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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The Board of Directors (the "**Board**") of Tradelink Electronic Commerce Limited ("**Tradelink**" or the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2020 (Unaudited)

		Six months ended 30 June	
		2020	2019
	Note	***(HK$'000)***	*(HK$'000)*
Revenue	*3*	**119,703**	124,688
Interest income		**6,942**	7,620
Other net (loss)/income	*5*	**(1,590)**	92
Cost of purchases		**(13,447)**	(12,074)
Staff costs	*6(a)*	**(58,037)**	(59,312)
Depreciation	*6(b)*	**(4,514)**	(3,955)
Other operating expenses	*6(c)*	**(17,410)**	(18,245)
Profit from operations		**31,647**	38,814
(Recognition)/reversal of impairment loss on other financial assets		**(630)**	38
Impairment loss on interest in an associate	*10*	**(4,400)**	—
Share of results of associates		**(2,156)**	1,429
Profit before taxation	*6*	**24,461**	40,281
Taxation	*7*	**(4,279)**	(6,067)
Profit for the period		**20,182**	34,214

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2020 (Unaudited) (Continued)

		Six months ended 30 June	
		2020	2019
	Note	***(HK$'000)***	*(HK$'000)*
Earnings per share (HK cents)	*9*		
Basic		**2.54**	4.31
Diluted		**2.54**	4.31

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 six months ended 30 June 2020 (Unaudited)

	Six months ended 30 June	
	2020	2019
	(HK$'000)	*(HK$'000)*
Profit for the period	**20,182**	34,214
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the operations outside Hong Kong	**(308)**	(65)
Debt securities measured at fair value through other comprehensive income ("FVOCI") — net movement in fair value reserve	**117**	11,317
Total comprehensive income for the period	**19,991**	45,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020 (Unaudited)

	Note	**As at 30 June 2020 Unaudited *(HK$'000)***	As at 31 December 2019 Audited *(HK$'000)*
Non-current assets			
Property, plant and equipment		**27,660**	23,710
Goodwill		**9,976**	9,976
Interest in associates		**7,165**	13,977
Other financial assets	*14*	**118,125**	279,118
Deferred tax assets	*11*	**1,071**	1,230
		163,997	328,011
Current assets			
Trade receivables and contract assets	*12*	**45,454**	63,587
Other receivables, prepayments and other contract costs	*13*	**16,398**	18,749
Other financial assets	*14*	**65,676**	38,524
Deposits with bank		**59,952**	12,238
Cash and cash equivalents		**200,220**	131,184
		387,700	264,282
Current liabilities			
Trade creditors, contract liabilities and other payables	*15*	**202,333**	204,893
Taxation		**3,643**	11,859
		205,976	216,752
Net current assets		**181,724**	47,530
Total assets less current liabilities		**345,721**	375,541

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020 (Unaudited) (Continued)

	Note	**As at 30 June 2020 Unaudited *(HK$'000)***	As at 31 December 2019 Audited *(HK$'000)*
Non-current liabilities			
Provision for long service payments		**3,068**	3,120
Deferred tax liabilities	*11*	**1,210**	1,030
Other payables	*15*	**1,819**	464
		6,097	4,614
NET ASSETS		**339,624**	370,927
Capital and reserves			
Share capital	*16*	**296,093**	296,093
Reserves		**43,531**	74,834
TOTAL EQUITY		**339,624**	370,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2020 (Unaudited)

	Note	Share capital *(HK$'000)*	Capital reserve *(HK$'000)*	Exchange reserve *(HK$'000)*	Fair value reserve *(HK$'000)*	Other reserve *(HK$'000)*	Retained profits *(HK$'000)*	Total equity *(HK$'000)*
As at 1 January 2019		296,093	5,951	915	(17,154)	12	64,940	350,757
Changes in equity for the six months ended 30 June 2019:								
Dividends approved in respect of the previous year		—	—	—	—	—	(47,678)	(47,678)
Equity-settled share-based transactions		—	507	—	—	—	—	507
Profit for the period		—	—	—	—	—	34,214	34,214
Other comprehensive income for the period		—	—	(65)	11,317	—	—	11,252
Total comprehensive income for the period		—	—	(65)	11,317	—	34,214	45,466
As at 30 June 2019 and 1 July 2019		296,093	6,458	850	(5,837)	12	51,476	349,052
Changes in equity for the six months ended 31 December 2019:								
Dividends declared in respect of the current year	*8*	—	—	—	—	—	(26,223)	(26,223)
Equity-settled share-based transactions		—	329	—	—	—	—	329
Lapse of share options		—	(37)	—	—	—	37	—
Profit for the period		—	—	—	—	—	47,987	47,987
Other comprehensive income for the period		—	—	(412)	194	—	—	(218)
Total comprehensive income for the period		—	—	(412)	194	—	47,987	47,769
As at 31 December 2019		296,093	6,750	438	(5,643)	12	73,277	370,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020 (Unaudited) (Continued)

