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## **GREATWALLE INC.**

**長城匯理公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 08315)**

### **ANNOUNCEMENT OF THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2019**

The board (the “**Board**”) of directors (the “**Directors**”) of Greatwalle Inc. (the “**Company**”) is pleased to announce the third quarterly results of the Company and its subsidiaries (together as the “**Group**”) for the nine months ended 31 December 2019. This announcement, containing the full text of the Third Quarterly Report 2019/20 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of third quarterly results.

By order of the Board

**Greatwalle Inc.**

**Song Xiaoming**

*Chairman and Executive Director*

Hong Kong, 13 February 2020

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

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

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

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

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2019**

		For three months ended 31 December		For nine months ended 31 December	
	Notes	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Revenue</b>	3	<b>7,132</b>	7,542	<b>13,643</b>	31,401
Cost of services rendered		<b>(5,586)</b>	(6,600)	<b>(11,261)</b>	(31,725)
<b>Gross profit</b>		<b>1,546</b>	942	<b>2,382</b>	(324)
Other income	4	<b>197</b>	580	<b>479</b>	1,548
Administrative expenses		<b>(8,622)</b>	(25,039)	<b>(36,104)</b>	(46,900)
Share of result of an associate		<b>–</b>	–	<b>–</b>	–
Finance costs	5	<b>(631)</b>	(613)	<b>(1,912)</b>	(1,679)
<b>Loss before income tax</b>	6	<b>(7,510)</b>	(24,130)	<b>(35,155)</b>	(47,355)
Income tax expense	7	<b>50</b>	(59)	<b>50</b>	(59)
<b>Loss for the period</b>		<b>(7,460)</b>	(24,189)	<b>(35,105)</b>	(47,414)
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>					
Exchange difference on translation of financial statements of foreign operations		<b>(704)</b>	238	<b>(291)</b>	(354)
Share of exchange difference on translation of foreign associates		<b>–</b>	–	<b>–</b>	–
Other comprehensive income for the period		<b>(704)</b>	238	<b>(291)</b>	(354)
<b>Total comprehensive income for the period</b>		<b>(8,164)</b>	(23,951)	<b>(35,396)</b>	(47,768)
<b>Loss for the period attributable to:</b>					
Owners of the Company		<b>(6,984)</b>	(21,123)	<b>(32,403)</b>	(44,103)
Non-controlling interests		<b>(476)</b>	(3,066)	<b>(2,702)</b>	(3,311)
		<b>(7,460)</b>	(24,189)	<b>(35,105)</b>	(47,414)
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		<b>(7,592)</b>	(20,967)	<b>(32,631)</b>	(44,415)
Non-controlling interests		<b>(572)</b>	(2,984)	<b>(2,765)</b>	(3,353)
		<b>(8,164)</b>	(23,951)	<b>(35,396)</b>	(47,768)
		<b>HK cents</b>	HK cents	<b>HK cents</b>	HK cents
<b>Loss per share for loss attributable to owners of the Company</b>	8	<b>(0.56)</b>	(2.58)	<b>(2.61)</b>	(5.47)
– Basic and diluted					

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2019**

	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 2018 (audited)	7,870	105,062	2,658	(5,270)	1,257	586	(52,933)	59,230	1,520	60,750
Loss for the period	-	-	-	-	-	-	(44,103)	(44,103)	(3,311)	(47,414)
Other comprehensive income: Exchange difference on translation of financial statements of foreign operations	-	-	-	-	(312)	-	-	(312)	(42)	(354)
Total comprehensive income for the period	-	-	-	-	(312)	-	(44,103)	(44,415)	(3,353)	(47,768)
Transactions with owners: Share-based payment expenses of options granted by the Company during the period	-	-	5,780	-	-	-	-	5,780	-	5,780
Issue of shares upon exercise of share options	339	9,103	(2,512)	-	-	-	-	6,930	-	6,930
Cancellation of share option	-	-	(146)	-	-	-	-	(146)	-	(146)
Total transactions with owners	339	9,103	3,122	-	-	-	-	12,564	-	12,564
<b>At 31 December 2018 (unaudited)</b>	<b>8,209</b>	<b>114,165</b>	<b>5,780</b>	<b>(5,270)</b>	<b>945</b>	<b>586</b>	<b>(97,036)</b>	<b>27,379</b>	<b>(1,833)</b>	<b>25,546</b>
At 1 April 2019 (audited)	<b>12,437</b>	<b>153,487</b>	<b>4,828</b>	<b>(5,270)</b>	<b>831</b>	<b>-</b>	<b>(138,974)</b>	<b>27,339</b>	<b>(1,880)</b>	<b>25,459</b>
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
<b>At 31 December 2019 (unaudited)</b>	<b>12,463</b>	<b>153,805</b>	<b>8,339</b>	<b>(5,270)</b>	<b>603</b>	<b>-</b>	<b>(171,377)</b>	<b>(1,437)</b>	<b>6</b>	<b>(1,431)</b>

