

GREATWALLE INC. **長 城 匯 理 公 司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8315



2020/21
Third Quarterly Report

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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 Group. 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 AND NINE MONTHS ENDED 31 DECEMBER 2020**

	Notes	For three months ended 31 December		For nine months ended 31 December	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue	3	14,188	7,132	44,143	13,643
Cost of services rendered		(13,178)	(5,586)	(39,305)	(11,261)
Gross profit		1,010	1,546	4,838	2,382
Other income	4	17	197	5,096	479
Administrative expenses		(7,720)	(8,622)	(22,685)	(36,104)
Finance costs	5	(839)	(631)	(2,193)	(1,912)
Loss before income tax	6	(7,532)	(7,510)	(14,944)	(35,155)
Income tax expense	7	(7)	50	(36)	50
Loss for the period		(7,539)	(7,460)	(14,980)	(35,105)
Other comprehensive income that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of financial statements of foreign operations		421	(704)	532	(291)
Other comprehensive income for the period		421	(704)	532	(291)
Total comprehensive income for the period		(7,118)	(8,164)	(14,448)	(35,396)
Loss for the period attributable to:					
Owners of the Company		(7,226)	(6,984)	(13,875)	(32,403)
Non-controlling interests		(313)	(476)	(1,105)	(2,702)
		(7,539)	(7,460)	(14,980)	(35,105)
Total comprehensive income for the period attributable to:					
Owners of the Company		(6,797)	(7,592)	(13,339)	(32,631)
Non-controlling interests		(321)	(572)	(1,109)	(2,765)
		(7,118)	(8,164)	(14,448)	(35,396)
		HK cents	HK cents	HK cents	HK cents
Loss per share for loss attributable to owners of the Company	8				
– Basic and diluted		(0.43)	(0.56)	(0.98)	(2.61)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 DECEMBER 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	Retained earnings/ Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total 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	-	-	-	-	-	-	(32,403)	(32,403)	(2,702)	(35,105)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	(228)	-	-	(228)	(63)	(291)
Total comprehensive income for the period	-	-	-	-	(228)	-	(32,403)	(32,631)	(2,765)	(35,396)
Transactions with owners: Equity-settled share options expenses	-	-	4,445	-	-	-	-	4,445	-	4,445
Issue of shares upon exercise of share options	26	318	(105)	-	-	-	-	239	-	239
Cancellation of share option Arising from acquisition of subsidiaries	-	-	(829)	-	-	-	-	(829)	-	(829)
	-	-	-	-	-	-	-	-	4,651	4,651
Total transactions with owners	26	318	3,511	-	-	-	-	3,855	4,651	8,506
At 31 December 2019 (unaudited)	12,463	153,805	8,339	(5,270)	603	-	(171,377)	(1,437)	6	(1,431)
At 1 April 2020 (audited)	12,463	153,805	8,339	(5,270)	411	-	(176,951)	(7,203)	935	(6,268)
Rights issue, net of expenses	4,155	15,681	-	-	-	-	-	19,836	-	19,836
Transactions with owners	4,155	15,681	-	-	-	-	-	19,836	-	19,836
Loss for the period	-	-	-	-	-	-	(13,875)	(13,875)	(1,105)	(14,980)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	536	-	-	536	(4)	532
Total comprehensive income for the period	-	-	-	-	536	-	(13,875)	(13,339)	(1,109)	(14,448)
At 31 December 2020 (unaudited)	16,618	169,486	8,339	(5,270)	947	-	(190,826)	(706)	(174)	(880)

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Greatwalle Inc. (formerly known as King Force Group Holdings Limited) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2014. The Company’s registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Room 2008, 20th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Company’s shares were listed on the GEM of the Stock Exchange on 20 August 2014.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries are the provision of security guarding services, and the provision of 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.

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 31 December		Nine months ended 31 December	
	2020 (Unaudited) HK\$’000	2019 (Unaudited) HK\$’000	2020 (Unaudited) HK\$’000	2019 (Unaudited) HK\$’000
Provision of security guarding services	13,390	6,716	42,545	11,742
Provision of business advisory and asset management services	798	416	1,598	1,901
	14,188	7,132	44,143	13,643

3. OTHER INCOME

	Three months ended 31 December 2020		Nine months ended 31 December 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Bank interest income	5	11	19	28
Imputed interest income on amount due from a non-controlling equity holder of a subsidiary	-	5	-	11
Government grant ¹	-	-	1,653	-
Sundry income ²	12	181	3,424	440
	17	197	5,096	479

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

² Included the interest charges on promissory note waived by the noteholder of approximately HK\$3,000,000 for the nine months ended 31 December 2020 (nine months ended 31 December 2019: nil).