	Note	**Share capital** *(HK$'000)*	**Capital reserve** *(HK$'000)*	**Exchange reserve** *(HK$'000)*	**Fair value reserve** *(HK$'000)*	**Other reserve** *(HK$'000)*	**Retained profits** *(HK$'000)*	**Total equity** *(HK$'000)*
As at 1 January 2020		**296,093**	**6,750**	**438**	**(5,643)**	**12**	**73,277**	**370,927**
Changes in equity for the six months ended 30 June 2020:								
Dividends approved in respect of the previous year		—	—	—	—	—	**(51,651)**	**(51,651)**
Equity-settled share-based transactions		—	**357**	—	—	—	—	**357**
Lapse of share options		—	**(53)**	—	—	—	**53**	—
Profit for the period		—	—	—	—	—	**20,182**	**20,182**
Other comprehensive income for the period		—	—	**(308)**	**117**	—	—	**(191)**
Total comprehensive income for the period		—	—	**(308)**	**117**	—	**20,182**	**19,991**
As at 30 June 2020		**296,093**	**7,054**	**130**	**(5,526)**	**12**	**41,861**	**339,624**

Notes:

1. BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2020 but are extracted from the interim financial report. The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "SEHK"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 25 August 2020.

The accounting policies adopted in preparing the interim financial report are consistent with those used in preparing the Group's annual financial statements for the year ended 31 December 2019, except for the changes set out in *Note 2*.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3, *Definition of a Business*
- Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

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

3. REVENUE

The principal business 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. All of the Group's revenue is within the scope of HKFRS 15, *Revenue from contracts with customers*. The amount of each significant category of revenue recognised during the period 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 government trade-related documents and supply chain solutions.
Identity Management	:	This segment generates income from the provision of security products, digital certificates, security solutions and biometric-based authentication solutions for identity management.
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.

4. **SEGMENT REPORTING (CONTINUED)**

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments results as provided to the Board for the purposes of resource allocation and assessment of segment performance for the periods ended 30 June 2020 and 2019 are set out below.

	Six months ended 30 June 2020			
	E-Commerce *(HK$'000)*	**Identity Management** *(HK$'000)*	**Other Services** *(HK$'000)*	**Total** *(HK$'000)*
Disaggregated by timing of revenue recognition				
Point in time	**66,766**	**10,717**	**8,489**	**85,972**
Over time	**14,825**	**15,954**	**2,952**	**33,731**
Revenue from external customers	**81,591**	**26,671**	**11,441**	**119,703**
Inter-segment revenue	**—**	**3,910**	**2,863**	**6,773**
Reportable segment revenue	**81,591**	**30,581**	**14,304**	**126,476**
Elimination of inter-segment revenue				**(6,773)**
Consolidated revenue				**119,703**
Reportable segment profit	**25,790**	**2,155**	**4,855**	**32,800**
Interest income				**6,942**
Other net loss				**(1,590)**
Depreciation				**(4,514)**
Recognition of impairment loss on other financial assets				**(630)**
Impairment loss on interest in an associate				**(4,400)**
Share of results of associates				**(2,156)**
Unallocated corporate expenses				**(1,991)**
Consolidated profit before taxation				**24,461**

4. SEGMENT REPORTING (CONTINUED)

	Six months ended 30 June 2019			
	E-Commerce *(HK$'000)*	Identity Management *(HK$'000)*	Other Services *(HK$'000)*	Total *(HK$'000)*
Disaggregated by timing of revenue recognition				
Point in time	70,960	7,532	14,273	92,765
Over time	14,054	15,931	1,938	31,923
Revenue from external customers	85,014	23,463	16,211	124,688
Inter-segment revenue	—	3,912	4,324	8,236
Reportable segment revenue	85,014	27,375	20,535	132,924
Elimination of inter-segment revenue				(8,236)
Consolidated revenue				124,688
Reportable segment profit	26,773	2,002	7,139	35,914
Interest income				7,620
Other net income				92
Depreciation				(3,955)
Reversal of impairment loss on other financial assets				38
Share of results of associates				1,429
Unallocated corporate expenses				(857)
Consolidated profit before taxation				40,281

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 (LOSS)/INCOME

	Six months ended 30 June	
	2020	2019
	(HK$'000)	*(HK$'000)*
Government grants	**2,174**	—
Net (loss)/gain on disposal of debt securities measured at FVOCI	**(3,726)**	92
Investment income from units in investment fund measured at fair value through profit or loss ("FVPL")	**61**	—
Unrealised fair value loss on units in investment fund measured at FVPL	**(122)**	—
Gain on disposal of an associate	**23**	—
	(1,590)	92

In 2020, the Group successfully applied for The Employment Support Scheme ("ESS") of the "Anti-epidemic Fund". ESS was approved by the Finance Committee of Legislative Council of the HKSAR. The objective of the ESS is to provide financial support to employers to pay staff wages and maintain employment.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2020	2019
	(HK$'000)	*(HK$'000)*
(a) Staff costs:		
Contributions to defined contribution retirement plan	**1,726**	1,636
Equity-settled share-based payment expenses	**357**	507
Salaries, wages and other benefits	**55,954**	57,169
	58,037	59,312
(b) Depreciation:		
— interest in leasehold land held for own use	**71**	71
— other owned property, plant and equipment	**3,914**	3,590
— right-of-use assets	**529**	294
	4,514	3,955
(c) Other operating expenses:		
Auditors' remuneration	**639**	620
Directors' fees and emoluments	**1,153**	1,316
Facilities management fees	**2,546**	3,261
Repair and maintenance fees	**2,780**	3,250
Office rental and utilities	**1,766**	1,990
Telecommunication costs	**905**	904
Promotion and marketing expenses	**368**	919
Impairment loss on trade receivables and contract assets	**864**	776
Net foreign exchange loss	**1,991**	857
Others	**4,398**	4,352
	17,410	18,245