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

### 1. GENERAL INFORMATION AND BASIS OF PRESENTATION

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 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 the 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 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which also include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the HKICPA for the first time for the current period’s unaudited condensed consolidated financial statements of the Group. Except for HKFRS 16 “Lease”, the adoption of the new and revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the nine months ended 31 December 2019. The Group transitioned to HKFRS 16 in accordance with the modified retrospective approach and therefore comparative figures were not restated. Upon application of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019. The associated right-of-use assets were measured at the amount equal to the respective lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 March 2019.

### 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 management services during the period.

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

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

	Three months ended 31 December 2019 (Unaudited) HK\$’000		Nine months ended 31 December 2019 (Unaudited) HK\$’000	
		2018 (Unaudited) HK\$’000		2018 (Unaudited) HK\$’000
Provision of security guarding services	6,716	7,285	11,742	31,144
Provision of business advisory and management services	416	257	1,901	257
	<b>7,132</b>	7,542	<b>13,643</b>	31,401

### 3. OTHER INCOME

	Three months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000	Nine months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000
Bank interest income	11		—*	28		—*
Imputed interest income on amount due from a non-controlling equity holder of a subsidiary	5		25	11		79
Interest income from a loan to an associate	—		65	—		194
Interest income from amount due from a related party	—		—	—		26
Sundry income	181		490	440		1,249
	197		580	479		1,548

\* Represents amount less than HK\$1,000.

### 4. FINANCE COSTS

	Three months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000	Nine months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000
Interest charges on promissory note repayable	600		600	1,800		1,661
Interest on lease liabilities	31		—	112		—
Interest charges on shareholder's loan	—		13	—		18
	631		613	1,912		1,679

## 5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Three months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000		Nine months ended 31 December 2019 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000	
Amortisation of intangible asset <sup>1</sup>	123		476		455		1,442	
Cost of services rendered	5,586		6,600		11,261		31,725	
Depreciation of property, plant and equipment <sup>1</sup>	1,085		424		1,730		1,651	
Employee benefits expenses (including directors' emoluments):								
Salaries, allowances and benefits in kind included in:								
– Cost of services rendered	3,681		6,172		9,022		28,684	
– Administrative expenses	3,956		2,244		15,568		9,645	
Retirement benefits – Defined contribution plans <sup>2</sup> included in:								
– Cost of services rendered	168		283		362		1,206	
– Administrative expenses	589		32		2,407		140	
Equity-settled share-based payment expenses <sup>1</sup>								
– Administrative expenses	–		5,780		3,616		5,780	
	8,394		14,511		30,975		45,455	
Legal and professional fees <sup>1</sup>	544		1,118		2,003		4,975	
Operating lease charges in respect of:								
– Rented premises	1,591		492		4,275		1,466	
– Office equipment	–		23		–		53	
	1,591		515		4,275		1,519	
Write-off of goodwill	–		5,255		–		5,255	
Write-off of property, plant and equipment	–		350		–		350	
Write-off of intangible assets	–		4,052		–		4,052	
Write-off of amount due from a non-controlling equity holder of a subsidiary	–		2,206		–		2,206	

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

<sup>2</sup> no forfeited contributions available for offset against existing contributions during the period

## 6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Current tax:				
Hong Kong Profits Tax				
– Current period provision	–	–	–	–
PRC EIT				
– Current period provision	–	59	–	59
	–	59	–	59
Deferred tax	–	–	–	–
– Origination and reversal of temporary differences	(50)	–	(50)	–
Income tax (credit)/expenses	(50)	59	(50)	59

(i) Hong Kong Profit Tax

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no estimated assessable profit for both periods.

(ii) PRC Enterprise Income Tax

No provision for the PRC Enterprise Income Tax (“**PRC EIT**”) has been made as the subsidiaries incorporated in the People’s Republic of China (the “**PRC**”) have estimated tax losses for the nine months ended 31 December 2019.

