

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

2018

THIRD QUARTERLY REPORT

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“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.

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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. Ho Lai Sze Jacqueline

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 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKER

Shanghai Commercial Bank Limited

COMPANY'S WEBSITE

www.wtjl.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.

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 2018, the Group recorded approximately HK\$101.3 million revenue as compared with last year's corresponding period of approximately HK\$97.1 million, representing an increase of approximately 4.3%. This was due to the increase in sales order for raw, frozen and processed food products.

Cost of inventories and profit before tax

For the nine months ended 30 September 2018, the Group's cost of inventories consumed and profit before tax from operations was approximately HK\$65.1 million and HK\$5.1 million respectively, where the cost of inventories consumed in last year's corresponding period was approximately HK\$65.2 million and the Group recorded a loss before tax of approximately HK\$6.8 million. The decrease in cost of inventories consumed was due to concentrate on products with higher margin. The turnover of profit before tax was mainly due to the non-recurring listing expenses incurred for the listing on the GEM last year that did not incur in the current financial year.

Employee benefit expenses

For the nine months ended 30 September 2018, the Group's employee benefit expenses increased to approximately HK\$15.8 million from last year's corresponding period's approximately HK\$14.7 million which was attributable to increase in wages.

Income tax expense

For the nine months ended 30 September 2018, the Group's income tax expense was approximately HK\$1.3 million compared with last year's corresponding period's approximately HK\$1.5 million. The decrease in tax expense was due to the tax non-deductible expenses incurred last year that did not incur in the current financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the period

Based on the above reasons, for the nine months ended 30 September 2018, the Group recorded a net profit for the period of approximately HK\$3.4 million versus a net loss of approximately HK\$9.0 million of last year's corresponding period.

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 2018, 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 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	Name of Director	Number of shares	Approximate Percentage
Keyview Ventures Limited	Lai King Wah	6,975	24.53%
Keyview Ventures Limited	Lai Ho Yin Eldon	307	1.08%
Keyview Ventures Limited	Ho Timothy Kin Wah	815	2.87%
Keyview Ventures Limited	Yu Ting Hei	5,407	19.02%

Save as disclosed above, as at 30 September 2018, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2018, 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	Number of shares	Percentage to the issued share capital of the Company
Keyview Ventures Limited	1,050,000,000	75%

Save as disclosed above, as at 30 September 2018, 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 2018 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.

MANAGEMENT DISCUSSION AND ANALYSIS

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

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 2018, 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 2018, 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, 30 October 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2018

UNAUDITED INTERIM RESULTS

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 2018, together with the unaudited comparative figures for the corresponding periods in 2017, are as follows:

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
REVENUE	4	32,486	32,838	101,316	97,100
Cost of inventories consumed		(20,924)	(22,522)	(65,108)	(65,200)
Other income		516	604	1,242	1,288
Employee benefit expenses		(5,312)	(5,395)	(15,773)	(14,737)
Depreciation		(1,815)	(1,182)	(5,128)	(3,600)
Transportation and storage fee		(936)	(1,033)	(2,596)	(2,602)
Utilities and consumables		(834)	(712)	(2,204)	(2,011)
Rental and related expenses		(365)	(317)	(1,097)	(948)
Listing expenses		–	–	–	(11,590)
Other operating expenses		(1,878)	(1,296)	(5,585)	(4,539)
PROFIT/(LOSS) BEFORE TAX FROM OPERATIONS		938	985	5,067	(6,839)
Finance costs		(131)	(143)	(399)	(652)
PROFIT/(LOSS) BEFORE TAX	5	807	842	4,668	(7,491)
Income tax expense	6	(281)	(502)	(1,262)	(1,487)
PROFIT/(LOSS) FOR THE PERIOD		526	340	3,406	(8,978)
Attributable to:					
Owners of the Company		488	439	3,503	(8,957)
Non-controlling interests		38	(99)	(97)	(21)
		526	340	3,406	(8,978)
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	0.25	(0.74)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2018

	Three months ended 30 September		Nine months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	526	340	3,406	(8,978)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods:				
Revaluation surplus	780	443	2,341	3,369
Deferred tax debited to asset revaluation reserve	(128)	(73)	(386)	(556)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	652	370	1,955	2,813
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD	1,178	710	5,361	(6,165)
Attributable to:				
Owners of the Company	1,140	809	5,458	(6,144)
Non-controlling interests	38	(99)	(97)	(21)
	1,178	710	5,361	(6,165)

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 (note a)	Capital reserve HK\$'000 (note b)	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
Issuance of shares and effects of group reorganisation	-	-	-	-	-	-	-	-	-
Issue of new shares upon capitalisation issue	-	-	-	-	-	-	-	-	-
Issue of new shares in connection with the share offer	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Contributions from shareholders	-	-	-	-	-	-	-	-	-
At 30 September 2018 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	46,005*	(3,408)*	128,455	3,859	132,314

