit margin was in line with the increase in revenue and mainly due to the better cost control by the implementation of measures such as lowering cost and adjustment of market structure during the Reporting Period.

Other income

Other income mainly included (i) a one-off government grant from the Employment Support Scheme under the second round of the Anti-epidemic launched by the Government of Hong Kong Special Administrative Region to provide time-limited financial support to employers of approximately HK\$1.7 million being recognised for the Reporting Period; and (ii) a one-off gain on modification of the terms of promissory note of approximately HK\$1.2 million.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$3.0 million or 24.2% from approximately HK\$12.4 million for the six months ended 30 September 2021 to approximately HK\$9.4 million for the Reporting Period. The decrease was mainly attributable to (i) decrease in legal and professional expenses; and (ii) improvement of receivables control which in line with better business performance, impairment loss in receivables reduced by approximately HK\$1.3 million.

Finance costs

The Group's finance cost mainly consisted of interest on promissory notes and interest on unsecured debenture and they remained steady for the six months ended 30 September 2022 and 2021 of approximately HK\$1.5 million.

Loss for the Reporting Period

Loss attributable to owners of the Company for the Reporting Period decreased by HK\$8.4 million or 63.6% from approximately HK\$13.2 million for the six months ended 30 September 2021 to approximately HK\$4.8 million for the Reporting Period. The decrease in the Group's loss for the Reporting Period was the result of (i) increase in revenue; (ii) increase in the Group's gross profit; and (iii) decrease in administrative expenses detailed above.

Interim dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

Liquidity, financial resources and capital structure

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

As at 30 September 2022, the share capital and total equity attributable to owners of the Company amounted to approximately HK\$29.1 million and HK\$22.5 million respectively (as at 31 March 2022: approximately HK\$29.1 million and HK\$33.8 million respectively). As at 30 September 2022, cash at banks and in hand of the Group amounted to approximately HK\$50.9 million (31 March 2022: HK\$70.0 million). As at 30 September 2022, the Group has a promissory note which is payable to a director of a subsidiary. For details, please refer to note 13 to the notes to unaudited condensed consolidated interim financial information. The Group did not carry out any interest rate hedging policy.

Charges over assets of the Group

As at 31 March 2022 and 30 September 2022, none of the Group's assets had been pledged.

Gearing ratio

As at 30 September 2022, the gearing ratio of the Group was 158.5% (31 March 2022: 109.4%). 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 borrowings. As at 30 September 2022, the Group did not have any bank borrowings, bank overdrafts and obligations under finance leases (31 March 2022: nil).

Capital expenditure

The Group acquired property, plant and equipment amounted to approximately HK\$0.6 million from direct purchases for the six months ended 30 September 2022, which mainly comprises of addition of right-of-use assets under leasehold and buildings (for the six months ended 30 September 2021: approximately HK\$21.6 million).

Capital commitments

As at 30 September 2022, the Group had no capital commitments (31 March 2022: Nil).

Foreign exchange risk

The Group's business operations are primarily conducted in Hong Kong and PRC. The transactions, monetary assets and liabilities of the Group are mainly denominated in RMB and Hong Kong dollar. During the six months ended 30 September 2022, 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 2022.

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 2022, save as disclosed in this report, the Company did not have any significant investment and had no material acquisition or disposal of subsidiaries or affiliated companies, and the Company has no plans for material investments or capital assets.

Employees and remuneration policy

The Group had 1,196 employees as at 30 September 2022 (31 March 2022: 1,347 employees). For the Reporting Period, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK\$47.0 million (for the six months ended 30 September 2021: approximately HK\$33.3 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The Group's remuneration policy is revised periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are employed.

Training and Development

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

Fund raising activity – 2020 Rights Issue

Net proceeds from the 2020 Rights Issue (after deducting the related expenses) amounted to approximately HK\$19.8 million and as at 1 April 2022, approximately HK\$0.7 million of the net proceeds remained unused. During the six months ended 30 September 2022, the unused net proceeds were fully utilised to paid for the main campus of the vocational education centre in accordance with the intended use of net proceeds.