The provision for PRC EIT is calculated at 25% of the estimated assessable profit of each individual PRC subsidiary for the nine months ended 31 December 2018.

(iii) Income tax from other tax jurisdictions

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.



## 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 2019 (Unaudited) HK\$'000		Nine months ended 31 December 2019 (Unaudited) HK\$'000	
	2018 (Unaudited) HK\$'000		2018 (Unaudited) HK\$'000	
Loss attributable to owners of the Company	(6,984)	(21,123)	(32,403)	(44,103)
Number of shares	Three months ended 31 December 2019 '000		Nine months ended 31 December 2019 '000	
	2018 '000		2018 '000	
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,244,124	819,687	1,243,817	806,444

The assumed exercise of the outstanding share options for the nine months ended 31 December 2019 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 2019 (nine months ended 31 December 2018: 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 2019 and up to the date of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the nine months ended 31 December 2019 (the “**Period**”), the Group engaged in (i) the provision of security guarding services (the “**Security Guarding Services**”); and (ii) the provision of business advisory and management services (the “**Business Advisory and Management Services**”).

#### Security Guarding Services

The Group is a security guarding service provider, with businesses in both Hong Kong and the PRC since the completion of its acquisition of a PRC subsidiary in October 2019. Accordingly, it is licensed to provide type I security work for security guarding services in Hong Kong in accordance with the Security Company Licence regime and conduct security guarding business in the PRC under a security and guarding business licence issued by the Public Security Bureau of Shandong Province in the PRC. The services offered by the Group aim to protect the safety of its customers, properties and assets, provide consultation and risk assessment services, and to maintain order in private events. The Security Guarding Services offered by the Group include patrolling, access controlling at the lobby entrance, registering visitor access and stopping unauthorised entry, handling and reporting complaints, providing protection, performing safety inspections and enforcing safety prevention measures, etc. The Group also provides on-site order maintenance and personal escort services and crowd management service in various events, occasions, exhibitions, ceremonies and press conferences, and takes advantage of the Group’s overall strength to provide better professional services compared to other companies within the same industry. Leveraging on the Group’s overall strength, the Group has established a good reputation in both Hong Kong and the PRC. Through continued effort, the Group has turned around from a decreasing trend for its security guarding business since the third quarter of 2019, and revenue has begun to grow and the Company recorded a gross profit for the three months ended 31 December 2019. For the nine months ended 31 December 2019, the Group had served 48 customers, including property management companies, government institutions, schools, property redevelopers and construction companies in Hong Kong and the PRC.

### **Business Advisory and Management Services**

The Group has an excellent asset management and business advisory team, which possesses good management capability and investment track record. The team consists of the earliest people who worked in the M&A fund management business in the PRC and has developed a systematic investment strategy and sound governance system. The team has a historical fund management scale exceeding RMB4.5 billion, with exit projects yielding an internal rate of return of over 30% in investment revenue. The Group is making use of existing strength to gradually develop the Business Advisory and Management Services, and will continuously enhance its sustainability through asset management, investment and management of self-owned funds, and provision of financial services such as investment banking, business advisory and financial management services to other asset management institutions.

As at 31 December 2019, the Group has enhanced its effort in relation to personnel, space, establishment of operation system and licence application for the Business Advisory and Management Services to lay a solid foundation for the forthcoming development of the business. The Group has provided advisory service to 深圳長城匯理資產管理有限公司 (Shenzhen Great Walle Capital Management Co. Ltd.\*) (“**Great Walle Capital Management**”) for the management of its approximately RMB 190 million asset pursuant to the advisory service agreement entered with Great Walle Capital Management. Meanwhile, a subsidiary of the Group has managed funds in the amount of approximately RMB12 million, which generated revenue of approximately HK\$1,901,000 during the nine months ended 31 December 2019. Given the characteristics of the Business Advisory and Management Services, larger capital investment is required at the early stage and it takes a longer period to accumulate business resources. It is anticipated that the revenue generated from the Business Advisory and Management Services will further increase in the future after it has developed a track record for successfully managing funds, thereby creating more value for the shareholders of the Group.

\* For identification purposes only

## **SIGNIFICANT EVENTS DURING THE NINE MONTHS ENDED 31 DECEMBER 2019**

### **Grant of Share Options**

On 18 April 2019, the Company granted 25,353,163 share options to individuals under the share option scheme adopted by the Company on 31 July 2014 (the “**Share Option Scheme**”). The share options shall entitle the grantees to subscribe for a total of 25,353,163 new shares of HK\$0.01 each in the share capital of the Company at an exercise price of HK\$0.0904 per share of the Company (the “**Share**”). For details, please refer to the announcement of the Company dated 18 April 2019.

