

[For Immediate Release]



## Tradelink announces 2014 Annual Results Total dividend including special dividend up 20%

### **Financial highlights for the year ended 31 December 2014**

- Turnover: HK\$226.3 million
- Operating profit: HK\$ 83.6 million
- Profit attributable to shareholders: HK\$74.2 million
- Board recommends final dividend of HK4.9 cents per share and special dividend of HK3.7 cents per share. Together with the interim dividend, total 2014 dividend will increase nearly 20% to HK12.2 cents

(Hong Kong, 24 March 2015) Tradelink Electronic Commerce Limited (“Tradelink” or “the Group”) (SEHK Stock Code: 0536) is pleased to announce its annual results for the year ended 31 December 2014.

The Group’s turnover during 2014 was HK\$226.3 million, down 1.6% on 2013. Operating profit, at HK\$83.6 million, and profit attributable to equity shareholders, at HK\$74.2 million, was down by 13% and 7.8% respectively on 2013. The Board recommends a final dividend of HK 4.9 cents per share and a special dividend of HK3.7 per share to return the HK\$29.5 million reserve gained from the DTTN impairment write-back to shareholders as the Group has no immediate need for the cash. Together with the interim dividend, the total dividend for 2014 will be 12.2 cents per share, up nearly 20% over 2013.

The main reasons for the apparent decline in the Group’s profitability during 2014 were exchange losses suffered as a result of the decline of the RMB, the write down of two PRC investments and the fact that the 2013 figures were bolstered by the gain from the sale of the Group’s TTS stake in 2013. If these exceptional items were discounted, the Group’s profit for the year would have been 10% higher than 2013.

The Group’s core Government Electronic Trading Services (“GETS”) business turned around during the year with a 3.3% increase in revenue over 2013, the first increase since competition was introduced in 2004. The reversal of the trend in face of continuing cut-throat price competition indicates that the Group’s reliability, service quality and integrity are values that command client loyalty and support.

Following on from the nearly 50% increase in revenue in 2013, DTTN’s 2014 revenue increased by a further 20%, to over HK\$11 million, with a very strong pipeline of new projects for 2015. This continued strength enabled the Group to write back in November 2014 some HK\$30 million in earlier impairments to our investment in DTTN.

Digi-sign revenue slipped by some 30% to HK\$22.5 million in 2014 primarily due to the delay of its mobile wallet, mobile point-of-sale (“PoS”) and E-cheque solutions for reasons which were beyond its control and were not performance-related. The mobile wallet solution had now been rolled out in Hong Kong and Taiwan, the mobile PoS will be ready for launch during the second half of 2015 while work on E-cheque for a number of clients has already commenced.

The Group’s PRC associates and joint venture also performed much better during 2014, turning a HK\$2.6 million loss in 2013 to a HK\$6.5 million gain in 2014. In particular, U-Link, the Group’s 4th party logistics

joint venture in Shanghai, has continued its rapid development with some 30,000 routes now on offer. It also recently launched a logistics financing service, which is popular amongst the small logistics service providers in the market and is already attracting around 1,000 transactions per day. Discussions are being held with a number of banks and financial institutions interested in providing financing which will allow the service to grow exponentially. To enable it to continue expanding, the Group agreed to invest a further RMB\$4.4 million into the joint venture.

“2014 was in many respects a pivotal year for the Group. During the year, we finally turn around our GETS business after over a decade of continual decline. This fully vindicates the Group’s insistence on integrity, reliability and high quality service as our response to cut-throat price competition. We also achieved a similar reversal at DTTN. Our continued success at DTTN has allowed us to write back some HK\$30 million in earlier impairments. Digi-Sign’s 2014 performance was also salutary. It demonstrated the added resilience of our balance sheet and proved the wisdom of the Group’s diversification effort, enabling temporary aberrations in particular business segments to be balanced out by continued strengths in other segments. Each of these demonstrates a major strengthening of the foundation of the Group’s operations.” said Mr. Michael Wu, CEO of Tradelink.

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*Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2014*

### **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 private 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)

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Appendix:

Consolidated Statement of Profit or Loss for the year ended 31 December 2014

	<b>Year ended 31 December 2014</b>	
	<b>2014</b>	2013
	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>
<b>Turnover</b>	<b>226,293</b>	230,006
Interest income	<b>14,370</b>	11,863
Other net income	<b>5,722</b>	13,837
Cost of purchases	<b>(17,730)</b>	(21,295)
Staff costs	<b>(101,280)</b>	(90,756)
Depreciation	<b>(8,935)</b>	(9,997)
Other operating expenses	<b>(34,794)</b>	(37,553)
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<b>Profit from operations</b>	<b>83,646</b>	96,105
Share of results of associates	<b>6,888</b>	120
Share of result of joint venture	<b>(409)</b>	(2,750)
Impairment loss on interest in associate	<b>(3,000)</b>	-
Impairment loss on interest in joint venture	<b>(1,280)</b>	-
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<b>Profit before taxation</b>	<b>85,845</b>	93,475
Taxation	<b>(11,662)</b>	(13,027)
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<b>Profit for the year</b>	<b>74,183</b>	80,448
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<b>Attributable to:</b>		
Equity shareholders of the Company	<b>74,183</b>	80,511
Non-controlling interest	<b>-</b>	(63)
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<b>Profit for the year</b>	<b>74,183</b>	80,448
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<b>Earnings per share (HK cents)</b>		
Basic	<b>9.3</b>	10.4
Diluted	<b>9.3</b>	10.2
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