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Winning Tower Group Holdings Limited 運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8362

2019

THIRD QUARTERLY REPORT

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Winning Tower Group Holdings Limited (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 the GEM (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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lai King Wah
Mr. Lai Ho Yin Eldon
Mr. Ho Timothy Kin Wah

Non-executive Directors

Mr. Yu Ting Hei
Mr. Chow Kuen Chung
Ms. Ou Honglian

Independent Non-executive Directors

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lam Lai Kiu Kelvin

AUDIT COMMITTEE

Mr. Lo Sun Tong
Mr. Chau Chun Wai
Mr. Lam Lai Kiu Kelvin

NOMINATION COMMITTEE

Mr. Lai King Wah
Mr. Chau Chun Wai
Mr. Lo Sun Tong

REMUNERATION COMMITTEE

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lai King Wah

COMPLIANCE OFFICER

Mr. Ho Timothy Kin Wah

COMPANY SECRETARY

Mr. Tsang Hing Bun

AUTHORISED REPRESENTATIVES

Mr. Lai Ho Yin Eldon
Mr. Tsang Hing Bun

COMPLIANCE ADVISER

Kingsway Capital Limited

AUDITOR

Ernst & Young
Certified Public Accountants

LEGAL ADVISOR

David Fong & Co.

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 803, 8/F
Riley House
88 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Shanghai Commercial Bank Limited

COMPANY'S WEBSITE

www.wtgi.hk

STOCK CODE

8362

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in processing and sales of raw, frozen and cooked food products and provision of transportation services in Hong Kong.

On 24 May 2019, Winning Tower Group Limited (“Winning Tower”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “Joint Venture Agreement”) with Wing Si Worldwide Holdings Limited (“Wing Si”) pursuant to which Winning Tower is interested as to 55% and Wing Si is interested as to 45% of the Joint Venture, which is the vehicle for their participation in catering and food business in Hong Kong. For details, please refer to the announcement of the Company dated 24 May 2019.

The Group will continue to adopt a pragmatic and positive approach to develop the business to enhance the profitability of the Group and interests of the shareholders of the Company.

FINANCIAL REVIEW

Revenue

For the nine months ended 30 September 2019, the Group recorded approximately HK\$100.1 million revenue as compared with last year’s corresponding period of approximately HK\$101.3 million, representing a decrease of approximately 1.2%. The decrease in sales of cooked food products and a change of customers’ preference as a result of the outbreak of swine flu in China, leading to a change of products mix from pork to chicken where the selling price per kilogram of our chicken products are lower than pork products.

Cost of inventories and profit before tax

For the nine months ended 30 September 2019, the Group’s cost of inventories consumed and loss before tax from operations was approximately HK\$67.2 million and HK\$2.1 million respectively, where the cost of inventories consumed in last year’s corresponding period was approximately HK\$65.1 million and the Group recorded a profit before tax of approximately HK\$5.1 million. The increase in cost of inventories consumed was due to a change of customers’ preference as a result of the outbreak of swine flu in China, leading to a change of product mix from pork to chicken, lowering the gross profit margin.

Employee benefit expenses

For the nine months ended 30 September 2019, the Group’s employee benefit expenses increased to approximately HK\$18.4 million from last year’s corresponding period’s approximately HK\$15.8 million which was attributable to increase in staff costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

For the nine months ended 30 September 2019, the Group's income tax expense was approximately HK\$0.3 million compared with last year's corresponding period's approximately HK\$1.3 million. The decrease in income tax expense was in line with the change in revenue and profit margin.

Loss for the period

Although based on the above reasons, for the nine months ended 30 September 2019, the Group recorded a net loss for the period of approximately HK\$2.8 million versus a net profit of approximately HK\$3.4 million of last year's corresponding period although the contribution of the disposal gain recorded HK\$2.3 million in the third quarter in relation to sale of two properties. Please refer to the below section "Material acquisitions and disposals of subsidiaries and affiliated companies" for details.

Material acquisitions and disposals of subsidiaries and affiliated companies

On 2 July 2019, Winning Tower Group Limited ("Winning Tower Group"), an indirect wholly owned subsidiary of the Company, entered into property disposal agreements (the "Property Disposal Agreements") with lao Ip Property Investment Limited ("lao Ip"), pursuant to which lao Ip Property had conditionally agreed to acquire and Winning Tower Group had conditionally agreed to sell two properties, namely, Unit 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is HK\$27,645,000, while the consideration about the sale and purchase of Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "Properties") at the aggregated consideration of HK\$45,516,400. Of which, the consideration of Unit 803 and 808 was HK\$27,645,000 and HK\$17,841,400 respectively. Pursuant to the Property Disposal Agreements, lao Ip Property and Winning Tower Group shall enter into the respective leasing agreements (the "Leasing Agreements") where lao Ip Property as landlord should lease to Winning Tower Group as tenant the Properties for a term of three years commencing from the date which all the conditions precedent were fulfilled according to the Property Disposal Agreements. According to the Leasing Agreements, the rent for Unit 803 and 808 was HK\$87,300 and HK\$56,436 per month respectively, totalling HK\$143,736 per month, inclusive of property tax, management fee, government rent and rates but exclusive of water, gas and electricity charges.