7. TAXATION

	Six months ended 30 June	
	2020	2019
	(HK$'000)	*(HK$'000)*
Provision for Income Tax for the period		
— Hong Kong Profits Tax	**3,929**	5,082
— Outside Hong Kong	**11**	—
Deferred taxation *(Note 11)*	**339**	985
Income tax expense	**4,279**	6,067

The provision for Hong Kong Profits Tax for the period is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the period. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

8. DIVIDENDS

	Six months ended 30 June	
	2020	2019
	(HK$'000)	*(HK$'000)*
Interim dividend declared after the interim period of HK 1.95 cents per share (2019: HK 3.3 cents per share)	**15,495**	26,223

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK$20,182,000 (2019: HK$34,214,000) and the weighted average number of 794,634,000 ordinary shares (2019: 794,634,000 ordinary shares) in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$20,182,000 (2019: HK$34,214,000) and the weighted average number of 794,634,000 ordinary shares (2019: 794,634,000 ordinary shares), after adjusting for the effect of the potential dilution from ordinary shares issuable under the Company's share option scheme.

10. IMPAIRMENT LOSS ON INTEREST IN AN ASSOCIATE

At 30 June 2020, the Group carried out an impairment assessment for the recoverable amount of Guangdong Nanfang Haian Science & Technology Service Company Limited ("Nanfang"). As the recoverable amount of Nanfang was less than the carrying amount, additional provision for impairment loss of HK$4,400,000 was made for the period ended 30 June 2020. In prior years, provision for impairment loss of HK$7,500,000 was made. The estimates of the recoverable amount of Nanfang were based on the present values of the budgeted future cash flows, discounted at the market risk-adjusted discount rate of 14% (2019: 14%), by reference to the projected volume, activity level and future growth rates of the underlying business of Nanfang. For the period ended 30 June 2020 and 30 June 2019, same basis of impairment measurement in respect of the interest in Nanfang is performed by management.

11. DEFERRED TAXATION

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

Deferred tax arising from:	**Depreciation allowances in excess of related depreciation** ***(HK$'000)***	**Tax losses** ***(HK$'000)***	**Credit loss allowance** ***(HK$'000)***	**Others** ***(HK$'000)***	**Total** ***(HK$'000)***
As at 1 January 2020	**(1,030)**	**702**	**528**	**—**	**200**
(Charged)/credited to profit or loss	**(180)**	**(408)**	**229**	**20**	**(339)**
As at 30 June 2020	**(1,210)**	**294**	**757**	**20**	**(139)**

	As at 30 June 2020 ***(HK$'000)***	As at 31 December 2019 *(HK$'000)*
Representing:		
Deferred tax assets on the consolidated statement of financial position	**1,071**	1,230
Deferred tax liabilities on the consolidated statement of financial position	**(1,210)**	(1,030)
	(139)	200

12. TRADE RECEIVABLES AND CONTRACT ASSETS

	Note	**As at 30 June 2020 *(HK$'000)***	As at 31 December 2019 *(HK$'000)*
Trade receivables, net of loss allowance	*(a)*	**32,662**	35,610
Contract assets, net of loss allowance	*(b)*	**12,792**	27,977
		45,454	63,587

(a) Trade receivables, net of loss allowance

Credit terms granted by the Company to customers generally range from one day 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 and net of loss allowance, is as follows:

	As at 30 June 2020 *(HK$'000)*	As at 31 December 2019 *(HK$'000)*
Less than 1 month	**4,210**	22,734
1 to 3 months	**18,788**	5,486
3 to 12 months	**7,992**	6,990
Over 12 months	**1,672**	400
	32,662	35,610

All of the above balances are expected to be recovered within one year and some of them are covered by deposits from customers (see *Note 15*).

(b) Contract assets, net of loss allowance

The Group's contracts include payment schedules which require stage payments over the contract period once milestones are reached. These payment schedules prevent the build-up of significant contract assets.

All of the revenue recognised during the period are from performance obligations satisfied (or partially satisfied) in the current period.

As at 30 June 2020, the contract assets expected to be recovered more than one year is HK$848,000 (31 December 2019: Nil).

13. OTHER RECEIVABLES, PREPAYMENTS AND OTHER CONTRACT COSTS

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

14. OTHER FINANCIAL ASSETS

	As at 30 June 2020 ***(HK$'000)***	As at 31 December 2019 *(HK$'000)*
Debt securities measured at FVOCI		
— listed	**176,118**	317,642
Units in investment fund measured at FVPL	**7,683**	—
	183,801	317,642
Representing:		
— Non-current	**118,125**	279,118
— Current	**65,676**	38,524
	183,801	317,642

As at 30 June 2020, the Group had corporate bonds and units in bond fund. They were classified as debt securities measured at FVOCI and units in investment fund measured at FVPL respectively. The debt securities are issued by corporate entities with credit quality commensurate with the return as considered acceptable to the Group.