4. FINANCE COSTS

	Three months ended 31 December 2020		Nine months ended 31 December 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interest charges on promissory note	600	600	1,800	1,800
Interest on lease liabilities	94	31	109	112
Interest charges on loans from related parties	11	-	38	-
Interest charges on other borrowings	134	-	246	-
	839	631	2,193	1,912

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 31 December 2020		Nine months ended 31 December 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Amortisation of intangible asset ¹	109	123	356	455
Cost of services rendered	13,178	5,586	39,305	11,261
Depreciation of property, plant and equipment ¹	103	118	354	763
Depreciation of right-of-use assets ¹	899	568	1,468	1,730
Short-term leases expenses ¹	-	-	611	-
Employee benefits expenses (including directors' emoluments): Salaries, allowances and benefits in kind included in:				
– Cost of services rendered	12,952	3,681	29,839	9,022
– Administrative expenses	3,690	3,956	9,361	15,568
Retirement benefits – Defined contribution plans ² included in:				
– Cost of services rendered	81	168	263	362
– Administrative expenses	188	589	477	2,407
Equity-settled share-based payment expenses ¹				
– Administrative expenses	-	-	-	3,616
	16,911	8,394	39,940	30,975
Legal and professional fees ¹	1,708	544	3,234	2,003
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	-	1,539	-	4,223

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

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

Loss	Three months ended 31 December		Nine months ended 31 December	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Current tax				
– PRC Enterprise Income Tax ("EIT")				
– Tax for the year	7	–	36	–
Deferred tax				
– Charged for the year	–	(50)	–	(50)
	7	(50)	36	(50)

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. 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 31 December 2020		Nine months ended 31 December 2020	
	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Loss attributable to owners of the Company	(7,226)	(6,984)	(13,875)	(32,403)

Number of shares	Three months ended 31 December 2020		Nine months ended 31 December 2020	
	'000	2019 '000	'000	2019 '000
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,661,757	1,244,124	1,417,648	1,243,817

The assumed exercise of the outstanding share options for the nine months ended 31 December 2020 has anti-dilutive effect and has therefore been excluded from the above calculation.

8. DIVIDENDS

The Board did not recommend a payment of interim dividend for the nine months ended 31 December 2020 (nine months ended 31 December 2019: nil).

9. 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 31 December 2020 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the nine months ended 31 December 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 business advisory and asset management services (the “**Asset Management Services**”). During the Reporting Period, the Company recorded a revenue of approximately HK\$44,143,000, in which the Security Guarding Services recorded a revenue of approximately HK\$42,545,000, and the Asset Management Services recorded a revenue of HK\$1,598,000.

I. Security Guarding Services

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

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 by the ISO9001:2008 quality management system standard issued by the Hong Kong Quality Assurance Agency. Leveraging on the Company's merits in operation, management system and branding, the Group also provides professional services to other similar industries in order to further develop its business.

The Group has been vigorously expanding into the broader market of the People's Republic of China (the “**PRC**”) since 2019. In the first three quarters of this financial year, the security guarding business in the PRC has achieved significant growth in both the number of customers and operating revenue. 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 and facilitate the expansion of the security guarding service industry; (ii) the provision of security guarding for the PRC 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. The Group will take into account the characteristics of the PRC market and fully utilise its own advantages to continuously expand the scale of its security guarding and property management business in the PRC and 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.

II. **Asset Management Services**

During the nine months ended 31 December 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 Services. 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.

During the Reporting Period, the size of the funds managed by the Group is continuously expanding. It is expected that the size of the assets managed by the Group will grow more significantly in the coming year. The Company has an excellent asset management team, which has been 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 merger and acquisition 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 those 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. Over the next one to two years, the Company will drive the asset management business into the high-quality development phase.

SIGNIFICANT EVENTS DURING THE NINE MONTHS ENDED 31 DECEMBER 2020

Obtained SFC's License to Carry on Type 4 and Type 9 Regulated Activities

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

The Board considers that the provision of asset management services and securities advisory services can enhance the profitability of the Group. Accordingly, the license obtained from the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities represents an important initiative to achieve diversification in the Group's business development.

