

[For Immediate Release]



## Tradelink Announces 2014 Interim Results

### **Financial highlights for the six months ended 30 June 2014**

- Turnover: HK\$110.9 million
- Profit attributable to equity shareholders: HK\$38.1 million
- Basic earnings per share: HK 4.84 cents
- Interim dividend: HK3.6 cents per share

(Hong Kong, 26 August 2014) Tradelink Electronic Commerce Limited (“Tradelink” or “the Group”) (SEHK Stock Code: 0536) is pleased to announce its unaudited interim results for the six months ended 30 June 2014.

Turnover for the period, at HK\$110.9 million, was marginally down on the HK\$111.8 million for the same period last year. Operating profit and profit attributable to equity shareholders for the period decreased by 18.7% to HK\$41.7 million and 8.2% to HK\$38.1 million respectively. Basic earnings per share for the first six months of 2014 were HK 4.84 cents and the Board has resolved to declare an interim dividend of HK 3.6 cents per share.

The Group’s operating environment improved during the period, with revenue from its Government Electronic Trading Services (GETS) and other trade-related services finally turning around after many years of decline, increasing by 4.6% and 5% respectively year-on-year. The increases were mainly due to an upturn in the TDEC market, winning back of a major franchise for the paper TDEC conversion service, a price increase and the addition of the Advanced Filing Rules service for Japan-bound cargo in March this year. DTTN business also continued to improve, with revenue doubling from HK\$3 million for the first half of 2013 to nearly HK\$6 million this year.

Revenue from Digi-Sign and TESS, however, contracted by nearly 40% to just over HK\$10 million, which was not unexpected as the 2013 was boosted by the revenue from the Police Smart Warrant Card project and a slowdown in security token deliveries for the Group’s bank clients as initial demand became satisfied. Unfortunately, the plan to fill the gap with revenue from the mobile wallet project did not materialize due to delays in its launch for technical and other issues at the client end. As all such issues have been resolved and formal launch by two banks is now scheduled for Q3 2014.

The Group’s PRC associates performed better during the period, contributing about HK\$3 million. Of special note is the performance of U-Link, the Group’s fourth-party logistics joint venture in the PRC, which launched its matching platform in Q3 last year. With nearly 2,000 routes registered and about 50,000 transactions completed, U-Link has attracted the interests of investors, potential partners and government officials. The platform will be launched in Hong Kong later this year, which will give a further boost to the joint venture.

“The decline in our bottom line for the period does not signal any major problem at the Group as the entire shortfall could be attributed to the impact of the fall in RMB exchange rates on our investment portfolio. We expect the improvement from GETS business to be sustained and DTTN activities to remain high with more projects commencing in the second half of this year. Meanwhile, a Proof-of-Concept trial of the mobile wallet was undertaken in June in the PRC and discussions on the technical components required for project roll-out in Taiwan and Singapore are nearing completion. We are also actively in discussions with banks on our proposed solution for the E-cheque initiative and expect some of the project work to commence in second half of the year. These are our key growth drivers which will further strengthen our revenue diversification efforts.” said **Mr. Michael Wu, CEO of Tradelink.**

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### **About Tradelink Electronic Commerce Limited**

Established in 1988, Tradelink Electronic Commerce Limited is a leading provider of e-commerce services for Hong Kong business community. Since 1997, Tradelink has been providing Government Electronic Trading services (GETS) for the trading community, initially under a 7-year exclusive franchise (1997-2003) and currently under a licence till 2016. Over the years, by perfecting its infrastructure and developing services that meet users’ needs, Tradelink has earned the trust and support of the trading community; enabling it to stand firmly as dominant player in the e-commerce market. In addition to GETS, Tradelink also offers a wide range of Business-to-Business services and other related supply chain management solutions to help customers improve their operational efficiency. In 2004, Digital Trade and Transportation Network Limited (DTTNC) was set up, provides a state-of-the-art electronic platform connecting stakeholders in the supply chain locally with their overseas partners for document exchanges.

In 2000, Tradelink set up a wholly-owned subsidiary, Digi-Sign Certification Services Limited (Digi-Sign), the first commercial company granted status as a Recognized Certification Authority (CA) in Hong Kong. Since establishment, Digi-Sign has been providing digital certificate issuance services as its core business and subsequently extending to other security solution business to cope with the rapid development and growing popularity of online business transactions. In 2013, Tradelink hived off Digi-Sign’s non-CA related business into a new wholly-owned subsidiary, Tradelink E-Biz Secure Solutions Limited (TESS). TESS specializes in the development and provision of online security solution business.

Tradelink was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0536) on 28 October 2005. For more information about Tradelink, please visit [www.tradelink.com.hk](http://www.tradelink.com.hk).

### **Media enquiry**

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Appendix:

Consolidated Statement of Profit or Loss for the six months ended 30 June 2014 (unaudited)

	<b>Six months ended 30 June</b>	
	<b>2014</b>	2013
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
<b>Turnover</b>	<b>110,891</b>	111,779
Interest income	<b>7,055</b>	5,353
Other net income	<b>3,669</b>	10,259
Cost of purchases	<b>(9,406)</b>	(10,438)
Staff costs	<b>(46,497)</b>	(45,327)
Depreciation	<b>(4,674)</b>	(5,144)
Other operating expenses	<b>(19,348)</b>	(15,156)
<b>Profit from operations</b>	<b>41,690</b>	51,326
Share of results of associates	<b>3,248</b>	(2,536)
Share of result of joint venture	<b>(238)</b>	(1,569)
<b>Profit before taxation</b>	<b>44,700</b>	47,221
Taxation	<b>(6,629)</b>	(5,774)
<b>Profit for the period</b>	<b>38,071</b>	41,447
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>38,071</b>	41,493
Non-controlling interest	-	(46)
<b>Profit for the period</b>	<b>38,071</b>	41,447
<b>Earnings per share (HK cents)</b>		
Basic	<b>4.84</b>	5.41
Diluted	<b>4.80</b>	5.27