

TARGET

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GREATWALLE INCORPORATED: IS ANYBODY, OUT THERE, INTERESTED IN BUYING SHARES IN THIS COMPANY ?

Greatwalle Incorporated (長城匯理公司), Code 8315, The **G**rowth **E**nterprise **M**arket – The **GEM** – sought and obtained a listing of its entire Issued and Fully Paid-Up Share Capital on the secondary equity market of The Stock Exchange of Hongkong Ltd on or about August 20, 2014.

At Page 52 of the 2022-2023 Annual Report of the Company, one was informed of the following:

‘The directors of the Company considered the Company’s ultimate holding company as at 31 March 2023 is Shenzhen Great Walle Investment Corp., LTD. (深圳長城匯理投資股份有限公司) (“Shenzhen Great Walle”), a company established in the People’s Republic of China and its ultimate controlling party is Mr. Song Xiaoming (“Mr. Song”).’

Under the Chairmanship of Mr Song Xiao Ming (宋曉明), during the past five Financial Years, ended March 31, 2023, the Company logged in Net Losses, aggregating \$HK202,331,000.00.

That amount of money in respect of the Net Losses of the Company, recorded in the past five Financial Years, might not appear to be very material, but on scanning the 2022-2023 Annual Report of the Company, certain matters do, in fact, appear to be somewhat of a very material nature.

And, with regard to public investors, involved in taking a punt on equities, listed on The GEM and/or the Main Board of The Stock Exchange of Hongkong Ltd – the Main Board is the Premier Equity Market of the **H**ongkong **S**pecial **A**dministrative **R**egion (**HKSAR**) of the **P**eople’s **R**epublic of **C**hina (**PRC**) – experience teaches that known material matters have a habit of festering into rather worrying financial situations.

THE BUSINESS OF GREATWALLE INCORPORATED

Page Five of the 2022-2023 Annual Report of Greatwalle Incorporated, under the heading, ‘**MANAGEMENT DISCUSSION AND ANALYSIS**,’ one was apprised of the following under the subheading, ‘**BUSINESS REVIEW**:’

*‘During the Year, the subsidiaries of the Group principally engaged in (i) the provision of security guarding and property management services (the “**Security Guarding and Property Management Services**”); and (ii) the provision of business advisory and asset management services (the “**Asset Management Services**”).*

‘(a) Security Guarding and Property Management Services

*For the Group’s Security Guarding and Property Management Services, the Group operates in both the People’s Republic of China (the “**PRC**”) and Hong Kong. Compared to corresponding period, revenue increase by approximately HK\$25.4 million from HK\$55.0 million for the year ended 31 March 2022 to approximately HK\$80.4 million for the Year.*

Most of the Group’s revenue was generated in the PRC (approximately 83% of the Security Guarding and Property Management Services of the Group), 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 Shandong Province in the PRC in the second half of 2021 and it became the largest source of revenue to the Group. As a result, revenue from Security Guarding and Property Management Services in the PRC recorded a consecutive growth of approximately HK\$19.4 million from approximately HK\$46.9 million for the year ended 31 March 2022 to approximately HK\$66.3 million for the Year. The Group has fully realised its comprehensive advantages in brand, operation and management system, and will continue to expand the scale of its security guarding and property management business in the PRC 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. Security Guarding and Property Management Services revenue in Hong Kong increased from approximately HK\$8.1 million for the year ended 31 March 2022 to approximately HK\$14.1 million for the year ended 31 March 2023.’

‘(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 31 March 2023, 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 Year decreased by approximately HK\$1.4 million from approximately HK\$2.0 million for the year ended 31 March 2022 to approximately HK\$0.6 million for the Year. The decrease was mainly due to the completion of continuing connected transaction in November 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) providing corporate relief consultation services. 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.'

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