Rights Issue

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

For detailed breakdown and description of the intended use of proceeds, please refer to the announcements of the Company dated 5 August 2020 and 9 September 2020 and the prospectus of the Company in relation to the 2020 Rights Issue dated 19 August 2020.

Change of Director

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

Saved as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place during the nine months ended 31 December 2020.

OUTLOOK

In 2020, the global economy has encountered tremendous difficulties under the impact of the novel coronavirus epidemic, the vast majority of major economies have suffered from economic downturn with the exception of the PRC, and Hong Kong's economy and society have been greatly affected, with business activity being greatly curtailed. The PRC's economy has been gradually recovering since April 2020 as a result of better control of the epidemic.

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

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

FINANCIAL REVIEW

Revenue

For the nine months ended 31 December 2019 and 2020, the Group's revenue was generated from the provision of security guarding services and provision of Asset Management Services. The following table sets forth the breakdown of the Group's revenue by business segment for the nine months ended 31 December 2019 and 2020:

	Nine months ended 31 December		2019	
	2020		2019	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding Services	42,545	96.4%	11,742	86.1%
Asset Management Services	1,598	3.6%	1,901	13.9%
Total	44,143	100%	13,643	100%

The Group's overall revenue increased by approximately HK\$30,500,000 or 223.6% from approximately HK\$13,643,000 for the nine months ended 31 December 2019 to approximately HK\$44,143,000 for the nine months ended 30 September 2020. The increase in revenue was mainly due to (i) increase in revenue from the Security Guarding Services in Hong Kong from approximately HK\$11,742,000 for the nine months ended 31 December 2019 to approximately HK\$19,216,000 for the nine months ended 31 December 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\$23,329,000.

Cost of services rendered

For the nine months ended 31 December 2019 and 2020, the costs of services rendered, which mainly consist of direct guard cost, were approximately HK\$11,261,000 and HK\$39,305,000, representing approximately 82.5% and 89.0% of the Group's revenue, respectively. Such increase of the cost of services in the percentage of revenue was primarily attributable to the general increase in the guard cost in the market during the Reporting Period.

As at 31 December 2020, the Group had a total of 558 employees, of which 520 were full-time and part-time guards providing manned security guarding and related services.

Gross profit

The Group's gross profit increased by approximately HK\$2,456,000 or 103.1% from approximately HK\$2,382,000 for the nine months ended 31 December 2019 to approximately HK\$4,838,000 for the nine months ended 31 December 2020. The increase of the Group's gross profit was mainly due to the increase in revenue, but which was partially offset by the general increase of guard cost in the market as mentioned above.

Other income

The Group's other income increased by approximately HK\$4,617,000 or 963.9% from approximately HK\$479,000 for the nine months ended 31 December 2019 to approximately HK\$5,096,000 for the nine months ended 31 December 2020. The increase of the Group's other income was mainly due to the interest charges on promissory note waived by the noteholder of approximately HK\$3,000,000 and the government grants of approximately HK\$1,653,000 for the nine months ended 31 December 2020.

Administrative expenses

The Group's administrative expenses decreased by approximately HK\$13,419,000 or 37.2% from approximately HK\$36,104,000 for the nine months ended 31 December 2019 to approximately HK\$22,685,000 for the nine months ended 31 December 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 nine months ended 31 December 2020.

Finance costs

The Group's finance costs increased by approximately HK\$281,000 or 14.7% from HK\$1,912,000 for the nine months ended 31 December 2019 to HK\$2,193,000 for the nine months ended 31 December 2020. The increase in the finance costs was mainly due to the recognition of the interest charges on unsecured debentures for the nine months ended 31 December 2020.

Loss for the Reporting Period

Loss attributable to owners of the Company for the nine months ended 31 December 2020 decreased by approximately HK\$18,528,000 from approximately HK\$32,403,000 for the nine months ended 31 December 2019 to approximately HK\$13,875,000 for the nine months ended 31 December 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 31 December 2020, the interests and short positions of the Directors and chief executive of the Company (the "Chief Executive") 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 5.48 to 5.67 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
Song Xiaoming ("Mr. Song")	Interest in a controlled corporation	922,325,231(L) ^(Note 1)	–	55.50%
Hon Hoi Chuen	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Lin Shuxian ("Ms. Lin")	Beneficial owner	–	12,671,279(L) ^(Note 2)	0.76%
Li Zhongfei	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Zhao Jinsong	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%
Guan Yan	Beneficial owner	–	1,018,868(L) ^(Note 2)	0.06%