Fund raising activity – Subscription of Shares of the Company on 5 August 2021 (the “Subscription”)

The gross proceeds and the net proceeds from the Subscription (after deduction professional fees and other related expenses) were approximately HK\$68.5 million and HK\$67.5 million respectively. As at 30 September 2022, a total amount of approximately HK\$19.2 million out of the net proceeds had been used by the Group. The Group will gradually apply the remaining proceeds from the Subscription in the manner in accordance with actual business needs and use up the remaining net proceeds by end of 2023 as previously disclosed in the circular dated 9 July 2021 of the Company and the adjusted timeline as disclosed in the 2022 annual report of the Company and the details are as follows:

	Allocation in respect of the intended use of the net proceeds from Subscription remained unused as at 1 April 2022 HK\$'000	Actual use of proceeds during the six months ended 30 September 2022 HK\$'000	Unused amount of net proceeds as at 30 September 2022 HK\$'000	Expected timeline for full utilisation of the remaining proceeds <i>(note)</i>
Payment for the construction of main campus of the vocational education centre	29,700	–	29,700	By end of 31 March 2023
Investment funds funding	35,775	17,210	18,565	By end of 31 March 2023
Payment of employee salaries and staff training costs for setting up and maintaining the investment research team for the investment funds	2,025	2,025	–	
	67,500	19,235	48,265	

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 2022, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares of the Company (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) which were notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to Rule 5.46 to 5.68 of the GEM Listing Rules (the "Required Standard of Dealings"), were as follows:

Long position in the Shares and underlying Shares of the Company

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

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

Notes:

- According to information available to the Company:
 - 184,465,046 Shares are held by Greatwalle Holding Limited in the capacity of beneficial owner.
 - Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited) ("Nansha Huiming").
 - Nansha Huiming is held as to approximately 99.9992% by 深圳匯理九號投資諮詢企業(有限合伙) (Shenzhen Huiji Jiu Hao Investment Consulting Enterprise Limited Partnership) ("Huiji Jiu Hao Investment"), and as to 0.0008% by Mr. Song.
 - Huiji Jiu Hao Investment is held as to 99.99% by 深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.) ("Great Walle Investment").
 - Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司 (Shenzhen Hongde Commercial Services Corporation Limited)).

* For identification purpose only

- (f) As such, each of Nansha Huiming, Huili Jiu Hao Investment, Great Walle Investment and Mr. Song is deemed to be interested in 184,465,046 Shares held by Greatwalle Holding Limited under the SFO.
- (g) 249,090,909 Shares are held by Walle Holding Limited in the capacity of beneficial owner. Walle Holding Limited is wholly-owned by Mr. Song. As such, Mr. Song is deemed to be interested in 249,090,909 Shares held by Walle Holding Limited under the SFO.
2. These long positions represent the share options granted by the Company under the share option scheme adopted by the Company on 31 July 2014 (the "**Share Option Scheme**"). For details, please refer to the section headed "Share Option Scheme" in this report.

Save as disclosed above, as at 30 September 2022, 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.

Long positions in the interest in the associated corporations

As at 30 September 2022, the Directors and chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings were as follows:

Name of Directors	Name of the associated corporation	Capacity/nature	Number of shares, Underlying shares held/ interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	Nansha Huiming	Beneficial owner	1,000	0.0008%
		Interest in a controlled corporation	110,000,000	91.9992%
	Huili Jiu Hao	Interest in a controlled corporation	990,000 <i>(Note)</i>	99.0000%
	Great Walle Investment	Beneficial owner	3,828,902	68.9039%
		Interest in a controlled corporation	1,222,486	21.9995%
Mr. Su	Great Walle Investment	Beneficial owner	18,523	0.3333%

Note: The associated corporation 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 2022, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings.

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

As at 30 September 2022, substantial shareholders (not being a Director or chief executive of the Company) who had or were deemed to have interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or who were directly or indirectly to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group were as follows:

Long positions in the shares and underlying shares of the Company

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

(L) represents a long position in the Shares

Notes: According to information available to the Company:

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

Saved as disclosed above, as at 30 September 2022, the Company had not been notified of other interests or short positions of substantial shareholders or any other person (other than the Directors, the chief executive of the Company) in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

The Company 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 extraordinary general meeting of the Company held on 16 September 2021.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme, including the outstanding share options, is 45,883,329 Shares, representing approximately 7.9% of the issued Shares of the Company as at the date of this report.