MANAGEMENT DISCUSSION AND ANALYSIS

lao Ip Property was owned as to 20% by Mr. Yu Ting Hei, a non-executive Director (“Mr. Yu”) and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. As such, lao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the Disposal also constituted a connected transaction of the Company, and was subject to announcement, reporting, circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

As a result, an extraordinary general meeting was convened and held on 9 September 2019 (the “EGM”) at which Keyview Ventures Limited, the Company’s controlling shareholder, was required to abstain from voting. At the EGM, the resolution was passed by the independent shareholder and the transactions were completed on 30 September 2019.

The net proceeds arisen from the disposal of the Properties were approximately HK\$44.7 million which were intended to repay certain bank facilities.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2019, interests and short positions 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 (the “SFO”)) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have

MANAGEMENT DISCUSSION AND ANALYSIS

under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") are as follows:

Shares of associated corporations of the Company

Name of associated corporation	Capacity/Nature	Name of Director	Number of shares	Approximate Percentage
Keyview Ventures Limited	Beneficial Owner	Lai King Wah	6,975	24.53%
Keyview Ventures Limited	Beneficial Owner	Lai Ho Yin Eldon	307	1.08%
Keyview Ventures Limited	Beneficial Owner	Ho Timothy Kin Wah	815	2.87%
Keyview Ventures Limited	Beneficial Owner	Yu Ting Hei	5,407	19.02%

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDER' S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 September 2019, other than the director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Name of shareholder	Capacity/Nature	Number of shares	Percentage to the issued share capital of the Company
Keyview Ventures Limited	Beneficial Owner	1,050,000,000	75%

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 30 September 2019, no other persons had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the “Share Option Scheme”) which was approved and adopted by the shareholder of the Company by way of written resolution on 5 June 2017 which has a valid period of 10 years from the date of adoption of the Share Option Scheme (i.e., 5 June 2017, the “Adoption Date”) to the tenth anniversary of the Adoption Date.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the nine months ended 30 September 2019 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2019, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout period under review.

COMPETING INTERESTS

As at 30 September 2019, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As at 30 September 2019, neither Kingsway Capital Limited, the compliance adviser of the Company, nor any of its directors, employees or associates had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of GEM Listing Rules.

CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Lo Sun Tong (chairperson), Mr. Chau Chun Wai and Mr. Lam Lai Kiu Kelvin. The audit committee has reviewed this report and are in the opinion that such report has complied with the applicable accounting standards and adequate disclosures have been made.

By order of the Board
Winning Tower Group Holdings Limited
Lai King Wah
Chairman and Executive Director

Hong Kong, 6 November 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2019

The board of directors (the “Board”) of the Company presents the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2019, together with the unaudited comparative figures for the corresponding periods in 2018, are as follows:

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
REVENUE	4	32,740	32,486	100,105	101,316
Cost of inventories consumed		(21,996)	(20,924)	(67,206)	(65,108)
Other income		3,244	516	4,063	1,242
Employee benefit expenses		(6,381)	(5,312)	(18,423)	(15,773)
Depreciation		(2,181)	(1,815)	(6,577)	(5,128)
Transportation and storage fee		(815)	(936)	(2,940)	(2,596)
Utilities and consumables		(865)	(834)	(2,204)	(2,204)
Rental and related expenses		(689)	(365)	(1,560)	(1,097)
Other operating expenses		(3,241)	(1,878)	(7,332)	(5,585)
PROFIT/(LOSS) BEFORE TAX FROM OPERATIONS		(184)	938	(2,074)	5,067
Finance costs		(159)	(131)	(483)	(399)
PROFIT/(LOSS) BEFORE TAX	5	(343)	807	(2,557)	4,668
Income tax expense	6	(187)	(281)	(270)	(1,262)
PROFIT/(LOSS) FOR THE PERIOD		(530)	526	(2,827)	3,406
Attributable to:					
Owners of the Company		(483)	488	(2,698)	3,503
Non-controlling interests		(47)	38	(129)	(97)
		(530)	526	(2,827)	3,406
Earning/(loss) per share attributable to the owners of the Company — Basic and diluted (expressed in HK cents per share)	8	(0.03)	0.03	(0.19)	0.25

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2019

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	(530)	526	(2,827)	3,406
OTHER COMPREHENSIVE INCOME				
Other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods:				
Release of revaluation reserve upon disposal of properties	6,863	–	6,863	–
Revaluation surplus	2,600	780	2,600	2,341
Deferred tax debited to asset revaluation reserve	(715)	(128)	(429)	(386)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	8,748	652	9,034	1,955
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,218	1,178	6,207	5,361
Attributable to:				
Owners of the Company	8,265	1,140	6,336	5,458
Non-controlling interests	(47)	38	(129)	(97)
	8,218	1,178	6,207	5,361