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

Notes:

- According to information available to the Company, Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 ("Nansha Huiming"). Nansha Huiming is held as to approximately 91.9992% by 深圳匯理九號投資諮詢企業(有限合夥) ("Huili Jiu Hao Investment"), and as to 0.0008% by Mr. Song. Huili Jiu Hao Investment is held as to 99.0000% by Great Walle Investment. Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 68.9039% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司). As such, Mr. Song is deemed to be interested in the above companies under the interests in Shares and the underlying Shares of the Company of the SFO.
- These long positions represent the share options granted by the Company under the share option scheme adopted by the Company on 31 July 2014 ("Share Option Scheme"). For details, please refer to the section headed "Share Option Scheme" below.

Long position in the interest in the associated corporations

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

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

Save as disclosed above, as at 31 December 2020, none of the Directors or 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.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2020, substantial shareholders (as defined under the SFO) (not being the Directors or Chief Executive) 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 and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity/Nature of interests	Number of shares held/interested	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	922,325,321(L)	55.50%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%
深圳匯理九號投資諮詢企業(有限合夥) (Shenzhen HuiLi Jiu Hao Investment Consulting Enterprise Limited Partnership*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note)	922,325,321(L)	55.50%

(L) represents a long position in the Shares

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

Save as disclosed above, the Directors and Chief Executive are not aware of any other persons/entities (other than the Directors and the Chief Executive) who, as at 31 December 2020, had or were deemed to have, an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

* For identification purposes only

SHARE OPTION SCHEME

The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme during the nine months ended 31 December 2020 are set out as follows:

Name or category of grantees	Exercise Price during 1 April 2020 to 8 September 2020 (HK\$) (Note 2)	Exercise Price during 9 September 2020 to 31 December 2020 (HK\$) (Note 2)	Date of grant	Exercisable Period (Note 1)	Number of share options (Note 2)					Adjusted on 9 September 2020	Balance as at 31 December 2020
					Balance as at 1 April 2020	Granted during the nine months ended 31 December 2020	Exercised during the nine months ended 31 December 2020	Lapsed during the nine months ended 31 December 2020	Cancelled during the nine months ended 31 December 2020		
Directors											
Mr. Hon Hoi Chuen	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	61,895	3,342,335
Ms. Lin Shuxian	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	3,280,440	-	-	-	-	61,895	3,342,335
Mr. Li Zhongfei	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Mr. Zhao Jinsong	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Ms. Guan Yan	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	17,276	932,894
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	84,382	-	-	-	-	1,592	85,974
Former Directors											
Ms. Pang Xiaoli	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	2,015,242	-	-	-	-	38,023	2,053,265
Mr. Li Mingming	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
Other employees of the Group											
In aggregate	0.2380	0.2340	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	172,758	9,328,944
	0.0904	0.0890	18 April 2019	18 April 2019 to 17 April 2029	13,869,027	-	-	-	-	261,681	14,130,708
	0.1470	0.1440	5 September 2019	5 September 2019 to 4 September 2021	73,588,691	-	-	-	-	1,388,465	74,977,156
Total					135,658,584	-	-	-	-	2,559,595	138,218,179

Notes:

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

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the nine months ended 31 December 2020.

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

Save for the issue of Shares pursuant to the exercise of share options under the Share Option Scheme, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2020.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 December 2020 (nine months ended 31 December 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. 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 nine months ended 31 December 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 nine months ended 31 December 2020, except for CG Code provision A.2.1.

Under the CG Code provision A.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Ms. Pang Xiaoli as the chief executive officer of the Company (the "**CEO**") on 25 August 2020, the Company does not have any officer with the title of CEO but the Company has appointed several staff at the subsidiary level for each business segment, who were responsible for the oversight of each business segment's operations.

AUDIT COMMITTEE

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

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, this report and the third quarterly results announcement of the Company for the nine months ended 31 December 2020. The condensed consolidated financial results for the nine months ended 31 December 2020 are unaudited, but have been reviewed by the Audit Committee. The Audit Committee is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

PRE-EMPTIVE RIGHTS

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

INTERESTS IN COMPETING BUSINESS

During the nine months ended 31 December 2020, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) was considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

EVENTS AFTER THE PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this report.

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

Hong Kong, 10 February 2021

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