On 5 September 2019, the Company granted 73,588,691 share options to individuals under the Share Option Scheme. The share options shall entitle the grantees to subscribe for a total of 73,588,691 new shares of HK\$0.01 each in the share capital of the Company at an exercise price of HK\$0.147 per Share. For details, please refer to the announcement of the Company dated 5 September 2019.

### **Business Development Update**

#### **Acquisition of 51% Equity Interest in Zhong Jun Wei Shi**

On 26 September 2019, a subsidiary of the Group entered into an agreement to acquire 51% equity interest in 山東七兵堂安保押運有限公司 (Shandong Seven Commandos Security Escort Co., Limited\*). The registration of share transfer has been completed on 12 October 2019, and the name of the company has been changed to 山東中軍衛士安保集團有限公司 (Shandong Zhong Jun Wei Shi Security Group Co., Limited\*) (“**Zhong Jun Wei Shi**”). The acquisition represents an important step for the Group in entering the PRC market and vigorously expanding the security guarding business. Zhong Jun Wei Shi will serve as a foundation for the Group in the future, enabling it to vigorously expand into the large security guarding market in the PRC and create synergy with overseas markets such as Hong Kong. The said acquisition has been completed on 12 October 2019.

The vendor of the 51% equity interest in Zhong Jun Wei Shi had provided a result guarantee, whereby the vendor had guaranteed that the total income for the three financial years ending 2019, 2020 and 2021 of Zhong Jun Wei Shi (the year-end date being the financial year-end date of the Company) as audited and confirmed by a third party auditing firm in aggregate shall not be less than RMB60 million (the “**Result Guarantee**”).

If the Result Guarantee is achieved, the Group shall pay the remaining amount of the consideration of RMB3,600,000.00 to the vendor. In the event that the Result Guarantee was not achieved, the Group shall be exempted from the obligation to pay the remaining amount of the consideration. For details, please refer to the announcement of the Company dated 26 September 2019.

\* For identification purposes only

## Disposal of Shares by Controlling Shareholder

The Company was informed by Greatwalle Holding Limited, a controlling shareholder (as defined under the GEM Listing Rules) of the Company, that on 28 April 2019, Greatwalle Holding Limited has entered into a share transfer agreement (the “**Share Transfer Agreement**”) with 一帶一路數據產業發展有限公司 (B&R Big Data Industry Development Co., Limited) (the “**Purchaser**”), pursuant to which Greatwalle Holding Limited agreed to dispose and the Purchaser agreed to purchase 223,859,278 Shares (the “**Share Disposal**”), representing approximately 18.00% of the total number of issued Shares, at a total consideration of HK\$89,543,711.20 (equivalent to the transfer price for the Share Disposal of HK\$0.40 per Share).

The Purchaser of this Share Disposal is a wholly-owned subsidiary established in Hong Kong of Jusfoun Big Data Information Group Co., Ltd (“**Jusfoun Big Data**”). The controlling shareholder of Jusfoun Big Data is Mr. Wang Sanshou. Jusfoun Big Data is a big data service platform company mainly engages in government data application service and data asset operation. It has formed joint ventures that are engaged in government big data application and government data asset operation and management with regional state-owned platform companies in multiple cities. It possesses relatively stronger technical capabilities in the area of big data application service.

Jusfoun Big Data’s latest valuation as available from the open market is approximately RMB11 billion, which serves as an indication of its sizeable market recognition and market influence in the area of big data application service. The addition of Jusfoun Big Data as an important shareholder of the Company is beneficial to the improvement of the Company’s ecosystems in relation to asset management, advisory and management service and financial big data service.

Pursuant to the undertakings made in the Share Transfer Agreement, the Purchaser has agreed to settle the full amount of the share transfer price to Greatwalle Holding Limited on or before 31 July 2019. The Company expected that upon the completion of the Share Disposal, insofar as there are no other changes to the shareholdings of the Company prior to the completion of the Share Disposal, Greatwalle Holding Limited will hold 467,884,644 Shares, representing approximately 37.62% of the total number of issued Shares, and will remain as the controlling shareholder of the Company, and the Purchaser is expected to hold approximately 18.00% of the total number of issued Shares.