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2019

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Asset revaluation reserve HK\$'000	Retained profits/ accumulated loss HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2019 (Audited)	14,000	103,491*	(36,733)*	5,100*	56,660*	(3,356)*	139,162	3,970	143,132
Profit/(loss) for the period	-	-	-	-	-	(2,698)	(2,698)	(129)	(2,827)
Other comprehensive income/ (expense) for the period:									
Release of revaluation reserve upon disposal of properties	-	-	-	-	(34,727)	41,590	6,863	-	6,863
Revaluation surplus	-	-	-	-	2,600	-	2,600	-	2,600
Deferred tax debited to asset revaluation reserve	-	-	-	-	(429)	-	(429)	-	(429)
Total comprehensive income/ (expense) for the period	-	-	-	-	(32,556)	38,892	6,336	(129)	6,207
At 30 September 2019 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	24,104*	35,536*	145,498	3,841	149,339

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2018

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Asset revaluation reserve HK\$'000	Retained profits/ (Accumulated loss) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2018 (Audited)	14,000	103,491*	(36,733)*	5,100*	44,050*	(6,911)*	122,997	3,956	126,953
Profit/(loss) for the year	-	-	-	-	-	3,503	3,503	(97)	3,406
Other comprehensive income/ (expense) for the period:									
Revaluation surplus	-	-	-	-	2,341	-	2,341	-	2,341
Deferred tax debited to asset revaluation reserve	-	-	-	-	(386)	-	(386)	-	(386)
Total comprehensive income/ (expense) for the period	-	-	-	-	1,955	3,503	5,458	(97)	5,361
At 30 September 2018 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	46,005*	(3,408)*	128,455	3,859	132,314

* These reserve accounts comprise the consolidated reserves of HK\$131,498,000 (31 December 2018: HK\$125,162,000) in the condensed consolidated statements of financial position as at 30 September 2019.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Flat 3, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The Principal activity of the Company is investment holding. The Group is principally engaged in the processing and trading of raw, frozen and cooked food products and provision of transportation services. In the opinion of the directors, the ultimate holding company of the Company was Keyview Ventures Limited ("Keyview Ventures"), a company incorporated in the British Virgin Islands with limited liability.

The condensed consolidated financial information is presented in Hong Kong dollars, which is also the functional currency of the Company.

The condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated financial information have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules and with Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial information have been prepared under the historical cost convention, except for the leasehold land and building that are measured at fair value.

The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should read in conjunction with the Group's financial information included in the Prospectus and the annual report for the year ended 31 December 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's financial information for the year ended 31 December 2018 except for the application of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which have become effective in the current period.

The adoption of the new and revised HKFRSs had no material effect on the results and financial position. Also, no prior period adjustment is required.

4. REVENUE

Revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts to customers, and income from provision of transportation services.

An analysis of revenue is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Wholesale of processed raw food	27,594	27,142	85,153	84,612
Wholesale of processed cooked food	2,705	3,353	8,475	10,938
Internet sales and trading of food products	1,051	1,058	3,142	2,924
Income from provision of transportation services	945	933	2,890	2,842
Income from restaurant	445	–	445	–
	32,740	32,486	100,105	101,316

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Cost of inventories consumed	21,996	22,522	67,206	65,108
Depreciation	2,181	1,182	6,577	5,128
Minimum lease payments under operating leases	418	150	823	450
Other related expenses	271	167	737	647
Rental and related expenses	689	317	1,560	1,097

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the period ended 30 September 2019.

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Current — Hong Kong				
Charge for the period	85	357	209	1,263
Deferred	102	(76)	61	(1)
Total tax charge for the period	187	281	270	1,262

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. DIVIDENDS

No dividend has been paid or declared by the Company during the period from its incorporation date to 30 September 2019.

The rate for dividend and number of shares ranking for dividend are not presented as such information is not considered meaningful for the purpose of this report.

The board of Directors does not recommend a payment of an interim dividend for the nine months ended 30 September 2019.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Earnings/(loss) Profit/(loss) attributable to owners of the Company used in the basic earnings/(loss) per share calculation	(483)	488	(2,698)	3,503

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONTINUED)

	Number of shares			
	Three months ended 30 September		Nine months ended 30 September	
	2019 (Unaudited) '000	2018 (Unaudited) '000	2019 (Unaudited) '000	2018 (Unaudited) '000
Shares				
Weighted average number of shares in issue used in the basic earnings/(loss) per share calculation	1,400,000	1,400,000	1,400,000	1,400,000
Earnings/(loss) per share:				
— Basic (HK cents)	(0.03)	0.03	(0.19)	0.25

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 September 2019 and 2018 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

9. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 6 November 2019.