Tradelink Electronic Commerce Limited
貿 易 通 電 子 貿 易 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 536)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

The board of directors (the "Board") of Tradelink Electronic Commerce Limited ("Tradelink" or the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

FINANCIAL HIGHLIGHTS

	Note	**Year ended 31 December 2017 *(HK$'000)***	Year ended 31 December 2016 *(HK$'000)*
Revenue	*3*	**241,830**	231,302
Profit from operations		**94,169**	91,931
Profit attributable to equity shareholders of the Company		**74,120**	79,252
Total assets		**561,924**	564,624
Net assets		**354,410**	350,351
Dividend per share (HK cents)	*8*		
Interim		**3.2**	2.4
Proposed final		**6.3**	6.3
Earnings per share (HK cents)	*9*		
Basic		**9.3**	9.9
Diluted		**9.3**	9.9
Issued and fully paid ordinary shares (in '000)			
As at 31 December		**794,586**	794,486
Weighted average number of ordinary shares (basic) outstanding as at 31 December		**794,581**	794,354

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	Note	**2017** (HK$'000)	2016 (HK$'000)
Revenue	3	**241,830**	231,302
Interest income		**16,892**	19,386
Other net income	5	**1,463**	6,354
Cost of purchases		**(23,279)**	(18,577)
Staff costs		**(105,607)**	(103,052)
Depreciation		**(6,270)**	(6,723)
Other operating expenses		**(30,860)**	(36,759)
Profit from operations		**94,169**	91,931
Impairment loss on other financial assets	10	**(8,242)**	—
Share of results of associates		**2,415**	(10,557)
Profit before taxation	6	**88,342**	81,374
Taxation	7	**(14,222)**	(2,122)
Profit for the year		**74,120**	79,252
Earnings per share (HK cents)	9		
Basic		**9.3**	9.9
Diluted		**9.3**	9.9

Details of dividends payable to equity shareholders of the Company are set out in *Note 8*.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017	2016
	(HK$'000)	*(HK$'000)*
Profit for the year	**74,120**	79,252
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the People's Republic of China ("PRC") operations	**1,459**	(1,080)
Available-for-sale debt securities: net movement in fair value reserve	**2,840**	(7,388)
Total comprehensive income for the year	**78,419**	70,784

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	**2017 (HK$'000)**	2016 (HK$'000)
Non-current assets			
Property, plant and equipment		**25,996**	26,222
Goodwill		**9,976**	9,976
Interest in associates		**17,278**	13,685
Other financial assets	*10*	**367,181**	407,115
Deferred taxation	*11*	**6,823**	8,920
		427,254	465,918
Current assets			
Trade receivables	*12*	**28,933**	26,029
Other receivables and prepayments	*13*	**21,631**	28,348
Deposits with bank		**4,246**	4,286
Cash and cash equivalents		**79,860**	40,043
		134,670	98,706
Current liabilities			
Trade creditors, accounts payable and other payables	*14*	**200,101**	207,683
Taxation		**4,097**	3,141
		204,198	210,824
Net current liabilities		**(69,528)**	(112,118)
Total assets less current liabilities		**357,726**	353,800
Non-current liabilities			
Provision for long service payments		**3,093**	3,035
Deferred taxation	*11*	**223**	414
		3,316	3,449
NET ASSETS		**354,410**	350,351
Capital and Reserves			
Share capital	*15*	**296,039**	295,870
Reserves		**58,371**	54,481
TOTAL EQUITY		**354,410**	350,351

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Note	Share capital (HK$'000)	Capital reserve (HK$'000)	Exchange reserve (HK$'000)	Fair value reserve (HK$'000)	Retained profits (HK$'000)	Total equity (HK$'000)
As at 1 January 2016		295,415	3,092	1,416	1,282	59,444	360,649
Changes in equity for 2016							
Dividends approved in respect of the previous year		—	—	—	—	(63,553)	(63,553)
Issue of new shares	*15*	455	(74)	—	—	—	381
Equity-settled share-based transactions		—	1,156	—	—	—	1,156
Lapse of share options		—	(5)	—	—	5	—
Profit for the year		—	—	—	—	79,252	79,252
Other comprehensive income for the year		—	—	(1,080)	(7,388)	—	(8,468)
Total comprehensive income for the year		—	—	(1,080)	(7,388)	79,252	70,784
Dividends declared in respect of the current year	*8*	—	—	—	—	(19,066)	(19,066)
As at 31 December 2016 and 1 January 2017		**295,870**	**4,169**	**336**	**(6,106)**	**56,082**	**350,351**
Changes in equity for 2017							
Dividends approved in respect of the previous year		**—**	**—**	**—**	**—**	**(50,059)**	**(50,059)**
Issue of new shares	*15*	**169**	**(27)**	**—**	**—**	**—**	**142**
Equity-settled share-based transactions		**—**	**984**	**—**	**—**	**—**	**984**
Lapse of share options		**—**	**(98)**	**—**	**—**	**98**	**—**
Profit for the year		**—**	**—**	**—**	**—**	**74,120**	**74,120**
Other comprehensive income for the year		**—**	**—**	**1,459**	**2,840**	**—**	**4,299**
Total comprehensive income for the year		**—**	**—**	**1,459**	**2,840**	**74,120**	**78,419**
Dividends declared in respect of the current year	*8*	**—**	**—**	**—**	**—**	**(25,427)**	**(25,427)**
As at 31 December 2017		**296,039**	**5,028**	**1,795**	**(3,266)**	**54,814**	**354,410**

Notes:

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2017 and 2016 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2017 in due course. The Company's auditor has reported on the consolidated financial statements for both years. The auditor's reports were unqualified and they did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying it's reports, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

At 31 December 2017, the Group had net current liabilities of HK$69,528,000. Notwithstanding the net current liabilities of the Group at 31 December 2017, the Group's consolidated financial statements for the year ended 31 December 2017 has been prepared on a going concern basis as the directors of the Group are of the opinion that the Group would have sufficient funds to meet its obligations as and when they fall due, having regard to the following:

i. The Group will continue to generate positive operating cash flows; and

ii. it is not expected that significant customer deposits are required to be refunded in the next twelve months from the end of the reporting period.

