

The background of the entire page is a vibrant blue with dynamic, flowing white and light blue lines that create a sense of movement and modernity. The lines are curved and layered, giving the impression of a digital or technological environment.

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

2020 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. 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

AUDITOR

Ernst & Young
Certified Public Accountants

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.wtgl.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, provision of transportation services and the operation of a restaurant 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.

Quarterly Dividend

The Board declared a dividend of HK\$0.01 per share (2019: nil) amounted to HK\$14,000,000 payable to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

For the nine months ended 30 September 2020, the Group recorded approximately HK\$55.1 million revenue as compared with last year's corresponding period of approximately HK\$100.1 million, representing a decrease of approximately 45.0%. The decrease was mainly due to the COVID-19 pandemic worldwide, including Hong Kong and China, causing the demand for the goods of the Company to decrease substantially.

Cost of inventories and loss before tax

For the nine months ended 30 September 2020, the Group's cost of inventories consumed and loss before tax from operations was approximately HK\$35.7 million and HK\$6.4 million respectively, where the cost of inventories consumed in last year's corresponding period was approximately HK\$67.2 million and the Group recorded a loss before tax of approximately HK\$2.1 million. The decrease in cost of inventories consumed was in line with the drop in revenue.

Employee benefit expenses

For the nine months ended 30 September 2020, the Group's employee benefit expenses decreased to approximately HK\$13.5 million from last year's corresponding period's approximately HK\$18.4 million which was mainly due to decrease in headcounts.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax credit

For the nine months ended 30 September 2020, the Group's income tax credit was approximately HK\$0.2 million and the income tax expense for last year's corresponding period's approximately HK\$0.3 million. The decrease in income tax expense was due to the decrease in taxable profit.

Loss for the period

Based on the above reasons, for the nine months ended 30 September 2020, the Group recorded a net loss for the period of approximately HK\$6.8 million versus approximately HK\$2.8 million of last year's corresponding period.

OTHER INFORMATION

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 2020, 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	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%
Keyview Ventures Limited	Beneficial Owner	Ou Honglian	6,600	23.22%

Save as disclosed above, as at 30 September 2020, 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.

OTHER INFORMATION

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 2020, 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%

Save as disclosed above, as at 30 September 2020, 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 2020 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.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2020, 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 the period under review.

COMPETING INTERESTS

As at 30 September 2020, 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.

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.

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, 28 October 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

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 2020, together with the unaudited comparative figures for the corresponding periods in 2019, are as follows:

	Notes	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
REVENUE	4	17,343	32,740	55,112	100,105
Cost of inventories consumed		(11,488)	(21,996)	(35,729)	(67,206)
Other income		1,769	3,244	4,238	4,063
Employee benefit expenses		(4,103)	(6,381)	(13,481)	(18,423)
Depreciation		(2,046)	(2,181)	(6,213)	(6,577)
Transportation and storage fee		(752)	(815)	(1,987)	(2,940)
Utilities and consumables		(632)	(865)	(1,757)	(2,204)
Rental and related expenses		(411)	(689)	(1,320)	(1,560)
Other operating expenses		(1,319)	(3,241)	(5,257)	(7,332)
LOSS BEFORE TAX FROM OPERATIONS		(1,639)	(184)	(6,394)	(2,074)
Finance costs		(177)	(159)	(576)	(483)
LOSS BEFORE TAX	5	(1,816)	(343)	(6,970)	(2,557)
Income tax credit/(expense)	6	(338)	(187)	168	(270)
LOSS FOR THE PERIOD		(2,154)	(530)	(6,802)	(2,827)
Attributable to:					
Owners of the Company		(2,132)	(483)	(6,978)	(2,698)
Non-controlling interests		(22)	(47)	176	(129)
		(2,154)	(530)	(6,802)	(2,827)
Loss per share attributable to the owners of the Company — Basic and diluted (expressed in HK cents per share)	8	(0.15)	(0.03)	(0.50)	(0.19)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
LOSS FOR THE PERIOD	(2,154)	(530)	(6,802)	(2,827)
OTHER COMPREHENSIVE INCOME/(EXPENSE)				
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	597	2,600	1,790	2,600
Deferred tax debited to asset revaluation reserve	(99)	(715)	(296)	(429)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	498	8,748	1,494	9,034
TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD	(1,656)	8,218	(5,308)	6,207
Attributable to:				
Owners of the Company	(1,634)	8,265	(5,484)	6,336
Non-controlling interests	(22)	(47)	176	(129)
	(1,656)	8,218	(5,308)	6,207

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 SEPTEMBER 2020

	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/ loss (accumulated) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2020 (Audited)	14,000	103,491*	(36,733)*	5,100*	23,773*	29,846*	139,477	2,231	141,708
Profit/(loss) for the period	-	-	-	-	-	(6,978)	(6,978)	176	(6,802)
Other comprehensive income/ (expense) for the period:									
Release of revaluation reserve upon Revaluation surplus	-	-	-	-	1,790	-	1,790	-	1,790
Deferred tax debited to asset revaluation reserve	-	-	-	-	(296)	-	(296)	-	(296)
Total comprehensive income/ (expense) for the period	-	-	-	-	1,494	(6,978)	(5,484)	176	(5,308)
Dividend paid for the period (note 7)	-	-	-	-	-	(300)	(300)	-	(300)
At 30 September 2020 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	25,267*	22,568*	133,693	2,407	136,100

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	Total	Non-controlling interests HK\$'000	Total equity HK\$'000
						profits/loss (accumulated) 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

* These reserve accounts comprise the consolidated reserves of HK\$119,693,000 (31 December 2019: HK\$125,477,000) in the condensed consolidated statements of financial position as at 30 September 2020.