During the six months ended 30 June 2020, the Group acquired corporate bonds of HK$21,786,000 (six months ended 30 June 2019: Nil) and disposed of corporate bonds at a consideration of HK$157,213,000 (six months ended 30 June 2019: HK$42,679,000). The Group also acquired units in bond fund of HK$7,826,000 during the period (six months ended 30 June 2019: Nil).

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 30 June 2020, the debt securities measured at FVOCI and units in investment fund measured at FVPL held by the Group fall into Level 1 and Level 2 of the fair value hierarchy described above respectively.

14. OTHER FINANCIAL ASSETS (CONTINUED)

Valuation techniques and inputs used in Level 2 fair value measurement

The fair value of investment fund is determined using the unadjusted net asset value provided by the fund manager. The units in the investment fund are redeemable at the reportable net asset value at, or approximately at, the measurement date.

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. 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.

15. TRADE CREDITORS, CONTRACT LIABILITIES AND OTHER PAYABLES

	As at 30 June 2020 ***(HK$'000)***	As at 31 December 2019 *(HK$'000)*
Trade creditors *(Note 15(a))*	**24,083**	29,810
Customer deposits received *(Note 15(b))*	**125,259**	128,511
Accrued charges and other payables	**27,770**	33,423
Contract liabilities	**24,010**	12,662
Lease liabilities	**3,030**	951
	204,152	205,357
Representing:		
— Non-current	**1,819**	464
— Current	**202,333**	204,893
	204,152	205,357

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

	As at 30 June 2020 ***(HK$'000)***	As at 31 December 2019 *(HK$'000)*
Less than 1 month	**23,922**	29,658
1 to 3 months	**88**	152
Over 3 months but within 6 months	**73**	—
	24,083	29,810

(b) Customer deposits received are refundable on demand.

16. SHARE CAPITAL

	As at 30 June 2020		As at 31 December 2019	
	Number of shares	**Amounts**	Number of shares	Amounts
	(in'000)	***(HK$'000)***	*(in'000)*	*(HK$'000)*
Ordinary shares, issued and fully paid:				
As at 1 January	**794,634**	**296,093**	794,634	296,093
Shares issued under share option scheme	**—**	**—**	—	—
As at 30 June/31 December	**794,634**	**296,093**	794,634	296,093

17. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Share option scheme

The share option scheme currently in operation 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 12 April 2019 and 17 April 2020, 7,900,000 and 7,900,000 share options were granted respectively for HK$1.00 consideration to Directors, senior management and employees of the Group under Share Option Scheme 2014.

18. IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

E-Commerce Business Review

For the first half of 2020, the total revenue of our E-Commerce business comprising Government Electronic Trading Services ("GETS") and Supply Chain Solutions sub-segments was HK$81.6 million, down 4.0% or HK$3.4 million less than the revenue of HK$85.0 million for the same period last year. Segment profits for the period at HK$25.8 million also dropped 3.7% year-on-year compared to the profits of HK$26.8 million last year.

Affected by the sharp global economic contraction and serious disruptions caused by the continued spread of the Coronavirus Disease 2019 ("COVID-19") pandemic in various places of the world, the overall GETS market had recorded the steepest decline since the global financial crisis in 2008/09 as it plummeted 9.2% year-on-year for the first half of the year. Revenue generated from our GETS business during the reporting period at HK$72.4 million, was down 9.3% compared to the revenue of HK$79.8 million for the same period last year.

As for our Supply Chain Solutions, revenue recorded for this business sub-segment increased significantly by 77.1% to HK$9.2 million for the first half of this year from HK$5.2 million last year. While revenue from the first half of last year was mainly from regular recurrent income and a Warehouse Management System ("WMS") project with revenue recorded on a work-in-progress basis, revenue this year also included several new projects signed either in the second half of last year or the first half of this year with work-in-progress during the reporting period. For the latter, they included a major enhancement project from one of our existing customers in the retail industry and a new Transportation Management System ("TMS")/WMS project ordered by a customer in the recycling/environmental protection industry. For this customer, who is one of the government contractors licensed to collect, store and process waste electrical and electronic equipment, we would provide a TMS/WMS to facilitate their pick-up order processing, fleet scheduling, route planning as well as inventory management and reporting of waste items to meet the regulatory requirements. We are pleased to get this reference case demonstrating the versatility of the application of our solutions in a variety of industries and scenarios. Also included in the revenue for the first half of the year was the remaining hardware (which was the 4-way shuttles) ordered for the automated warehouse solution for our major retail chain client. During the reporting period, the automated warehouse solution has commenced operation while the onsite performance tuning of software/hardware continued to meet the committed service level before the formal acceptance of the project, which is expected to be within the second half of the year.

The outlook of our GETS business in the second half of the year is bleak as economic conditions remain dire with the COVID-19 pandemic continues to unfold in some places of the world while other places are witnessing fresh waves of infections. Based on the poor trade and related figures released so far this year, Hong Kong's trade performance will remain under acute pressure in the near term, not to mention another key factor pertaining to the US-China economic and political relations that might affect the business sentiment in Hong Kong. Given there is no sign that the worst is over for the global economic situation, we should be prepared for a pretty dismal year in 2020, in particular for our GETS business. We will strive to implement more stringent cost control measures as far as possible though we are mindful that such cost cutting measures would not undermine our ability to deliver quality services valued by our customers, who are prepared to pay at a premium price.