The principal accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016 except for the changes stated as in *Note 2*.

The consolidated financial statements for the year ended 31 December 2017 comprise the Group and the Group's interest in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for available-for-sale debt securities, which are stated at their fair value *(Note 10)*.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE

The principal activity of the Group is the provision of Government Electronic Trading Services ("GETS") for processing certain official trade-related documents. Revenue represents the value of services provided and goods supplied to customers. The amount of each significant category of revenue recognised during the year is disclosed in *Note 4*.

4. SEGMENT REPORTING

The Board of the Group reviews the internal reporting by segments to assess performance and allocate resources. The Group has identified the following reportable segments:

E-commerce:	This segment generates income from processing trade-related government documents and business-related documents. It can be further divided into two sub-segments as follows:	
	GETS	This sub-segment generates income from customers using Tradelink's electronic solutions for processing certain government trade-related documents.
	Commercial services	This sub-segment generates income from the electronic logistics platform for facilitating information flows among the trade logistics and finance industries.
Security solutions:	This segment generates income from the provision of security products, digital certificates and security solutions and mobile security solutions.	
Other services:	This segment comprises handling fees for the conversion of paper form to electronic messages, income from the provision of technical support and other project services.	

Revenue and expenses are allocated to the reportable segments with reference to fees and sales generated and the expenses incurred by those segments. The measure used for reporting segment results is profit before interest, taxation and depreciation.

Information regarding the Group's reportable segments results as provided to the Board for the years ended 31 December 2017 and 2016 is set out below.

	31 December 2017				
	E-commerce				
	GETS *(HK$'000)*	Commercial services *(HK$'000)*	Security solutions *(HK$'000)*	Other services *(HK$'000)*	Total *(HK$'000)*
Revenue from external customers	**169,106**	**13,575**	**40,120**	**19,029**	**241,830**
Inter-segment revenue	**—**	**—**	**7,819**	**12,923**	**20,742**
Reportable segment revenue	**169,106**	**13,575**	**47,939**	**31,952**	**262,572**
Elimination of inter-segment revenue					**(20,742)**
Consolidated revenue					**241,830**
Reportable segment profit	**55,583**	**5,925**	**5,845**	**11,433**	**78,786**
Interest income					**16,892**
Other net income					**1,463**
Depreciation					**(6,270)**
Impairment loss on other financial assets					**(8,242)**
Share of results of associates					**2,415**
Unallocated corporate income					**3,298**
Consolidated profit before taxation					**88,342**

	31 December 2016				
	E-commerce				
	GETS *(HK$'000)*	Commercial services *(HK$'000)*	Security solutions *(HK$'000)*	Other services *(HK$'000)*	Total *(HK$'000)*
Revenue from external customers	166,584	15,521	29,726	19,471	231,302
Inter-segment revenue	—	—	9,044	9,590	18,634
Reportable segment revenue	166,584	15,521	38,770	29,061	249,936
Elimination of inter-segment revenue					(18,634)
Consolidated revenue					231,302
Reportable segment profit	52,092	6,948	2,755	10,675	72,470
Interest income					19,386
Other net income					6,354
Depreciation					(6,723)
Share of results of associates					(10,557)
Unallocated corporate income					444
Consolidated profit before taxation					81,374

Geographic information

No geographic information is shown as the revenue and operating profit of the Group is substantially derived from activities in Hong Kong.

5. OTHER NET INCOME

	2017 ***(HK$'000)***	2016 *(HK$'000)*
Net gain on disposal of available-for-sale debt securities	**1,463**	6,354
	1,463	6,354

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2017	2016
	(HK$'000)	*(HK$'000)*
Staff costs:		
Contributions to defined contribution retirement plan	**2,882**	2,874
Equity-settled share-based payment expenses	**984**	1,156
Salaries, wages and other benefits	**101,741**	99,022
	105,607	103,052
Other items:		
Auditors' remuneration	**957**	945
Depreciation		
— interest in leasehold land held for own use	**142**	142
— other property, plant and equipment	**6,128**	6,581
Operating lease charges in respect of properties	**1,416**	1,206
Net foreign exchange gain	**(3,298)**	(444)
Net gain on disposals of property, plant and equipment	**(30)**	(44)

7. TAXATION

	2017	2016
	(HK$'000)	*(HK$'000)*
Provision for Hong Kong Profits Tax for the year	**12,301**	11,171
Provision for PRC taxes for the year	**25**	—
Over-provision in respect of prior years	**(10)**	(28)
Deferred taxation	**1,906**	(9,021)
	14,222	2,122

The provision for Hong Kong Profits Tax for 2017 is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year. Taxation for PRC subsidiaries is similarly calculated using the effective rates of taxation that are expected to be applicable in the PRC.

8. DIVIDENDS

	2017	2016
	(HK$'000)	*(HK$'000)*
Interim	**25,427**	19,066
Proposed final	**50,059**	50,053
	75,486	69,119

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$74,120,000 (2016: HK$79,252,000) and the weighted average number of 794,581,000 ordinary shares (2016: 794,354,000 ordinary shares) in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$74,120,000 (2016: HK$79,252,000) and the weighted average number of ordinary shares of 794,647,000 (2016: 794,605,000) after adjusting for the effect of the potential dilution from ordinary shares issuable under the Company's share option schemes.