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, the provision of transportation services and the operation of a restaurant. 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 leasehold land and buildings held for the Group's own use classified as right-of-use assets and property, plant and equipment, respectively, which have been 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 2019.

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 2019 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.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) processing and trading of food products; and
- (b) provision of food catering services through a restaurant.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income and non-lease-related finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Amounts of segment assets and liabilities of the Group are reviewed by the Executive Directors regularly on a yearly basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment information

The following tables present revenue and loss for the Group's operating segments for the nine months ended 30 September 2020 and 2019.

Segment revenue/results:

	Processing and trading of food products Unaudited		Restaurant operation Unaudited		Elimination Unaudited		Total Unaudited	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Sales to external customers	49,347	99,660	5,765	445	-	-	55,112	100,105
Intersegment sales	636	62	-	-	(636)	(62)	-	-
Total	49,983	99,722	5,765	445	(636)	(62)	55,112	100,105
Segment results	(7,457)	(1,819)	(33)	(438)	-	-	(7,490)	(2,257)
Interest income							925	183
Finance costs (other than interest on leases)							(405)	(483)
Loss before tax							(6,970)	(2,557)
Income tax credit/(expense)							168	(270)
Loss for the period							(6,802)	(2,827)

(b) Geographical information

Since all of the Group's revenue from external customers are conducted and non-current assets are located in Hong Kong, no further analysis on the geographical information thereof is presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE

An analysis of revenue is as follows:

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue from contracts with customers	17,343	32,740	55,112	100,105

Revenue from contracts with customers

(a) *Disaggregated revenue information*

Segments	Processing and trading of food products Unaudited		Restaurant operation Unaudited		Total Unaudited	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Type of goods or services						
Sales of goods	47,032	96,770	-	-	47,032	96,770
Income from the provision of transportation services	2,315	2,890	-	-	2,315	2,890
Income from the operation of a restaurant	-	-	5,765	445	5,765	445
Total revenue from contracts with customers	49,347	99,660	5,765	445	55,112	100,105
Timing of revenue recognition						
Goods transferred at a point in time	47,032	96,770	5,765	445	52,797	97,215
Services transferred over time	2,315	2,890	-	-	2,315	2,890
Total revenue from contracts with customers	49,347	99,660	5,765	445	55,112	100,105

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE (CONTINUED)

Revenue from contracts with customers (Continued)

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of goods

The Group sells goods to wholesalers and individual retailers. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 60 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Restaurant operation

The performance obligation of income from restaurant operations is recognised at the point in time and satisfied upon (i) completion of the service or (ii) delivery of the food. Payment is generally due from immediate or within 30 days from delivery.

Provision of transportation services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 60 days from the date of billing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. LOSS BEFORE TAX

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Cost of inventories consumed	11,488	21,996	35,729	67,206
Depreciation of property, plant and equipment	1,076	2,181	3,304	6,577
Depreciation of right-of-use assets	970	–	2,909	–
Total depreciation	2,046	2,181	6,213	6,577
Minimum lease payments under operating leases	–	418	–	823
Lease payment not included in the measurement of leases liabilities	205	–	720	–
Other related expenses	206	271	600	737
Rental and related expenses	411	689	1,320	1,560
Total employee benefit expenses	4,103	6,381	13,481	18,423
Bank interest income	(186)	(96)	(925)	(183)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the period ended 30 September 2020, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/19. The first HK\$2,000,000 (2019: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current — Hong Kong Charge/(credit) for the period	75	85	98	209
Deferred	263	102	(266)	61
Total tax charge/(credit) for the period	338	187	(168)	270

8. DIVIDENDS

	Unaudited 2020 HK\$'000	Unaudited 2019 HK\$'000
Segment: The provision of transportation services		
Dividends paid during the year:		
Interim — HK\$75 (2019: Nil) per ordinary share	300	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. DIVIDENDS (CONTINUED)

In respect of the nine months ended 30 September 2020, the board of Directors declared a quarterly dividend of HK\$0.01 (2019: Nil) per share amounted HK\$14,000,000 payable to the shareholders of the Company whose names appear on the Register of Members on 16 November 2020. The quarterly dividend will be paid on 7 December 2020. For the purpose of determining shareholders who are qualified for the quarterly dividend, the register of members of the Company will be closed from Thursday, 12 November, 2020 to Monday, 16 November, 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the quarterly dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 11 November, 2020.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Loss attributable to owners of the Company used in the basic loss per share calculation	(2,132)	(483)	(6,978)	(2,698)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONTINUED)

	Number of shares			
	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 (Unaudited) '000	2019 (Unaudited) '000	2020 (Unaudited) '000	2019 (Unaudited) '000
Shares				
Weighted average number of shares in issue used in the basic loss per share calculation	1,400,000	1,400,000	1,400,000	1,400,000
Loss per share:				
— Basic (HK cents)	(0.15)	(0.03)	(0.50)	(0.19)

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 September 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

10. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 October 2020.