Regarding the Government's Trade Single Window ("SW") implementation, they have completed the roll-out of all 14 documents under Phase 1 by the end of June 2020 according to their latest revised schedule and are preparing for the development and implementation work for Phase 2. Based on their latest schedule, roll-out in the batches of Phase 2 documents, 28 of them in total, would commence in March 2023. Same as all the Phase 1 documents, the current plan of the Government is that usage of SW for Phase 2 documents will also be on a voluntary basis. Furthermore, there is still no development schedule for Phase 3 documents which essentially include the current GETS documents. We will closely monitor any progress made by the Government in relation to the development of the future Value Added Service Providers ("VASP") market under SW and formulate our VASP strategy accordingly.

As for our Supply Chain Solutions, the outlook for the reminder of the year is not as pessimistic as the GETS business though it would also be affected by the COVID-19 pandemic to some extent. Thanks to the momentum built over the years by the team coupled with the major retail store success story of our automated warehousing solution, we have a couple of hot cases on hand, among which we hope some could be closed as soon as the COVID-19 pandemic is under control. Moreover, building on our success in entering the recycling/environmental protection industry, we were pleased to have won an open tender issued by the Environmental Protection Department for the provision of service for an enhanced tracking of chemical waste and clinical waste consignment. Formal contract was signed in late May with system development work to be completed before the year end. Amongst our hot leads, there are two major projects which we are bidding, and at least for one of them we have a reasonable chance of winning.

That said, given the anticipated continuous decline of our GETS business in the second half of the year based on available figures and forecasts, our Supply Chain Solutions business growth, if any, could only help slightly narrow the gap and we still expect a relatively pessimistic outlook for the combined E-Commerce business in 2020.

Identity Management ("IDM") Business Review

For the first half of 2020, our IDM business recorded satisfactory results as its revenue and profit both grew significantly by 13.7% and 7.6% respectively. Revenue from our IDM business increased from HK$23.5 million last year to HK$26.7 million this year whereas profits grew from HK$2.0 million last year to HK$2.2 million this year. During the reporting period, while revenues from projects and security token business and related delivery service were almost the same as the corresponding period last year, our recurring, maintenance and support services revenue from previously delivered projects surged by 30%, and added with revenue from the sale of security hardware to a local bank, thereby explaining the revenue growth of our IDM business. In terms of project revenue, almost all of them was recognized on a work-in-progress basis from our electronic Know-Your-Customer ("eKYC") projects carried forward from last year as well as two new projects signed in the first half of this year. We have received a new order from a leading global bank, who has been using our eKYC solutions to support the 2003 Smart Hong Kong Identity ("HKID") Card and the new order was for an extension of our eKYC solutions to support the new 2018 Smart HKID Card. Another existing customer who was also our first customer in the insurance industry has confirmed a new project with us. Again they would like to utilise our expertise to extend the current eKYC solutions for supporting HKID Card to include Exit-Entry Permit ("EEP") for Travelling to and from Hong Kong and Macao and China Identity Cards ("CNID")/Passports. Given the completion of our research and development efforts on eKYC solutions for supporting EEP and CNID/Passports, we were pleased to have this insurance company as our first customer using our eKYC solutions to support identity documents beyond HKID Card. Regarding the security hardware sold to the local bank, it would be adopted for the latter's mobile token implementation for which they are discussing the adoption of our biometric two-factor authentication solution.

Admittedly the spread of the COVID-19 pandemic since the beginning of this year has disrupted the operations and affected the business of our target customers. In the first half of the year, a couple of hot cases in which we have much confidence to accomplish have been delayed due to the soured business sentiment at large. For those who have already confirmed their orders with us, some of the development works have been stalled due to their work-from-home arrangement and as such, delaying the progress of projects and the booking of revenue. Anyhow, in such unprecedented circumstances, we were exceptionally pleased to have achieved growth in our IDM business. Should there not be the profound damages by the COVID-19 pandemic, we could have expected even better results.

Looking ahead for the remainder of the year, despite the challenges of the COVID-19 pandemic, we will continue to pursue, as far as possible and practicable, those hot cases we have been working on, in particular those already on the last mile. We know that their demand is there and we are their choice. It is just a matter of time when the customers feel comfortable with the operating and business environment to confirm our orders. Our comprehensive eKYC solutions supporting not only HKID Card (2003 and new 2018) but also identity documents beyond HKID Card (such as EEP and CNID/ Passports), providing us a key competitive edge to differentiate our solution from other similar solutions in the market. Given the strong demand of eKYC solutions in the market and the comprehensive solution we could offer, we will ride on our strong customer networks to cultivate more opportunities in the banking and insurance industry. That said, we would not underestimate the possible damages that the COVID-19 pandemic could impose on our business. As such, we would hold a neutral or at best cautiously optimistic view on the outlook of our IDM business in 2020.