10. OTHER FINANCIAL ASSETS

	2017	2016
	(HK$'000)	*(HK$'000)*
Available-for-sale debt securities at fair value		
— listed	**367,181**	407,115
Fair value of individually impaired available-for-sale debt securities	**3,736**	—

As at 31 December 2017 and 2016, the Group held corporate bonds and classified the instruments as available-for-sale debt securities with fair value changes recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. The debt securities are issued by corporate entities with credit quality commensurate with the return as considered acceptable to the Group.

As at 31 December 2017, a listed available-for-sale debt security is individually determined to be impaired on the basis of the significant financial difficulty of the issuer which indicated that the cost of the Group's investment in them may not be fully recovered. Impairment losses on these investments were recognised in profit or loss in accordance with the accounting policy of the Group.

HKFRS 13, *Fair Value Measurement* categorises fair value measurements into a three-level hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

At 31 December 2017, the available-for-sale debt securities at their fair value of HK$363,445,000 and HK$3,736,000 held by the Group fall into Level 1 and Level 3 respectively, of the fair value hierarchy described above.

(i) Corporate bonds categorised in level 1

The fair value of corporate bonds traded in active markets is based on quoted market prices at the end of the reporting period and included in Level 1, except one corporate bond which has been transferred to level 3 as detailed below.

(ii) Corporate bonds categorised in level 3

Valuation technique and inputs used in Level 3 fair value measurements

During the year ended 31 December 2017, the Group transferred a corporate bond from Level 1 into Level 3. This is because the issuer of the corporate bond encountered financial difficulties and the bond has been suspended from trading during the year. The disappearance of an active market meant that significant unobservable price information and judgement were used in the determination of fair value. The Group relied upon a broker indicative quote to determine the fair value and considered it representative because the value was similar to a price transacted over-the-counter near the reporting date.

Except for the abovementioned, there were no other transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2016: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. The date of transfer is deemed to be 30 June 2017.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2017
	(HK$'000)
Opening balance	**—**
Transfer into Level 3 on 30 June 2017	**16,117**
Impairment loss recognised in profit or loss	**(8,242)**
Proceeds from sales	**(3,914)**
Others	**(225)**
Closing balance	**3,736**

	2017
	(HK$'000)
Impairment loss for the year included in profit or loss for the assets disposed of during the reporting period	**4,139**
Impairment loss for the year included in profit or loss for the assets held at the end of the reporting period	**4,103**
Total impairment losses for the year included in profit or loss	**8,242**

Impairment of other financial assets

During the year, the Group considered impairment indications existed for an available-for-sale debt security and carried out an impairment assessment for that available-for-sale debt security. Based on management's assessment, impairment loss of HK$8,242,000 has been recognised in the profit or loss being the difference between the acquisition cost (net of amortisation) and its fair value.

All other financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2017 and 2016.

11. DEFERRED TAXATION

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	**Depreciation allowances in excess of related depreciation** *(HK$'000)*	**Tax losses** *(HK$'000)*	**Total** *(HK$'000)*
As at 1 January 2017	**(414)**	**8,920**	**8,506**
Credited/(charged) to profit or loss	**191**	**(2,097)**	**(1,906)**
As at 31 December 2017	**(223)**	**6,823**	**6,600**

	2017 *(HK$'000)*	2016 *(HK$'000)*
Representing:		
Deferred tax assets on the consolidated statement of financial position	**6,823**	8,920
Deferred tax liabilities on the consolidated statement of financial position	**(223)**	(414)
	6,600	8,506

At the end of the reporting period, the Group has total tax losses of HK$55,346,000 (2016: HK$62,513,000). As at 31 December 2017, deferred tax assets have been recognised in respect of HK$41,348,000 (2016: HK$54,060,000) of such losses. Based on a forecast prepared by management, future taxable profits against which the losses can be utilised will be available in foreseeable future. The tax losses do not expire under current tax legislation.

12. TRADE RECEIVABLES

Credit terms granted by the Company to customers generally range from one week to one month. Credit terms offered by other companies of the Group based on individual commercial terms negotiated with customers.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date, is as follows:

	2017	2016
	(HK$'000)	*(HK$'000)*
Less than 1 month	**17,664**	17,463
1 to 3 months	**5,315**	6,137
3 to 12 months	**3,496**	1,619
Over 12 months	**2,458**	810
	28,933	26,029

All the above balances are expected to be recovered within one year and they are generally covered by deposits from customers.

The ageing analysis of trade receivables that are past due but neither individually nor collectively considered as impaired are as follows:

	2017	2016
	(HK$'000)	*(HK$'000)*
Neither past due nor impaired	**16,672**	14,912
Less than 1 month past due	**4,123**	4,758
1 to 3 months past due	**3,503**	4,434
Over 3 months past due	**4,635**	1,925
	12,261	11,117
	28,933	26,029

Receivables that were neither past due nor impaired relate to a wide range of customers for which there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management considers that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. OTHER RECEIVABLES AND PREPAYMENTS

All other receivables and prepayments are expected to be recovered or recognised as expenses within one year.

14. TRADE CREDITORS, ACCOUNTS PAYABLE AND OTHER PAYABLES

	2017	2016
	(HK$'000)	*(HK$'000)*
Trade creditors *(Note 14(i))*	**15,838**	19,088
Customer deposits received *(Note 14(ii))*	**140,772**	145,719
Accrued charges and other payables	**43,491**	42,876
	200,101	207,683

(i) As at the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

	2017	2016
	(HK$'000)	*(HK$'000)*
Less than 1 month	**15,702**	17,439
1 to 3 months	**136**	1,649
	15,838	19,088

(ii) Customer deposits received are refundable on demand.