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 (note a)	Capital reserve HK\$'000 (note b)	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 2017 (Audited)	32,230	-	-	-	32,265*	623*	65,118	4,245	69,363
Profit/(loss) for the period	-	-	-	-	-	(8,957)	(8,957)	(21)	(8,978)
Other comprehensive income/(expense) for the period:									
Revaluation surplus	-	-	-	-	3,369	-	3,369	-	3,369
Deferred tax debited to asset revaluation reserve	-	-	-	-	(556)	-	(556)	-	(556)
Total comprehensive income/(expense) for the period	-	-	-	-	2,813	(8,957)	(6,144)	(21)	(6,165)
Issuance of shares and effects of group reorganisation	(32,230)	68,963	(36,733)	-	-	-	-	-	-
Issue of new shares upon capitalisation issue	11,200	(11,200)	-	-	-	-	-	-	-
Issue of new shares in connection with the share offer	2,800	53,200	-	-	-	-	56,000	-	56,000
Share issue expenses	-	(7,472)	-	-	-	-	(7,472)	-	(7,472)
Contributions from shareholders	-	-	-	5,100	-	-	5,100	-	5,100
At 30 September 2017 (Unaudited)	14,000	103,491	(36,733)	5,100	35,078*	(8,334)*	112,602	4,224	116,826

* These reserve accounts comprise the consolidated reserves of HK\$114,455,000 (31 December 2017: HK\$108,997,000) in the condensed consolidated statements of financial position as at 30 September 2018.

Notes:

- Merger reserve represented the differences between the nominal value of the shares issued by the Company and the share capital of a subsidiary by the Company pursuant to the Reorganisation as defined in note 1 "Corporate Information and Reorganisation".
- Capital reserve represented the capital contributions from the shareholders of the Group in relation to listing expenses reimbursed to the Company during the period ended 30 September 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND REORGANISATION

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.

Pursuant to the group reorganisation completed on 10 February 2017 (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the ordinary shares with a nominal value of HK\$0.01 each in the share capital of the Company on the GEM of the Stock Exchange, the Company became the direct/indirect holding company of the subsidiaries now comprising the Group on 10 February 2017. Details of the Reorganisation were set out in the section headed "History, Reorganisation and Group Structure" to the prospectus dated 19 June 2017 (the "Prospectus") issued by the Company. The shares of the Company were listed on the GEM by way of share offer (the "Listing") on 30 June 2017 (the "Listing Date").

As the Reorganisation only involved inserting new holding entities at the top of an existing company and has not resulted in any change of economic substances, the condensed consolidated financial statements have been presented as a continuation of the existing company using the pooling of interest method. Accordingly, the condensed consolidated financial information are prepared as if the current group structure had been in existence throughout the entire periods presented.

The Company has not carried on any business since the date of its incorporation, save for the transaction relating to the Reorganisation, and is an investment holding company. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2017.

3. ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s financial information for the year ended 31 December 2017 except for the application of the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which have become effective in the current period.

Amendments to HKFRS 1	<i>First time adoption of HKFRS</i>
Amendments to HKFRS 2	<i>Classification and Measurement of Share-Based Payment Transaction</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>

The adoption of the new and revised HKFRSs had no material effect on the results and financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Wholesale of processed raw food	27,142	28,068	84,612	80,476
Wholesale of processed cooked food	3,353	3,089	10,938	11,661
Internet sales and trading of food products	1,058	814	2,924	2,375
Income from provision of transportation services	933	867	2,842	2,588
	32,486	32,838	101,316	97,100

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Cost of inventories consumed	20,924	22,522	65,108	65,200
Depreciation	1,815	1,182	5,128	3,600
Minimum lease payments under operating leases	150	150	450	450
Other related expenses	215	167	647	498
Rental and related expenses	365	317	1,097	948
Listing expenses	-	-	-	11,590

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the period ended 30 September 2018.

	Three months ended 30 September		Nine months ended 30 September	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Current — Hong Kong				
Charge for the period	357	524	1,263	1,555
Deferred	(76)	(22)	(1)	(68)
Total tax charge for the period	281	502	1,262	1,487

7. DIVIDENDS

No dividend has been paid or declared by the Company during the period from its incorporation date to 30 September 2018.

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 2018.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Earnings/(loss)				
Profit/(loss) attributable to owners of the Company used in the basic earnings/(loss) per share calculation	488	439	3,503	(8,957)
	Number of shares			
	Three months ended 30 September		Nine months ended 30 September	
	2018 (Unaudited) '000	2017 (Unaudited) '000	2018 (Unaudited) '000	2017 (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	1,215,385
Earnings/(loss) per share:				
— Basic (HK cents)	0.03	0.03	0.25	(0.74)

In determining the weighted average number of ordinary shares in issue, a total of 1,120,000,000 ordinary shares of the Company issued pursuant to the Reorganisation were deemed to have been issued since 1 January 2016.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 September 2018 and 2017 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 30 October 2018.