



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

2022
FIRST 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 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 Winning Tower Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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.

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. Wong Wang Leong
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 Public Interest Entity Auditor

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 trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

The Group will continue to develop by maintaining its customer base while exploring any new business opportunities and expanding its business capacity by increasing its refrigeration capacity.

FINANCIAL REVIEW

Revenue

For the three months ended 31 March 2022, the Group recorded approximately HK\$27.6 million revenue as compared with last year's corresponding period of approximately HK\$18.5 million, representing an increase of approximately 48.6%. The increase was mainly due to the increase in demand for online sales of raw and frozen food products during the outbreak of fifth wave early this year and exploring new business in trading and processing of raw and frozen food products. Of which, approximately HK\$22.7 million was contributed from processing and trading of food products (which includes provision of transportation services) (2021: HK\$13.5 million) and approximately HK\$4.9 million was from restaurant operation (2021: HK\$5.0 million).

Cost of inventories and loss before tax

For the three months ended 31 March 2022, the Group's cost of inventories consumed was approximately HK\$18.0 million, representing an increase of approximately HK\$7.7 million or 74.8% compared with last year's corresponding period of HK\$10.3 million. Of which, approximately HK\$17.1 million was from processed food business (2021: HK\$9.4 million) and the remaining approximately HK\$0.9 million was from restaurant business (2021: HK\$0.9 million). A loss before tax of approximately HK\$3.2 million was registered compared with that of approximately HK\$3.9 million recorded in last year's corresponding period. The increase in cost of inventories consumed was the result of the increase in revenue.

Employee benefit expenses

For the three months ended 31 March 2022, the Group's employee benefit expenses was approximately HK\$6.1 million increased from last year's corresponding period's approximately HK\$5.3 million which was attributable to increase in headcount for restaurant operation.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax credit

For the three months ended 31 March 2022 the Group's income tax credit was approximately HK\$43,000 compared with last year's corresponding period's approximately HK\$0.2 million. The decrease in income tax credit was due to decrease in loss before tax.

Loss for the period

Based on the above reasons, for the three months ended 31 March 2022, the Group recorded a net loss for the period of approximately HK\$3.3 million versus loss of approximately HK\$3.8 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 31 March 2022, 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 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%
Keyview Ventures Limited	Ou Honglian	6,600	23.22%

Save as disclosed above, as at 31 March 2022, 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 in 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 31 March 2022, 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 31 March 2022, 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 three months ended 31 March 2022 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 three months ended 31 March 2022, 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 during the current financial year and up to 31 March 2022.

COMPETING INTERESTS

As at 31 March 2022, 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 current financial year and up to 31 March 2022 except as below:

OTHER INFORMATION

Company secretary

The Board had appointed Mr. Tsang Hing Bun (“Mr. Tsang”) as the company secretary (the “Company Secretary”) and an authorized representative of the Company on 5 June 2017. From 1 August 2018, Mr. Tsang ceased to be an employee of the Company as required under code provision F.1.1 of the CG Code, the Company has assigned Mr. Lai Ho Yin Eldon, the executive Director, as the contact person with Mr. Tsang. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Tsang through the contact person assigned. Hence, all Directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision F.1.4 of the CG Code. Having in place a mechanism that Mr. Tsang will be informed of the Group’s development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Tsang as the Company Secretary is beneficial to the Group’s compliance with the relevant board procedures, applicable laws, rules and regulations. For the reporting period, Mr. Tsang has duly complied with the relevant professional training requirement under Rule 5.15 of the Listing Rules.

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, 10 May 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS ENDED 31 MARCH 2022

UNAUDITED FIRST QUARTER RESULTS

The board of directors (the “Board”) of Winning Tower Group Holdings Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2022, together with the unaudited comparative figures for the corresponding periods in 2021, are as follows:

	Notes	Three months ended 31 March	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
REVENUE	5	27,557	18,548
Cost of inventories consumed		(17,957)	(10,282)
Other income		802	623
Employee benefit expenses		(6,116)	(5,309)
Depreciation		(2,814)	(2,724)
Transportation and storage fee		(530)	(647)
Utilities and consumables		(1,055)	(838)
Rental and related expenses		(331)	(416)
Other operating expenses		(2,746)	(2,857)
LOSS BEFORE TAX FROM OPERATIONS		(3,190)	(3,902)
Finance costs		(151)	(99)
LOSS BEFORE TAX	6	(3,341)	(4,001)
Income tax credit	7	43	209
LOSS FOR THE PERIOD		(3,298)	(3,792)
Attributable to:			
Owners of the Company		(2,766)	(3,609)
Non-controlling interests		(532)	(183)
		(3,298)	(3,792)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
— Basic and diluted (expresses in HK cents per share)	9	(0.20)	(0.26)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Three months ended 31 March	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(3,298)	(3,792)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) not to be reclassified to the profit or loss in subsequent periods:		
Revaluation surplus	798	710
Deferred tax debited to asset revaluation reserve	(132)	(117)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	666	593
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(2,632)	(3,199)
Attributable to:		
Owners of the Company	(2,100)	(3,016)
Non-controlling interests	(532)	(183)
	(2,632)	(3,199)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2022