15. SHARE CAPITAL

	2017		2016	
	Number of shares ***(in'000)***	**Amounts** ***(HK$'000)***	Number of shares *(in'000)*	Amounts *(HK$'000)*
Ordinary shares, issued and fully paid:				
As at 1 January	**794,486**	**295,870**	794,217	295,415
Shares issued under share option schemes	**100**	**169**	269	455
As at 31 December	**794,586**	**296,039**	794,486	295,870

16. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Share option schemes

The Company currently has two share option schemes in operation, the first one was adopted on 14 October 2005 (the "Share Option Scheme 2005") and the second one was adopted on 9 May 2014 (the "Share Option Scheme 2014"). Under the Share Option Scheme 2014, options will be granted to eligible persons, including Directors, employees, consultants, business associates or advisers as the Board of the Company may identify from time to time ("Grantees"), entitling them to subscribe for shares of the Company, subject to acceptance of the Grantees and the payment of HK$1.00 by each of the Grantees upon acceptance of the options. Each option gives the holder the right to subscribe for one ordinary share in the Company. On 4 July 2016 and 28 April 2017, 7,400,000 and 6,900,000 share options were granted respectively for HK$1.00 consideration to Directors, senior management and employees of the Group under Share Option Scheme 2014.

17. REVIEW OF RESULTS

The financial results for the year ended 31 December 2017 have been reviewed with no disagreement by the Audit Committee of the Company. The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement profit or loss and comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

E-Commerce – GETS Review

With global economy maintaining a moderate expansion providing support for our export and coupling with a firm domestic demand, 2017 was a healthy year for the trading and manufacturing sector in Hong Kong. Benefited from the economic growth, the overall GETS market grew 1.3% year-on-year. With increase in our business volume, our GETS revenue grew from HK$166.6 million in 2016 to HK$169.1 million in 2017, a 1.5% surge. Though the competitive environment in 2017 was relatively calm at the run-up to the expiry of the current contract thus lessening the price pressure from our customers, our GETS price ceilings in the two extension years (2017 and 2018) under current contract with the Government have been capped at the 2016 levels. As such, our overall GETS revenue surge of 1.5% in 2017 year-on-year was indeed rather encouraging. With more vigorous control over our costs, our GETS profits climbed up to HK$55.6 million in 2017 compared to the profit at HK$52.1 million in 2016, a handsome increase of 6.7%.

As we foreshadowed with confidence in our 2017 Interim Report, we have successfully been awarded the new GETS contract by the Government from 2019 to 2024, extendable up to three more years till 2027 at the Government's option to allow adequate flexibility for transition to the Trade Single Window ("SW") full implementation (in 3 phases with phase 1 scheduled to launch in mid-2018). According to the announcement of the Government, besides Tradelink, the other two service providers awarded the new GETS contracts are the other two incumbent GETS service providers. With the same three service providers continued in the GETS market under the new contract, it is expected that the competitive landscape in the short to medium term would comparatively be more predictable, instead of a potential disruptive situation whereby new player(s) had been awarded the GETS contract(s) to enter into the market anew.

Looking ahead to 2018 as the last year of the current GETS contract, we expect a relatively stable environment in term of the market competition and a smooth transition to the new contract commencing 2019 for reasons explained above. We do not expect significant price pressure from customers nor major customer defects. Aside from the overall GETS market which is tied to the Hong Kong's external trade activities and a factor outside our control, we are confident of the outlook of our GETS business in 2018.

For the Government's planned SW implementation, we note that their current high level timeline for phase 1 launch still stands and major tasks for phases 2 and 3 including stakeholder engagement, preparation for legislative changes, funding approval for the SW implementation and the actual system design and development work are also being pursued as planned. We shall continue to closely monitor their progress and participate in their stakeholder engagement process as and when appropriate so as to enable us to better understand the likely future SW business environment. Accordingly we can formulate our detailed strategy to prepare for our future role as a potential value-added service provider in 7 to 10 years' time under SW.

Meanwhile, as always, we shall strive to continue upholding our premium service quality as a key differentiator from our competitors and offer value-added services to our customers so as to enhance their stickiness with us, whether under GETS or in the future under SW. To our massive GETS customer base in the trading and logistics industry, we shall continue to identify opportunity to offer our suite of commercial supply chain e-solutions that could facilitate their business activities and operations. While keeping close eyes on the Government's development of the SW in coming years, we shall go all out to deepen and tighten our relationships with our GETS customers in terms of offering them more non-GETS related commercial services and solutions hence lessening our reliance on GETS revenue from them. Until the SW full implementation in possibly 10 years' time, we shall seize all possible opportunities to enhance our market position to prepare for the future open SW business environment.

E-Commerce − Commercial Services Review

Revenue from Commercial Services at HK$13.6 million in 2017, was down 12.5% from the revenue recorded in 2016 at HK$15.5 million. Segment profit also dropped 14.7% from about HK$7 million in 2016 to about HK$6 million in 2017. Though the team has successfully concluded some hot cases in the second half of the year as foreshadowed in the 2017 Interim Report, the segment result for 2017 was somewhat unfavorable. It was partly due to the delay in the conclusion of a couple of projects with completion date previously planned to be within 2017 but as the required internal approval process of the customers concerned took longer than expected, such projects could not be completed before the end of the year. Also contributing to the drop in revenue and profit of this business segment in 2017 was due to the fact that the team has diverted considerable resources to work on a new community-wide business venture for which development work has started in the third quarter of the year and would continue in the first quarter of 2018.

Albeit the apparent disappointing performance of this business segment in 2017, the team has in fact completed the development of three brand new products. Together with the new business initiative mentioned, the team has actually invested in a total of four new products/services in 2017 to augment our suite of supply-chain e-solutions enriching the functionalities and scope of our applications. All the three new products sponsored by customers who are renowned names in the market have successfully been delivered in 2017. Riding on the growing e-commerce trend, we have developed and delivered a new e-shop platform to our customer for capturing online products/services sales and managing product inventory, price and promotion. As an extension of the e-shop, we have delivered a retail order management application sponsored by a renowned local trading and distribution company. The application functions as a mobile e-shop for placing orders for products sold at physical shops. Our third new product developed and delivered last year to a key logistics service provider was an order fulfillment system that supports online business of their end customers. The system integrates the logistics service provider's warehouse management system with their end customers' own online shops as well as online sales channels on various e-marketplace for orders management, fulfillment and inventory replenishment. With the booming e-commerce and retail market in recent years, we are seizing the opportunities to promote and sell our suite of supply chain services and products to retailers and third parties logistics service providers who offer end-to-end inventory management, warehousing services and goods delivery for their end customers.