As announced in the update announcement of the Company dated 1 August 2019, the parties to the Share Transfer Agreement entered into a supplemental agreement to extend the payment settlement period to no later than 31 December 2019 while all other terms remain unchanged (the “**Supplemental Agreement**”).

On 31 December 2019, Greatwalle Holding Limited informed the board of Directors that it still has not received the consideration that is receivable from the Purchaser under the Share Transfer Agreement (as amended by the Supplemental Agreement). As the payment deadline under the supplemental agreement was 31 December 2019, and also as Greatwalle Holding Limited and the Purchaser did not enter into an agreement to further extend the payment settlement period, Greatwalle Holding Limited considered that the Share Transfer Agreement has expired and the share transfer will not proceed.

## Updates on the Legal Proceedings

On 18 September 2019, the Company was informed that 中山北斗教育科技有限公司 (Zhongshan Beidou Education Technology Limited\*) (“**Bei Dou Zhongshan**”) has received a notice from the Zhongshan First People’s Court, pursuant to which Lin Keliang has applied to the Zhongshan First People’s Court for the addition of Bei Dou Internet Education Technology (Shenzhen) Limited (“**Bei Dou Shenzhen**”), the largest shareholder of Bei Dou Zhongshan and another subsidiary of the Company, as a defendant in the civil lawsuit by reason of requesting to verify whether Bei Dou Shenzhen has made capital contribution to Bei Dou Zhongshan, and has applied for the dissolution of Bei Dou Zhongshan by reason of its operational difficulties.

\* For identification purposes only

According to the verification report regarding Bei Dou Zhongshan dated 18 July 2016, Bei Dou Shenzhen has made the actual payment for the entire amount of the capital contribution payable by it. The Group is currently seeking legal advice regarding the legal proceedings to look for an appropriate corresponding action that adheres to the principle of protecting the Group's legal right and interest, so as to continue requesting in the civil lawsuit for the fulfilment of the capital contribution obligation by Lin Keliang to Bei Dou Zhongshan and to deal with his request regarding the application for dissolution of Bei Dou Zhongshan.

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 2019.

## **OUTLOOK**

The Group is committed to developing the Security Guarding Services vigorously. Through the efforts from the team and the implementation of various effective measures, starting from the third quarter of 2019, the revenue of the Security Guarding Services has stopped falling and rebounded, and gradually a broader market in the PRC has opened up. The Security Guarding Services will continue to be the Company's main business in the future. Through establishing a foothold in Hong Kong and Shandong, the PRC, then expanding the geographical coverage in the PRC and overseas, the Company will continue to improve its revenue and profit level and strive to make the Company an internationally renowned security company.

On the basis of the Company's commitment to the development of the Company's Security Guarding Services, the Company makes use of its advantage of a professional team to gradually develop its Business Advisory and Management Services. The Company has a relatively comprehensive system in relation to the human resource of the Business Advisory and Management Services. The team has good historical performance and resources. In the first three quarters of 2019, through continuous investment, the Company has laid a solid foundation for the Business Advisory and Management Services. It is expected that with the continuous development of the market, the revenue from the Business Advisory and Management Services of the Company will continue to increase and achieve a diversification of the Group's business portfolio.

## FINANCIAL REVIEW

### Revenue

For the nine months ended 31 December 2019, the Group's revenue was generated from the Security Guarding Services in Hong Kong and provision of Business Advisory and Management Services (2018: Provision of Manned Security Guarding Services). The following table sets forth the breakdown of the Group's revenue by types of contracts for the nine months ended 31 December 2018 and 2019:

	Nine months ended 31 December 2019		2018	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding Services				
– Fixed	5,890	43.2%	22,095	70.9%
– Temporary	360	2.6%	286	0.9%
– Event	5,492	40.3%	8,763	28.2%
	11,742	86.1%	31,144	99.2%
Business Advisory and Management Services	1,901	13.9%	257	0.8%
Total	13,643	100%	31,401	100%

*Note:* Fixed positions refer to contracts for terms over six months while for temporary positions, they refer to contracts for terms less than six months.