Other Services Business Review

For the first half of 2020, total revenue from Other Services comprising Smart Point-of-Sales ("PoS"), other GETS-related services and the community logistics platform VSHIP was HK$11.4 million, represented a decline of 29.4% compared to the revenue at HK$16.2 million for the same period last year. Segment profit during the reporting period also dropped 32.0% year-on-year from HK$7.1 million last year to HK$4.9 million this year. The revenue decline was largely due to the poor performance of our Smart PoS business as its revenue dipped significantly by 66.1% from HK$6.2 million recorded in the first half of last year to HK$2.1 million for the same period this year. The users of our Smart PoS business are mainly from the retail industry, which is one of the sectors (with the exception of grocery) that have been hardest hit by the COVID-19 pandemic. Given the severe disruptions caused by the preventive measures introduced, retail sales in Hong Kong took an unprecedented dive as the pandemic continued to take its toll during the reporting period. Under such depressing operating environment for the retail industry, we received no new Smart PoS order from our bank customers for deployment for their retail clients in the first half of the year. Revenue recorded for our Smart PoS business was all from the maintenance and support services provided for existing PoS deployment. Our other GETS-related services business primarily comprising our Road Cargo System ("ROCARS"), the call centre services offered to Customs & Excise Department's ROCARS and the paper-to-electronic conversion services for our GETS paper users, also contracted due to the shrinkage of GETS market though its decline was a bit less severe than that of our GETS business. As foreshadowed in the 2019 Annual Report, we have won back a partner, who provides paper collection service for trade declaration, from our competitor. Thus starting from February 2020, we have received additional paper-to-electronic conversion services revenue from this partner, helping slightly narrow the revenue shortfall of our other GETS-related services which would otherwise be of more or less the same magnitude as our GETS business.

For the remainder of the year, we expect the demand for our Smart PoS to remain weak given the high uncertainties surrounding the COVID-19 pandemic and the corresponding preventive measures introduced which would severely affect the retail business. To address the overwhelming trend of online shopping under the COVID-19 pandemic, we are gearing up our resources to look into opportunities to extend our Smart PoS service offerings for online payments. At the same time, we are also pursuing a couple of prospective bank customers, hoping to expand our bank customer base to deploy our Smart PoS for their retail clients. Our other GETS-related services business is expected to remain weak given the gloomy outlook of GETS business.

Last but not least, as mentioned in our Annual Report last year regarding the emerging challenges faced by our community logistics platform VSHIP, during the reporting period, we have further revised our strategy to re-position VSHIP as a more integral component of our E-Commerce service portfolio. Business-wise, we would focus on ramping up the registration of VSHIP by our GETS customers rather than expanding it to brand new customers. On the technical front, we are working on the development of tighter integration between the VSHIP and E-Commerce platform as well as data inherence functions to enable a seamless user experience for processing Requests for Quote and Offers on VSHIP followed by GETS or related services. Meanwhile, we continue to offer VSHIP services on a free of charge basis. As always we will strive to seek the earliest opportunity hopefully in 2021 to introduce a charging model to our users, which possibly would apply to logistics service providers as we are working on the development of a new service that could create tangible value, especially new businesses to them.

To sum up, we would expect a rather gloomy prospect in the results of our Other Services business for the remainder of the year.

China Associate Review

During the reporting period, the performance of Guangdong Nanfang Haian Science & Technology Service Company Limited ("Nanfang"), our major associate in China, was disappointing as our share of its results dived from a gain of HK$1.4 million last year to a loss of HK$2.2 million this year, a swing of HK$3.6 million that unfavourably affected our share of results from associate for the first half of the year. In fact, since the second half of last year, Nanfang's business has been running at a loss due to the cessation of its most profitable river manifest declaration services and the impacts arising from the historical legal issues which one of its shareholders involved with Nanfang and other outsiders. For the first half of last year, largely due to the one-off lump sum payment made by the local government authority for the river manifest declaration services, Nanfang managed to record profits, from which we could share a gain of its results. During the first half of this year, without any revenue from the river manifest declaration services, Nanfang has already impaired business suffered a further blow due to, not only the COVID-19 pandemic, but also the legal dispute with the aforementioned shareholder barring them from receiving any government projects till May this year. At last, Nanfang successfully rebutted the case in May and could start participating in government projects thereafter. At the same time, the mainland court has started hearing of the bankruptcy of that shareholder. After years of dispute involving numerous lawsuits with this shareholder that drained Nanfang management's resources, it can finally resolve the lingering issue. With this case out of the way, Nanfang will be able to fully focus on its business development.

Meanwhile, Nanfang has successfully completed productization of two new products during the reporting period, which can readily be deployed for government projects. It already has several targets to strive for in the second half of the year. As such government projects usually take time to brew and are unlikely to have harvest in the short run, Nanfang's business is expected to continue inking red in the second half of the year and accordingly our share of loss from its results.

Financial Review

The Group's revenue for the six month ended 30 June 2020 was HK$119.7 million, a decline of 4.0% or HK$5.0 million over the same period last year. The decreases in revenue during the period from our E-Commerce service, by 4.0% to HK$81.6 million, and our Other Services by 29.4% to HK$11.4 million, were offset by a 13.7% increase in revenue at IDM to HK$26.7 million. In E-Commerce, revenue of the GETS sub-segment fell by 9.3% or HK$7.4 million to HK$72.4 million in the first half of 2020 owing to the weak GETS market under the adverse economic conditions from the outbreak of COVID-19; whereas revenue of the Supply Chain Solutions sub-segment was up by HK$4.0 million to HK$9.2 million with more income recognised from WMS related projects and the supplies of goods to our mega-warehouse automation project during the review period. As for IDM segment, its revenue rose by HK$3.2 million as a result of increased project income from eKYC related projects and increased maintenance and support services revenue from the eKYC and biometric projects in the first half of 2020. However, revenue from Other Services dropped by HK$4.8 million with revenue from the Smart PoS business plunged in the first half 2020 due to the unprecedented disruption to the economic activities of the retail sector under the COVID-19 pandemic.