As regards the new community-wide business initiative, until after its full launch with customer patronage and actual business transactions which we hope to be sometime later in 2018, we shall still be in the investment phase of the project. As the operation of this new service might well be seen as a game changer, we are mindful about the actual market acceptance and usage of this new service despite its apparent operational benefits and business values to all stakeholders concerned. The soft launch within the second quarter of 2018 will provide a reality check of this initiative. We shall closely monitor the market response and revise or re-orientate our approach or strategy as appropriate.

Looking into 2018, besides the new community-wide initiative for which we may have certain degree of uncertainty, we are pretty confident of the outlook of the Commercial Services business segment in 2018. The completion of the projects delayed from 2017 mentioned earlier is merely a timing issue as we are quite certain that the delivery of these projects shall be completed within 2018. As said, riding on the booming e-commerce growth and coupled with our extended portfolio of solutions and applications supported by success stories of renowned customers from a wide variety of industries, the team is building a solid and healthy sales pipeline with some hot cases with sizeable scale which we have reasonable confidence of concluding them within 2018.

For our business growth in a highly competitive supply chain e-solution market, we acknowledge the importance and need for the continuous improvement of our products so as to enhance their functionalities, versatility, effectiveness, and user experience to meet the ongoing changing market needs. To this end, we have been investing resources since 2017 to conduct research and studies on the applications of emerging new technology and innovation on our products where appropriate. Several new design and application ideas developed will be further pursued in 2018 with a couple likely to have pilot ready within the year. Amongst these ideas, one application is to make use of Artificial Intelligence ("AI") to learn from actual transaction data collected from our Warehouse Management Systems ("WMS") and Delivery Order Management Systems deployments in past years to optimize the programming logics for better decision making, such as improved shelfing/putaway in warehouse, vehicle scheduling and routing etc. Also riding on the Augmented Reality ("AR") trend, we are studying the use of AR glasses in conjunction with our WMS replacing bar code scanners so as to simplify user operations and improve effectiveness of our solution. We are excited with the progress made so far and shall continue our research and development work while keeping abreast of any technological and/or market change.

Security Solutions – Digi-Sign/TESS Review

Continuing the favorable performance in first half of 2017, growth momentum of our Security Solutions business has further strengthened in the second half of the year. For 2017, this business segment recorded an impressive revenue growth of 35% to HK$40.1 million from HK$29.7 million for 2016, and a profit at HK$5.8 million doubling that in 2016.

As stated in our 2017 Interim Report, our security tokens delivery services performed remarkably well for 2017 due to the increased demand compared to the previous year from our major bank customer as well as a new customer since the beginning of 2017. Also contributing to the surge of the topline of this business segment was the revenue from a number of biometric authentication projects completed and delivered before the end of 2017. The time and resources spent since late 2016 on research and development of our biometric authentication solutions followed by further rigorous enhancement of the solutions in the first half of 2017, has come to fruition in the second half of 2017 as several new orders were confirmed and delivered before the end of the year. They included phase 2 of the project for our major bank customer and two sizeable local banks. Specifically for one of our local bank customers, our biometric authentication solution was developed and deployed to facilitate their Know-Your-Customer ("KYC") process for account opening of their clients. We have extended the scope of applications of our biometric authentication solution from its classical use for bank user login and transaction authorization on mobile device, to being used for simplifying the KYC process for bank user account opening.

Meanwhile since the issuance of the guidelines from the regulatory authority requiring licensed or registered entities engaged in online trading to implement two-factor authentication for clients to login their online trading accounts starting April 2018, we have an extended market for our biometric authentication solutions which now includes securities companies. Indeed we have received a first order from a renowned securities company before the end of the year; as well as on hand a number of hot leads from the securities trading industry with keen interests to adopt our biometric authentication solutions in 2018. In view of the varying size and scale of operations of a more massive number of securities trading companies, we are adopting a more flexible approach for the deployment of our biometric solution supporting individual on premise installation as well as a subscription based service model.

Given the solid customer references we have for our biometric authentication solutions for online banking/security trading as well as KYC for bank account opening, coupled with the strong demand in the market for such solutions to combat security risks and comply with the relevant regulatory requirements, the outlook of our electronic identity management ("e-IDM") business in 2018 is promising. We expect another year of harvest in 2018 given the solid and healthy sales pipelines already built up since last year.

Similar to our Commercial Service products, the Security Solutions team has also been researching and studying the continuous enhancements of our suite of e-IDM solutions making use of new technology and innovation. One of the foci of our research team is to study the use of AI technology to improve the accuracy of facial recognition of our biometric authentication solution, with reference to local users' facial characteristics. Leveraging on the technological changes and advancement, the team will carry on their research work and make use of those technologies as appropriate to develop innovative applications and/enhancements to our products to improve user experience, service quality as well as to extend the scope of applications. We have several new design ideas to enhance our e-IDM products including AI-enabling our biometric authentication solution which we would continue to work on in 2018.

Meanwhile we will keep close eyes on the development of the Government's Smart City policy initiative, in particular their e-ID project, and seize any opportunity that may come up for our e-IDM business.