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 the Share on the date of grant of the option.

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 2022 are set out as follows:

Name or category of grantees	Exercise price during 1 April 2021 to 1 August 2021 (HK\$)	Exercise price per share on or after 2 August 2021 (HK\$)	Date of grant	Exercisable period (Note 1)	Number of share options (Note 2)					
					Balance as at 1 April 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Balance as at 30 September 2022
Directors										
Mr. Li Zhongfei	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	196,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	-	-	-	-	17,194
Mr. Zhao Jinsong	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	196,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,194	-	-	-	-	17,194
Mr. Su	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	-	-	-	-	668,467
Former Directors										
Ms. Guan Yan	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	186,578	-	-	-	-	186,578
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	17,195	-	-	-	-	17,194
Mr. Hon Hoi Chuen	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	-	-	-	-	668,467
Mr. Li Mingming	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
Ms. Lin Shuxian	0.234	1.170	14 December 2018	14 December 2018 to 13 December 2028	1,865,788	-	-	-	-	1,865,788
	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	668,467	-	-	-	-	668,467
Ms. Pang Xiaoli	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	410,653	-	-	-	-	410,653
Employees of the Group										
In aggregate	0.089	0.445	18 April 2019	18 April 2019 to 17 April 2029	2,157,674	-	-	-	-	2,157,674
	-	0.2242	11 October 2021	11 October 2021 to 10 October 2026	33,235,133	-	-	-	-	33,235,133
Total					45,883,329	-	-	-	-	45,883,329

Notes:

- All of the outstanding share options 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 share consolidation on 2 August 2021. Please refer to the Company's announcements dated 3 August 2021 and 4 August 2021 for further details.

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

As at the date of this report, there were 45,883,329 Shares available for issue upon exercise of the outstanding share options and the options to be granted under the Share Option Scheme, representing approximately 7.89% of the total number of issued shares of the Company if all of the share options are exercised.

CHANGES IN DIRECTORS' INFORMATION

Subsequent to the date of the 2022 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 2022 and up to the date of this report are set out below:

- (i) Mr. Lyu Xingyuan resigned as an executive Director with effect from 22 July 2022.
- (ii) The service contract of Mr. Song, an executive Director entered with the Company expired on 5 August 2022 and his service contract had been extended on 6 August 2022 and remains effective or otherwise terminated pursuant to the terms of the service contract. Pursuant to the service contract extended on 6 August 2022, Mr. Song would be entitled to an annual remuneration of HK\$450,000, which determined with reference to the prevailing market conditions and his roles and responsibilities in the Group.
- (iii) With effect from 17 October 2022, Mr. Song has been appointed as the government financial consultant by the People's Government of Weifang* (濰坊市人民政府金融顧問) for a term of three years.

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 2022.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, operation and business prospect may be affected by various principal risk and uncertainties directly or indirectly. These risks and uncertainties are set out in the section headed "KEY RISKS AND UNCERTAINTIES" under the section headed "REPORT OF DIRECTORS" of the annual report for the year ended 31 March 2022.

CORPORATE GOVERNANCE CODE

Compliance with the Required Standard of Dealings by Directors

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry to all the Directors and two former Directors, Ms. Lin Shuxian and Mr. Lyu Xingyuan, all of them confirmed that they have complied with the Required Standard of Dealings and the said guidelines regarding Directors' securities transactions during the six months ended 30 September 2022.

Compliance with the Corporate Governance Code

The Company has complied with the code provisions (the "Code Provision(s)") set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules throughout the six months ended 30 September 2022 except for Code Provision C.2.1.

Code Provision C.2.1 stipulates that, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any officer with the title of chief executive officer but the Company has appointed several staff at the subsidiary level for each business segment, who were responsible for the oversight of each business segment's operations. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code from time to time.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the Audit Committee with written terms of reference aligned with the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Zhao Jinsong (chairman of the Audit Committee), Mr. Li Zhongfei and Mr. Liu Chengwei, all of whom are independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, this report and the interim results announcement of the Group for the six months ended 30 September 2022. The condensed consolidated financial results for the six months ended 30 September 2022 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 2022, none of the Directors and former Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

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

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

Hong Kong, 11 November 2022

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