The Group's overall revenue decreased by approximately HK\$17,758,000 or 56.6% from approximately HK\$31,401,000 for the nine months ended 31 December 2018 to approximately HK\$13,643,000 for the nine months ended 31 December 2019. The decrease in revenue was mainly due to (i) the number of fixed, temporary and event manned security guarding services engagements decreased from 115, 4 and 9, respectively during the nine months ended 31 December 2018 to 36, 8 and 9, respectively during the nine months ended 31 December 2019; (ii) the average service fee for the event manned security guarding services engagements decreased significantly from approximately HK\$402,000 to approximately HK\$26,000, representing a year-on-year decrease of approximately 93.5%. The decrease in revenue from the event manned security guarding services engagements was partially offset by the increase in revenue from the secondment of staff in the event manned security guarding services engagements; (iii) the decrease in revenue of the Group's Security Guarding Services was partially offset by the recognition of the service fee income of the provision of Business Advisory and Management Services of approximately HK\$1,901,000; (iv) the revenue for Security Guarding Services of the Group increased by approximately HK\$4,373,000 or 186.64% from approximately HK\$2,343,000 during the three months ended 30 September 2019 to approximately HK\$6,716,000 during the three months ended 31 December 2019, which was partially contributed by the new revenue from the Security Guarding Service in the PRC of approximately HK\$2,296,000.

### **Cost of services rendered**

For the nine months ended 31 December 2018 and 2019, the cost of services rendered, which mainly consists of direct guard cost, was approximately HK\$31,725,000 and HK\$11,261,000, representing approximately 101.0% and 82.5% of the Group's revenue, respectively. Such decrease of the cost of service in the percentage of revenue was primarily attributable to better cost control by implementation of the better staff allocation and planning during the Period.

As at 31 December 2019, the Group had a total of 652 employees, of which 589 were full-time and part-time guards providing manned security guarding and related services.

### **Gross profit/(loss)**

The Group's gross profit for the nine months ended 31 December 2019 was approximately HK\$2,382,000, as compared with the gross loss of approximately HK\$324,000 for the nine months ended 31 December 2018. The turn around performance was mainly due to the better cost control and income increase by implementing measures such as lowering cost and adjustment of market structure during nine months ended 31 December 2019.

### **Administrative expenses**

The Group's administrative expenses decreased by approximately HK\$10,796,000 or 23.0% from approximately HK\$46,900,000 for the nine months ended 31 December 2018 to approximately HK\$36,104,000 for the nine months ended 31 December 2019. The decrease in the Group's administrative expenses was mainly due to (i) the decrease in legal and professional fees as an absence of the recognition of the legal and professional fees in relation to the mandatory conditional cash offers, which was closed in July 2018; (ii) an absence of the recognition of the written-off of goodwill, the written-off of intangible assets and the written-off of amount due from a non-controlling equity holder of a subsidiary; (iii) which was partially offset by the increase in staff cost as a result of the development of the Group's Business Advisory and Management Services; and (iv) was partially offset by the recognition of the share option expenses.

### **Finance costs**

The Group's finance costs increased by approximately HK\$233,000 or 13.9% from HK\$1,679,000 for the nine months ended 31 December 2018 to HK\$1,912,000 for the nine months ended 31 December 2019. The increase in the finance costs was mainly due to the increase in the accrued interest on the promissory note and the recognition of interest on lease liabilities for the nine months ended 31 December 2019.

### **Loss for the Period**

Loss attributable to owners of the Company for the nine months ended 31 December 2019 decreased by approximately HK\$11,700,000 from approximately HK\$44,103,000 for the nine months ended 31 December 2018 to approximately HK\$32,403,000 for the nine months ended 31 December 2019. The decrease in the Group's loss for the 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 2019, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 positions in the shares and underlying shares of the Company

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

(L) represents a long position in the Shares

#### Notes:

1. According to information available to the Company, Greatwalle Holding Limited is wholly-owned by 廣州南沙區匯銘投資業務有限公司 (“**Nansha Huiming**”). Nansha Huiming is held as to approximately 99.9995% by 深圳匯理九號投資諮詢企業(有限合夥) (“**Huili Jiu Hao Investment**”), and as to 0.0005% by Mr. Song. Huili Jiu Hao Investment is held as to 99.80% by Great Walle Investment. Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 70.9357% directly, and as to approximately 21.9995% indirectly through a wholly-owned company, 深圳弘德商務服務有限公司). As such, Mr. Song is deemed to be interested in the above companies and the Shares and the underlying Shares of the Company under the SFO.
2. These long positions represent the share options granted by the Company under the Share Option Scheme. For details, please refer to the section headed “Share Option Scheme” below.