Turning to our mobile Point-of-Sale ("PoS") (now renamed "Smart PoS" for its smart capability for supporting business applications running on the device), we eventually have reached the end of our tunnel as the first end-to-end payment path supporting major credit cards payment on our Smart PoS through our first bank customer has been established from merchants to end customers. Our Smart PoS solution has successfully been deployed to the first merchant customer of our bank client for pilot use before end of 2017. After this pilot deployment, the team will work with the bank to deploy the solutions to other merchant customers who are already being lined up by the bank. Meanwhile the team will continue the development work on the second payment path through another bank customer and explore opportunity to build more new payment paths through other banks and/or payment gateways so as to allow use of our solutions by more merchants. Over the course of these years, we have had a difficult journey with bumpy rides yet in return we have acquired valuable experience that enable us to understand much better the dynamic and complexity of the payment market for this business. With the fast changing technology and market demands, we shall stay vigilant and take extra caution to review and evaluate our strategy and business model for this product from time to time.

Regarding positioning of our Smart PoS, barring any drastic changes one way or the other, we plan to move it out of our Security Solutions business segment to our Other Services segment in the near future depending on its actual progress and business outlook. Over times superseded by events, the nature and focus of our Smart PoS business has clearly diverted away from those for Security Solutions.

Other Services Review

Our other services include primarily our GETS-related services such as our own Road Cargo Service ("ROCARS"), outsourced call centre services for Customs and Excise Department's ("C&ED's") ROCARS and paper-to-electronic conversion services for our GETS paper users. Revenue from our Other Services in 2017 at HK$19 million dropped slightly by 2.3% from HK$19.5 million in 2016, but profit for the year was actually up 7.1% year-on-year to HK$11.4 million compared to the 2016 profit at HK$10.7 million. The profit increase was due to that fact that while on one hand our costs to provide the other services were largely stable, on the other hand, we have incurred less cost in 2017 as research and feasibility studies of some new initiatives which we started in 2016 were concluded during the year.

For the outsourcing arrangement with C&ED for operating call centre services for their ROCARS, we are pleased that we have successfully been awarded a new 3-year contract commencing January 2018 extendable for one more year at C&ED's option. That part of the revenue of our Other Services can therefore continue in coming years. Given our existing Other Services primarily are all GETS-related, we expect the performance of this business segment continue to be stable in 2018. That said, should our Smart PoS business be moved to group under this segment as practical considerations may warrant in 2018, its performance might be affected and hopefully only slightly.

Investment in PRC Associates Review

As the carrying value of our investment in 上海匯通供應鏈技術與運營有限公司 ("U-Link") has already been fully written down to zero by end of 2016, as mentioned in our 2017 Interim Report we no longer have to share their results in 2017. As such the performance of our PRC associates in 2017 referred only to Guangdong Nanfang Haian Science & Technology Service Company Limited ("Nanfang"), our major associate in China. Our total share of result of Nanfang in 2017 was a gain of HK$2.4 million compared to a total share loss of HK$10.6 million from our PRC associates in 2016. Though apparently the Nanfang performance for 2017 was not that impressive given we have already recorded a share gain of their result in first half of the year of HK$2.2 million, their business has indeed been undergoing solid growth in the course of the year with better than expected increase in revenue. Their result in 2017 was affected by a change of their accounting estimate made in the second half of the year causing a significant surge of their costs which they needed to account for the year.

Though the result of U-Link would not affect our performance, we shall continue to monitor their development and see if there could be any breakthrough. We understand that they have started to change their business model in late 2017 but the result from such a change has yet to be seen.

Regarding Nanfang, with the growth momentum they have been building up since 2017 after their settlement of their previous legal issues, we have confidence in their business prospect in coming years. Though one of their key challenges is their nation-wide single window development in China affecting one of their core businesses, they have been diverting their businesses to other areas and have focused on winning development projects for Government agencies which they have had some successes in 2017.

FINANCIAL REVIEW

The Group's revenue for the year rose 4.6% or HK$10.5 million from HK$231.3 million in 2016 to HK$241.8 million in 2017. The GETS revenue at HK$169.1 million, was higher than the revenue of 2016 at HK$166.6 million by 1.5% or HK$2.5 million. The increase was benefited from the overall GETS market growth. The revenue of Commercial Services dropped HK$1.9 million to HK$13.6 million in 2017 from HK$15.5 million in 2016. Despite a strong growth recorded for the first half of 2017, the decline in revenue of Commercial Services in the second half of the year was mainly due to some project delays by customers. Revenue of our Security Solutions segment in 2017 grew 35.0% to HK$40.1 million, higher than the revenue in 2016 at HK$29.7 million by HK$10.4 million. We had a high volume of security tokens delivery for our major bank client during 2017. The increase was also attributed to the successful deployment of our biometric authentication solutions to our banking clients in the second half of 2017. The revenue of Other Services in 2017 at HK$19.0 million was slightly lower by HK$0.5 million when compared to HK$19.5 million in 2016.

The Group's interest income in 2017 was HK$16.9 million, a drop of 12.9% or HK$2.5 million compared to HK$19.4 million in 2016. The other net income of HK$1.5 million in 2017 came from the switching of part of our corporate bonds during the year, lower than the net income in 2016 at HK$6.4 million by HK$4.9 million due to the high volatility of bond prices in the anticipation of interest rate increase in the market.

The Group's operating expenses before depreciation in 2017 was HK$159.7 million, a year-on-year increase of 0.8% or HK$1.3 million from HK$158.4 million in 2016. Staff costs increased from HK$103.1 million to HK$105.6 million, up by 2.5% or HK$2.5 million as compared to last year. The amount of cost of purchases rose HK$4.7 million from HK$18.6 million in 2016 to HK$23.3 million in 2017. This was due to the increase in volume and thus costs of security tokens delivered for our major bank client and the completion of biometric authentication solutions and other projects of the Security Solutions segment. The other operating costs at HK$30.9 million incurred this year were lower than the amount at HK$36.8 million last year by HK$5.9 million. The decrease was mainly due to our effective cost control coupled with the increase in foreign exchange gain by HK$2.9 million from the US dollar-denominated financial assets held during this year compared to that of 2016. Depreciation charges this year amounted to HK$6.3 million, HK$0.4 million lower than last year.