The Group's operating expenses before depreciation for the first half of 2020 decreased to HK$88.9 million, a drop of about 0.8% or HK$0.7 million as compared to the same period last year. The cost of purchases rose by HK$1.4 million, which was in line with the change in revenue from supplies of goods to customers during the review period. Staff costs decreased by 2.2% to HK$58.0 million. The other operating expenses was HK$17.4 million, dropped by 4.6% year-on-year, which reflects the ongoing control measures taken by the Group such as the reduction of repair and maintenance expenses and facilities management fees by a total of HK$1.2 million during the review period. Depreciation charges for the period amounted to HK$4.5 million, was HK$0.6 million higher than last year.

Apart from the above, the Group recorded other net loss of HK$1.6 million which mainly is the combined result of HK$3.7 million net loss on disposal of certain debt securities in order to reduce investments and risks under significant market volatility; and the other net income of HK$2.2 million wage subsidies from the Employment Support Scheme of the Government for the month of June 2020.

During the first six month of 2020, there was a provision for impairment of credit loss on other financial assets of HK$0.6 million after a review of the expected loss assessment on the corporate bonds held.

The Group's profit from operations for the review period was HK$31.6 million, a drop of 18.5% over the same period last year.

Unfortunately, the Group had a share of loss of HK$2.2 million from its PRC associate, Nanfang, for the first half of 2020, as compared to a share of profit of HK$1.4 million in the corresponding period in 2019. The turnaround in the first half of 2020 was mainly due to the absence of a one-off lump sum payment by the local government authority to Nanfang for the river manifest declaration service during the first half of 2019. It had an operating loss for the second half of 2019. With the substantial deterioration in its revenue for the first six months of 2020 and the suffering from its historical issues, Nanfang continued to incur operating losses amid the challenging operating environment under COVID-19 pandemic. During first half of 2020, a provision for impairment loss on interest in Nanfang of HK$4.4 million was made after a review of Nanfang.

Our wholly-owned subsidiary, Digital Trade and Transportation Network Limited ("DTTNCo"), providing e-solutions to its customers, had a deferred tax asset balance relating to tax loss amounted to HK$0.7 million as at the end of 2019. As DTTNCo continued to generate profit this year, the deferred tax asset was utilized and gave rise to a deferred tax charge of HK$0.4 million for the first half of 2020.

The Group's unaudited after tax profit for the six months ended 30 June 2020 came to HK$20.2 million, a decline of 41.0% over the same period last year.

Basic earnings per share for the first six months of 2020 was HK 2.54 cents, lower than that for the same period in 2019 at HK 4.31 cents per share by HK 1.77 cents. Diluted earnings per share for the six months of 2020 was also HK 2.54 cents, lower than that for the same period in 2019 at HK 4.31 cents by HK 1.77 cents.

Dividend

The Board has resolved to declare an interim dividend of HK 1.95 cents per share (2019: HK 3.3 cents per share) for the six months ended 30 June 2020 to shareholders, a drop of 40.9%. The interim dividend payout ratio is about 75.3% of the Group's profit for the period excluding the deferred tax charge of DTTNCo at HK$0.4 million. The interim dividend payout ratio is the same as the ratio for the previous years at about 75%.

Liquidity and Financial Position

As at 30 June 2020, the Group had total cash and bank deposits of HK$260.2 million (31 December 2019: HK$143.4 million). The cash increase of HK$116.8 million was mainly resulted from the following material cash transactions in USD-denominated debt securities during the first half of 2020:

(i) The Group invested in two corporate bonds in January 2020 and March 2020 in the aggregate amount of HK$21.8 million with maturity dates less than five years;

(ii) The Group invested HK$7.8 million during January 2020 in a USD-denominated bond fund which holds over 70 debt securities of investment grade on average with maturity dates less than five years;

(iii) A corporate bond matured in February 2020 and the Group received cash proceeds which equivalent to HK$15.5 million; and

(iv) The Group sold eight corporate bonds with the investment amount in each issuer of no more than US$3 million nominal value and the aggregate equivalent amount was HK$141.7 million to lower the Group's exposure in the bond market to mitigate the risk of potential high volatility of bond price during the period between March 2020 and June 2020.

The other financial assets as at 30 June 2020 in the non-current and current assets amounted to HK$118.1 million (31 December 2019: HK$279.1 million) and HK$65.7 million (31 December 2019: HK$38.5 million) respectively. These were a total of HK$183.8 million investments in single corporate bonds and a bond fund with the details as below:

(i) As at 30 June 2020, the Group held HK176.1 million 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. The weighted average of the portfolio bonds coupon and yield as at 30 June 2020 were about 4.5% (31 December 2019: 4.1%) and 4.2% (31 December 2019: 3.8%) respectively. As at 30 June 2020, 61% (31 December 2019: 65%) of the total amount was invested in investment grade corporate bonds. The remaining 39% (31 December 2019: 35%) was invested in non-investment grade or non-rated corporate bonds. All corporate bonds held as at 30 June 2020 were tradable in open market.