## Long positions in the interest in the associated corporations

Name	Name of the associated corporation	Capacity/nature	Number of shares, underlying shares held/interested	Approximate percentage of total number of issued shares of the associated corporations
Mr. Song	Greatwalle Holding Limited	Interest in a controlled corporation	1,000,000	100.0000%
	廣州南沙區匯銘投資業務有限公司	Beneficial owner	1,000	0.0005%
	(Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest in a controlled corporation	199,999,000	99.9995%
	深圳匯理九號投資諮詢企業(有限合夥)	Interest in a controlled corporation	4,990,000 <sup>(Note 1)</sup>	99.8000%
	(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)			
Ms. Pang	深圳長城匯理投資股份有限公司	Beneficial owner	3,941,808	70.9357%
	(Shenzhen Great Walle Investment Corp., Ltd.*)	Interest in a controlled corporation	1,222,486	21.9995%
	深圳匯理九號投資諮詢企業(有限合夥)	Beneficial owner	10,000 <sup>(Note 1)</sup>	0.2000%
	(Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership*)			
	深圳長城匯理投資股份有限公司	Beneficial owner	67,710	1.2185%
	(Shenzhen Great Walle Investment Corp., Ltd.*)	Interest in a controlled corporation	27,509 <sup>(Note 2)</sup>	0.4950%

### Notes:

1. The associated corporation is a limited partnership with no share description or shares. The total number of shares represented the amount of capital contributed.
2. These shares are beneficially owned by 深圳明鉞科技有限公司 (Shenzhen Mingyue Technology Company Limited\*), a company wholly owned by Ms. Pang, and therefore Ms. Pang is deemed to be interested in these shares under the SFO.
3. According to information available to the Company, Greatwalle Holding Limited is wholly-owned by Nansha Huiming. Nansha Huiming is held as to approximately 99.9995% by Huili Jiu Hao Investment, and as to 0.0005% by Mr. Song. Huili Jiu Hao Investment is held as to 99.80% by Great Walle Investment. Great Walle Investment is ultimately controlled by Mr. Song (as to approximately 70.9357% 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 SFO.

Save as disclosed above, as at 31 December 2019, 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.

\* For identification purposes only

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

As at 31 December 2019, substantial shareholders (not being the Directors or Chief Executive) who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

### Long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity/nature of interests	Number of shares held/interested	Approximate percentage of the total number of issued shares of the Company
Greatwalle Holding Limited	Beneficial owner	691,743,922(L)	55.50%
廣州南沙區匯銘投資業務有限公司 (Guangzhou Nansha Huiming Investment Business Company Limited*)	Interest of corporation controlled by the substantial shareholder (Note 1)	691,743,922(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 1)	691,743,922(L)	55.50%
深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.*)	Interest of corporation controlled by the substantial shareholder (Note 1)	691,743,922(L)	55.50%
一帶一路數據產業發展有限公司 (B&R Big Data Industry Development Co., Limited)	Beneficial owner (Note 2)	223,859,278(L)	18.00%
九次方大數據信息集團有限公司 (Jusfoun Big Data Information Group Co. Ltd*)	Interest of corporation controlled by the substantial shareholder (Notes 2 and 3)	223,859,278(L)	18.00%
北京九連環信息服務有限公司 (Beijing Jiulianhuan Information Service Co., Limited*)	Interest of corporation controlled by the substantial shareholder (Notes 2 and 3)	223,859,278(L)	18.00%

(L) represents a long position in the Shares

Notes:

- According to information available to the Company, 691,743,922 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 99.9995% by Huili Jiu Hao Investment, and as to 0.0005% by Mr. Song. Huili Jiu Hao Investment is held as to 99.80% by Great Walle Investment. As such, each of Nansha Huiming, Huili Jiu Hao Investment and Great Walle Investment is deemed to be interested in 691,743,922 Shares held by Greatwalle Holding Limited under the SFO.
- On 31 December 2019, Greatwalle Holding Limited informed the Board that it still has not received the consideration that is receivable from B&R Big Data Industry Development Co., Limited ("**B&R Big Data**") under the Share Transfer Agreement (as amended by the Supplemental Agreement). As the payment deadline under the Supplemental Agreement was 31 December 2019, and also as Greatwalle Holding Limited and B&R Big Data the Purchaser did not enter into an agreement to further extend the payment settlement period, Greatwalle Holding Limited considered that the Share Transfer Agreement has expired and the share transfer will not proceed.
- According to the information available to the Company, 223,859,278 Shares held by B&R Big Data in the capacity of beneficial owner, B&R Big Data is wholly owned by Beijing Jiulianhuan Information Service Co., Limited\* ("**Beijing Jinlianhuan**"), Beijing Jiulianhuan is wholly owned by Jusfoun Big Data. As such, each of Beijing Jiulianhuan and Jusfoun Big Data is deemed to be interested in 223,859,278 Shares held by B&R Big Data under the SFO.