The Group's profit from operations for the year of 2017 was HK$94.2 million, an increase of HK$2.2 million or 2.4% as compared to 2016.

During the year of 2017, the Group recorded an impairment loss of HK$8.2 million as a result of decline in the market value of a corporate bond in our investment in other financial assets held during the year. Half of that corporate bond was disposed of during the second half of 2017 to lower the exposure.

The share of results in 2017 from PRC associates was a profit of HK$2.4 million as compared to the share of net loss in 2016 at HK$10.6 million. The swing was HK$13.0 million. Nanfang's results improved during 2017 after the settlement of their historical legal case in 2016. There was an increase in cost due to a change in the estimated useful lives of the intangible assets at Nanfang in the second half of 2017, thus reducing our share of profit from this associate by HK$1.3 million. As a result, the share of profit in 2017 from this associate was just slightly higher than the profit of HK$2.2 million shared for the 2017 interim period. For U-Link, our PRC associate operating 4PL business in Shanghai, we no longer shared its results this year. The loss shared from U-Link in 2016 was HK$7.4 million.

Our wholly-owned subsidiary, Digital Trade and Transportation Network Limited ("DTTNCo"), recorded a deferred tax credit of HK$8.9 million during 2016 upon the recognition of deferred tax assets. As DTTNCo continued to grow in revenue and generate profit, a deferred tax charge of HK$2.1 million was recognised during 2017. This is the major reason for the increase in taxation expense by HK$12.1 million year-on-year.

The Group's after tax profit for 2017 came to HK$74.1 million, a drop of 6.5% year-on-year. Ignoring the effect of the deferred tax charge of HK$2.1 million for 2017 and the deferred tax credit of HK$8.9 million for 2016, this year's profit after tax profit increased to HK$76.2 million, representing a profit growth of 8.4%.

Basic earnings per share for 2017 were HK 9.3 cents, lower than that for 2016 at HK 9.9 cents by HK 0.6 cents. Diluted earnings per share for 2017 were also HK 9.3 cents, lower than that for 2016 at HK 9.9 cents by HK 0.6 cents.

Dividend

The Board has recommended a final dividend of HK 6.3 cents per share for 2017 (2016: HK 6.3 cents per share), which is same as for the year 2016. The proposed final dividend together with the interim dividend of HK 3.2 cents per share (2016: HK 2.4 cents per share) paid on 9 October 2017 represents a dividend payout ratio of 99.0% of the Group's profit excluding the deferred tax charge of HK$2.1 million.

The proposed final dividend will be submitted to shareholders for approval at the annual general meeting on Friday, 11 May 2018. If approved, the final dividend will be paid to shareholders whose names appear on the register of members of the Company on Thursday, 17 May 2018, on or about Wednesday, 30 May 2018.

The Board reminds shareholders that the Company's dividend policy enunciated at the time of our IPO in 2005 is that it will pay no less than 60% of its distributable profit as dividend. The fact that the Company has paid out all of its attributable profit in the past and nearly 100% of its profit before charging the deferred tax charge this year does not mean that the policy has changed.

Liquidity and Financial Position

As at 31 December 2017, the Group had total cash and bank deposits of HK$84.1 million (2016: HK$44.3 million). The cash increase of HK$39.8 mainly reflected a drop in our investments in corporate bonds which were treated as available-for-sale debt securities, from HK$407.1 million as at 31 December 2016 to HK$367.2 million by HK$39.9 million as at 31 December 2017.

The other financial assets as at 31 December 2017 were fixed income USD-denominated corporate bonds with no more than US$3 million nominal value each invested in any single issuer with maturity dates less than five years. To balance risk and return, all investments in corporate bonds were made in accordance with the investment guidelines which had been approved by the Investment Committee comprising three Independent Non-executive Directors and one Non-executive Director of the Company. The weighted average of the portfolio coupon and yield were about 4.0% (31 December 2016: 4.9%) and 3.8% (31 December 2016: 4.4%) respectively. As at 31 December 2017, 74% (31 December 2016: 68%) of the total amount was invested in investment grade corporate bonds. The remaining 26% (31 December 2016: 32%) was invested in non-investment grade or non-rated corporate bonds. All corporate bonds held as at 31 December 2017 were tradable in open market except one corporate bond that has been suspended from trading since April 2017 due to the financial difficulties encountered by the issuer. Before any opportunities were identified to acquire new businesses, the cash surplus were parked in corporate bonds as part of our treasury operations to improve the yield of the Group's cash surpluses.

Total assets and net assets of the Group as at 31 December 2017 amounted to HK$561.9 million (2016: HK$564.6 million) and HK$354.4 million (2016: HK$350.4 million) respectively.

As at 31 December 2017, the Group had no borrowings (2016: Nil).

Capital and Reserves

As at 31 December 2017, the capital and reserves attributable to shareholders was HK$354.4 million (2016: HK$350.4 million), an increase of HK$4.0 million from the end of 2016.

Charges on Assets and Contingent Liabilities

As at 31 December 2017, the Group has obtained two bank guarantees totaling HK$2.2 million (2016: two bank guarantees of HK$2.2 million) issued to the Government for the due performance by the Group pursuant to the terms of the contracts with the Government. The bank guarantees are secured by a charge over deposits totaling HK$2.2 million (2016: HK$2.2 million).

Other than the foregoing, the Group did not have any other charges on its assets.

Capital Commitments

There were no capital commitments outstanding as at 31 December 2017 not provided for in the financial statements. The capital commitments outstanding as at 31 December 2016 not provided for amounted to HK$0.5 million, mainly in respect of the purchase of hardware and software for the Group.

Employees and Remuneration Policy

As at 31 December 2017, the Group employed 261 staff (2016: 258), of which 223 are in Hong Kong and 38 in Guangzhou. The related staff costs for the year came to HK$105.6 million (2016: HK$103.1 million).