	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 2022 (Audited)	14,000	103,491*	(36,733)*	5,100*	34,015*	(13,021)*	106,852	(1,486)	105,366
Loss for the period	-	-	-	-	-	(2,766)	(2,766)	(532)	(3,298)
Other comprehensive income/(expense) for the period:									
Revaluation surplus, net	-	-	-	-	798	-	798	-	798
Deferred tax debited to asset revaluation reserve	-	-	-	-	(132)	-	(132)	-	(132)
Total comprehensive income/(expense) for the period	-	-	-	-	666	(2,766)	(2,100)	(532)	(2,632)
At 31 March 2022 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	34,681*	(15,787)*	104,752	(2,018)	102,734

	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 2021 (Audited)	14,000	103,491*	(36,733)*	5,100*	26,382*	10,112*	122,352	1,509	123,861
Loss for the period	-	-	-	-	-	(3,609)	(3,609)	(183)	(3,792)
Other comprehensive income/(expense) for the period:									
Revaluation surplus, net	-	-	-	-	710	-	710	-	710
Deferred tax debited to asset revaluation reserve	-	-	-	-	(117)	-	(117)	-	(117)
Total comprehensive income/(expense) for the period	-	-	-	-	593	(3,609)	(3,016)	(183)	(3,199)
At 31 March 2021 (Unaudited)	14,000	103,491*	(36,733)*	5,100*	26,975*	6,503*	119,336	1,326	120,662

* These reserve accounts comprise the consolidated reserves of HK\$90,752,000 (31 December 2021: HK\$92,852,000) in the condensed consolidated statements of financial position as at 31 March 2022.

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.

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 (which includes the provision of transportation services) and the operation of restaurants. In the opinion of the directors, the ultimate holding company of the Company is 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 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 2021, except for the application of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2022.

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 (which includes the transportation services); and
- (b) restaurant operation.

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 results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's 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 three months ended 31 March 2022 and 2021.

Segment revenue/results:

	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment revenue (note 5)						
Sales to external customers	22,673	13,529	4,884	5,019	27,557	18,548
Intersegment sales	681	549	–	–	681	549
	23,354	14,078	4,884	5,019	28,238	19,097
Reconciliation:						
Elimination of intersegment sales					(681)	(549)
Revenue					27,557	18,548
Segment results	(2,125)	(3,934)	(1,200)	(49)	(3,325)	(3,983)
Interest income					2	2
Finance costs (other than interest on lease liabilities)					(18)	(20)
Loss before tax					(3,341)	(4,001)
Income tax credit					43	209
Loss for the period					(3,298)	(3,792)

(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 31 March	
	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers	27,557	18,548

Revenue from contracts with customers

(a) *Disaggregated revenue information*

Segments	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	Unaudited Three months ended 31 March		Unaudited Three months ended 31 March		Unaudited Three months ended 31 March	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Type of goods or services						
Sales of goods	22,391	12,777	-	-	22,391	12,777
Income from the provision of transportation services	282	752	-	-	282	752
Income from the operation of restaurants	-	-	4,884	5,019	4,884	5,019
Total revenue from contracts with customers	22,673	13,529	4,884	5,019	27,557	18,548
Timing of revenue recognition						
Goods transferred at a point in time	22,391	12,777	4,884	5,019	27,275	17,796
Services transferred over time	282	752	-	-	282	752
Total revenue from contracts with customers	22,673	13,529	4,884	5,019	27,557	18,548

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 food products

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 45 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 for restaurant operation is satisfied upon (i) completion of the services; or (ii) delivery of the food. Payment is generally due immediately 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 45 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):

	Three months ended 31 March	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Cost of inventories consumed	17,957	10,282
Depreciation of property, plant and equipment	1,127	1,363
Depreciation of right-of-use assets	1,687	1,361
Total depreciation	2,814	2,724
Lease payments not included in the measurement of lease liabilities	–	265
Other related expenses	331	151
Rental and related expenses	331	416
Directors' remuneration	1,125	1,125
Employee benefit expenses (excluding directors' remuneration):		
Salaries, wages and other benefits	4,783	4,020
Pension scheme contributions (defined contribution scheme)	208	164
Total employee benefit expenses	6,116	5,309
Bank interest income	(2)	(2)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%).

	Three months ended 31 March	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Current — Hong Kong		
Charge for the period	–	16
Deferred	(43)	(225)
Total tax credit for the period	(43)	(209)

8. DIVIDEND

The Board does not recommend a payment of any dividend for the three months ended 31 March 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Three months ended 31 March	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Loss		
Loss attributable to owners of the Company used in the basic loss per share calculation	(2,766)	(3,609)

	Number of shares Three months ended 31 March	
	2022 (Unaudited) '000	2021 (Unaudited) '000
Shares		
Weighted average number of ordinary shares in issue used in the basic loss per share calculation	1,400,000	1,400,000
Loss per share:		
Basic (HK cents)	(0.20)	(0.26)

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 March 2022 and 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 10 May 2022.