\* For identification purposes only

Save as disclosed above, the Directors and Chief Executive are not aware that there is any party who, as at 31 December 2019, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## SHARE OPTION SCHEME

The details of the Share Option Scheme and the movements of the share options under the Share Option Scheme during the nine months ended 31 December 2019 are set out as follows:

Name or category of grantees	Exercise Price (HK\$)	Date of grant	Exercisable Period (Note 1)	Number of share options					Balance as at 31 December 2019	
				Balance as at 1 April 2019	Granted during the nine months ended 31 December 2019	Exercised during the nine months ended 31 December 2019	Lapsed during the nine months ended 31 December 2019	Cancelled during the nine months ended 31 December 2019		
<b>Directors</b>										
Ms. Pang Xiaoli	0.0904 (Notes 2&4)	18 April 2019	18 April 2019 to 17 April 2029	-	4,227,632	2,212,390	-	-	2,015,242	
Mr. Hon Hoi Chuen	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186	
Ms. Lin Shuxian	0.0904 (Note 2)	18 April 2019	18 April 2019 to 17 April 2029	-	3,280,440	-	-	-	3,280,440	
	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186	
Ms. Guan Yan	0.0904 (Note 2)	18 April 2019	18 April 2019 to 17 April 2029	-	3,280,440	-	-	-	3,280,440	
	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618	
Mr. Zhao Jinsong	0.0904 (Note 2)	18 April 2019	18 April 2019 to 17 April 2029	-	84,382	-	-	-	84,382	
	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618	
Mr. Li Zhongfei	0.0904 (Note 2)	18 April 2019	18 April 2019 to 17 April 2029	-	84,382	-	-	-	84,382	
	0.2380	14 December 2018	14 December 2018 to 13 December 2028	915,618	-	-	-	-	915,618	
	0.0904 (Note 2)	18 April 2019	18 April 2019 to 17 April 2029	-	84,382	-	-	-	84,382	
<b>Former Director</b>										
Mr. Li Mingming	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186	
<b>Employees of the Group</b>										
In aggregate	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	-	9,156,186	
	0.0904 (Notes 2&5)	18 April 2019	18 April 2019 to 17 April 2029	-	14,311,505	442,478	-	-	13,869,027	
	0.1470 (Note 3)	5 September 2019	5 September 2019 to 4 September 2021	-	73,588,691	-	-	-	73,588,691	
<b>Other Participant</b>	0.2380	14 December 2018	14 December 2018 to 13 December 2028	9,156,186	-	-	-	9,156,186	-	
<b>Total</b>				<b>48,527,784</b>	<b>98,941,854</b>	<b>2,654,868</b>	<b>-</b>	<b>9,156,186</b>	<b>135,658,584</b>	

Notes:

1. All of the share options granted have no vesting period or vesting condition.
2. The closing price of the Company's shares immediately before 18 April 2019, the date on which those options were granted, was HK\$0.0900.
3. The closing price of the Company's shares immediately before 5 September 2019, the date on which those options were granted, was HK\$0.1360.
4. The weighted average closing price of the Company's shares immediately before the exercise date of the share options exercised by Ms. Pang was HK\$0.0980 per share.
5. The weighted average closing price of the Company's shares immediately before the exercise date of the share options exercised by the employee was HK\$0.0980 per share.

As at the date of this report, there were 50,777,574 share options available for issue under the Share Option Scheme, representing approximately 4.07% of the total number of issued shares of the Company if all of the share options are exercised.

Save as disclosed above, no other share options were granted, exercised, cancelled or lapsed during the nine months ended 31 December 2019.

#### **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 2019.

#### **DIVIDEND**

The Board does not recommend the payment of dividend for the nine months ended 31 December 2019 (nine months ended 31 December 2018: 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 2019.

#### **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 2019, 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. The Company does not have any officer with the title of chief executive officer (the "**CEO**") until the appointment of Mr. Song as the chairman and the re-designation of Ms. Pang as the CEO on 6 August 2019. Before the re-designation of Ms. Pang as the CEO, 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 2019. The condensed consolidated financial results for the nine months ended 31 December 2019 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 2019, 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 2019 and up to the date of this report.

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

Hong Kong, 13 February 2020

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