The Group's remuneration policy is that all employees are rewarded on the basis of market levels. In addition to salaries, the Group provides staff benefits including medical insurance and contribution to staff's mandatory provident fund. To motivate and reward staff, the Group has various commission, incentive and bonus schemes to drive performance and growth.

The Company operates two share option schemes to reward the performance of staff: one for assistant manager grade and above and the other one for staff at senior vice president grade and above.

Exposure to Fluctuation in Exchange Rates and Related Hedges

As at 31 December 2017, other than its investments in the PRC incorporated entities and debt securities denominated in US dollars, the Group had no foreign exchange exposure and related hedges.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code ("CG Code")

The Company is committed to a high standard of corporate governance and the Board believes that good corporate governance is fundamental to effective and proper management of the Company in the interests of its stakeholders. It has made every effort to ensure full compliance with the code provisions in the CG Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Save as disclosed herein, the Company confirms that it has complied with all code provisions during the year ended 31 December 2017.

Code provision A.6.7 of the CG Code stipulates that the Independent Non-executive Directors and other Non-executive Directors should attend the annual general meeting ("AGM") of the Company. Mr. YING Tze Man, Kenneth, one of the Non-executive Directors of the Company, did not attend the 2017 AGM due to other business engagements overseas.

The Board

Currently, the Company is led by and controlled through its Board which comprises three Executive Directors ("ED"), three Non-executive Directors ("NED"), including the Chairman of the Board, and five Independent Non-executive Directors ("INED"). The Board oversees the overall management and operations of the Company with the objective of enhancing shareholder value.

There are no service contracts between the Company and three of its INED, namely Mr. CHUNG Wai Kwok, Jimmy, Mr. CHAK Hubert and Mr. HO Lap Kee, Sunny, J.P. Each of the term of service for the aforesaid INED is the period up to his retirement by rotation in accordance with Article 100 of the Articles of Association of the Company. Pursuant to that, one half of the Directors (or, if the number is not a multiple of two, then the number nearest to but not greater than one half) retires each year but are eligible for re-election at each AGM. Each of the Directors is subject to retirement by rotation at least once every three years. At the 2017 AGM, in accordance with the Articles of Association of the Company, Dr. LEE Nai Shee, Harry, S.B.S., J.P., Dr. LEE Delman, Mr. YING Tze Man, Kenneth (the "Re-appointed NED") retired and were re-appointed as NED and Ms. CHAN Chi Yan and Mr. CHAU Tak Hay (the "Re-appointed INED") retired and were re-appointed as INED. The Company entered into service contracts with the Re-appointed NED and Re-appointed INED, each for a period of three years. The service contract can be terminated by the Company or the Re-appointed NED/Re-appointed INED by giving one month's notice in writing or payment in lieu of notice. The Re-appointed NED and Re-appointed INED shall retire by rotation in accordance with the Articles of Association of the Company and the Listing Rules or at such time as may be required by resolution of the Board of the Company.

Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules to govern its Directors' dealings in the Company's securities. Having made specific enquiry, all Directors have confirmed compliance with the required standards during 2017.

Audit Committee

The Audit Committee has reviewed the Group's accounting policies and the consolidated financial statements for the year ended 31 December 2017. It also had independent discussions with the internal auditor and the external auditor, KPMG, without the presence of the management team.

OTHER INFORMATION

Final Dividend

The Board has recommended a final dividend of HK 6.3 cents per share for 2017 (2016: HK 6.3 cents per share), which is same as for the year 2016. The proposed final dividend together with the interim dividend of HK 3.2 cents per share (2016: HK 2.4 cents per share) paid on 9 October 2017 represents a dividend payout ratio of 99% of the Group's profit excluding the deferred tax charge of HK$2.1 million.

The proposed final dividend will be submitted to shareholders for approval at the AGM on Friday, 11 May 2018. If approved, the final dividend will be paid to shareholders whose names appear on the register of members of the Company on Thursday, 17 May 2018, on or about Wednesday, 30 May 2018.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

Closure of Register of Members

The register of members will be closed from Tuesday, 8 May 2018 to Friday, 11 May 2018, both days inclusive, during which period no transfer of shares will be registered to determine the shareholders' entitlement to attend and vote at the AGM to be held on Friday, 11 May 2018. In order to qualify to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration, no later than 4:30 p.m. on Monday, 7 May 2018.

The register of members will also be closed from Thursday, 17 May 2018 to Monday, 21 May 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration, no later than 4:30 p.m. on Wednesday, 16 May 2018.

Publication of Final Results and 2017 Annual Report

This announcement is published on the respective websites of the Company (www.tradelink.com.hk) and HKEXnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

The annual report of the Group for the year ended 31 December 2017 will be dispatched to shareholders and published on the respective websites of the Company (www.tradelink.com.hk) and HKEXnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) in April 2018.

AGM

It is proposed that the AGM of the Company be held on Friday, 11 May 2018. Notice of the AGM will be published and dispatched to shareholders within the prescribed time and in such manner as required under the Listing Rules.

By Order of the Board
Dr. LEE Nai Shee, Harry, S.B.S., J.P.
Chairman

Hong Kong, 23 March 2018

As at the date of this announcement, the Board of the Company comprises ***Non-executive Directors*:** Dr. LEE Nai Shee, Harry, S.B.S., J.P. (Chairman), Dr. LEE Delman and Mr. YING Tze Man, Kenneth;
***Executive Directors*:** Mr. TSE Kam Keung, Mr. CHENG Chun Chung, Andrew and Ms. CHUNG Shun Kwan, Emily; and
***Independent Non-executive Directors*:** Mr. CHAK Hubert, Mr. CHAU Tak Hay, Ms. CHAN Chi Yan, Mr. CHUNG Wai Kwok, Jimmy and Mr. HO Lap Kee, Sunny, J.P.