(ii) The Group held a bond fund amounting to HK$7.7 million which holds over 70 debt securities of investment grade on average with maturity dates less than five years. The yield to maturity was 5.68% as at the end June 2020.

To balance risk and return, all investments in debt securities were made in accordance with the investment guidelines which had been approved by the Board of the Company. Before any opportunities are identified to acquire new businesses, the cash surplus is parked in debt securities 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 30 June 2020 amounted to HK$551.7 million (31 December 2019: HK$592.3 million) and HK$339.6 million (31 December 2019: HK$370.9 million) respectively.

As at 30 June 2020, the Group had no borrowings. (31 December 2019: Nil).

Capital and Reserves

As at 30 June 2020, the capital and reserves attributable to shareholders was HK$339.6 million (31 December 2019: HK$370.9 million), a reduction of HK$31.3 million from the end of 2019.

Charges on Assets and Contingent Liabilities

As at 30 June 2020, the Group has obtained three bank guarantees totaling HK$2.2 million (31 December 2019: two bank guarantees totaling HK$2.1 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 (31 December 2019: HK$2.1 million).

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

Capital Commitments

Capital commitments outstanding as at 30 June 2020 not provided for in the financial statements amounted to HK$0.8 million (31 December 2019: HK$3.7 million), mainly in respect of the purchase of computer equipment for the Group.

Employees and Remuneration Policy

As at 30 June 2020, the Group employed 265 staff (30 June 2019: 261), of which 233 were in Hong Kong and 32 in Guangzhou. The related staff costs for the review period were HK$58.0 million (30 June 2019: HK$59.3 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 a share option scheme to reward the performance of staff at senior vice president grade and above.

Exposure to Fluctuation in Exchange Rates and Related Hedges

As at 30 June 2020, other than its investments in the PRC and Macau incorporated entities and financial assets denominated in US dollars, the Group had no foreign exchange exposure and related hedges.

CORPORATE GOVERNANCE

Compliance with Corporate Governance Code

The Company is committed to a high standard of corporate governance practices and every effort is made to ensure full compliance with the code provisions in the Corporate Governance Code (the "**Code**") set out in Appendix 14 of the Listing Rules. The Company confirms that it has complied with all code provisions during the six months ended 30 June 2020.

The Board

Currently, the Company is led by and controlled through its Board which comprises three Executive Directors ("**ED**"), four 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 employment contracts between the Company and its ED and service contracts between the Company and its NED and INED.

During the six months ended 30 June 2020, the Company convened two Board meetings. All Directors attended the meeting held on 24 March 2020 and in the meeting, the Directors reviewed and approved, among other things, the 2019 annual results, the 2019 annual report, the effectiveness of Group's risk management and internal control systems and share option allocations for eligible staff for 2019. All Directors attended the meeting held on 30 June 2020 and in the meeting, the Directors noted, among other things, the annual update on the cyber security implementation in the Group and the timetable for the 2020 interim results announcement and reviewed the Shareholders Communication Policy of the Company.

The attendance of Directors in Board meetings of the Company during the six months ended 30 June 2020 is as follows:

	Board meetings attended/ Eligible to attend
Chairman and Non-executive Director	
Dr. LEE Nai Shee, Harry, S.B.S., J.P.	2/2
Executive Directors	
Mr. TSE Kam Keung *(Chief Executive Officer)*	2/2
Mr. CHENG Chun Chung, Andrew *(Chief Technology Officer)*	2/2
Ms. CHUNG Shun Kwan, Emily *(Chief Operations Officer)*	2/2
Non-executive Directors	
Dr. LEE Delman	2/2
Mr. YING Tze Man, Kenneth	2/2
Mr. YUEN Wing Sang, Vincent	2/2
Independent Non-executive Directors	
Mr. CHAK Hubert	2/2
Ms. CHAN Chi Yan	2/2
Mr. CHAU Tak Hay	2/2
Mr. CHUNG Wai Kwok, Jimmy	2/2
Mr. HO Lap Kee, Sunny, M.H., J.P.	2/2

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

The Company has adopted the Model Code and, having made specific enquiry of all Directors, confirms that all Directors have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2020.

Audit Committee

The interim results and the interim financial report for the six months ended 30 June 2020 have not been audited but have been reviewed by the Company's external auditor, KPMG, and the Audit Committee of the Company.

OTHER INFORMATION

Interim Dividend

The Board has resolved to declare an interim dividend of HK 1.95 cents per share (2019: HK 3.3 cents per share) for the six months ended 30 June 2020 to shareholders whose names appear on the register of members of the Company on 23 September 2020. Dividend will be paid to shareholders on or around 9 October 2020. The interim dividend payout ratio is about 75.3% of the Group's profit for the period excluding the deferred tax charge.

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

During the six months ended 30 June 2020, 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 Wednesday, 23 September 2020 to Friday, 25 September 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim 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, 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 Tuesday, 22 September 2020.

Publication of Interim Results and Interim Report

This interim results announcement is published on the respective websites of the Company (www.tradelink.com.hk) and HKEXnews (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2020 will be dispatched to shareholders and published on the aforesaid websites in due course.

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

Hong Kong, 25 August 2020

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, Mr. YING Tze Man, Kenneth and Mr. YUEN Wing Sang, Vincent;
***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, M.H., J.P.