

[For Immediate Release]



Tradelink announces 2016 Annual Results
Profit from operations at HK\$91.9 million, was up 6.9% YOY

Financial highlights for the year ended 31 December 2016

- Revenue: HK\$231.3 million
- Operating profit: HK\$91.9 million
- Profit attributable to shareholders: HK\$79.3 million
- Board recommends final dividend of HK 6.3 cents per share. Together with the interim dividend, total 2016 dividend will be HK 8.7 cents.

(Hong Kong, 28 March 2017) 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 2016.

The Group’s revenue and operating profit during 2016 were HK\$231.3 million and HK\$91.9 million, up by 3.9% and 6.9% respectively year-on-year. Profit attributable to equity shareholders, at HK\$79.3 million, was slightly down by 2.6%. The Board recommends a final dividend of HK 6.3 cents per share. Together with the interim dividend, the total dividend for 2016 will be HK 8.7 cents per share.

The overall GETS market in 2016 has recorded a growth of 2.8% year-on-year. Benefited from the expanded market, GETS revenue at HK\$166.6 million was also up 1.1% compared to 2015. With total costs reduced by HK\$3.3 million to HK\$114.5 million, our GETS profit increased to HK\$52.1 million, up 10.9% year-on-year.

Revenue of our Commercial Services (formally called DTTN services) in 2016 recorded a significant growth to HK\$15.5 million, an increase of almost 60%. The segment profit also rose remarkably to HK\$6.9 million, 60.5% higher than the profit in 2015. The impressive full year result was a result of the successful completion of several major projects in the second half of 2016. Also encouragingly we have successfully added more prominent brand names to our customer reference list.

Revenue of our Security Solutions business in 2016 at HK\$29.7 million was almost the same as 2015. The catch up of the full year topline was partly due to additional revenue from the completion and delivery of the one-time password solutions to the two new bank customers. Also contributing to this was the delivery of phase 1 of our biometric-based authentication solution for our major bank customer. Profit however dropped to HK\$2.8 million, down 33.3% because of the delay of the launch of our mobile PoS / payment solutions and the additional cost incurred in the R&D of our biometric authentication solution.

The revenue from Other Services recorded a slight increase to HK\$19.5 million in 2016. Additional costs however were incurred in 2016 for conducting feasibility and research on new opportunities and projects. The segment profit dropped to HK\$10.7 million in 2016, down about 21.9%.

Affected by the continuous increased loss of U-Link and additional costs incurred by Guangdong Nanfang Hai'an Science & Technology Service Company Limited for settlement of their historical legal problems, the performance of our PRC associates in 2016 was poor, recording a total share loss of HK\$10.6 million.

Mr. K.K. Tse, CEO of Tradelink said, "We are cautiously optimistic with the Group's business outlook in 2017. We expect to continue an overall stable GETS business. For Commercial Services, we would step up our momentum to promote our mature products. Following the phase 1 biometric solution deployment, there was agreement for expanding the features of that solution and we have already lined up with a number of banks and a few opportunities in the health-care industry. At the same time we will continue work on our mobile PoS / payment solutions with a target date to soft launch the solution around middle of the year."

Mr. Tse also commented on our future plan, "Leveraging on our technical skill, innovation and sound domain knowledge, we would further step up our investment on R&D of new initiatives. While this kind of investments and efforts may have a short term impact on our earnings, we shall no doubt be better off over a longer term period as every successful company needs to invest for the future."

- End -

Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2016

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 2018. Over the years, Tradelink has earned the trust and support of the trading community; enabling it to stand firmly as the dominant player in the e-commerce market. With the mission to empower its clients with business enabled e-solutions for their commercial and financial activities, Tradelink has diversified its business beyond GETS into other business areas. In addition to GETS, Tradelink also offers a wide range of Business-to-Business services, digital certification services and online/mobile security solutions for identity management and payment through its subsidiaries Digital Trade and Transportation Network Limited, Digi-Sign Certification Services Limited and Tradelink E-Biz Secure Solutions Limited.

Tradelink was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0536) on 28 October 2005.

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Appendix:

Consolidated Statement of Profit or Loss for the year ended 31 December 2016

	Year ended 31 December 2016	
	2016	2015
	(HK\$'000)	(HK\$'000)
Revenue	231,302	222,719
Interest income	19,386	15,195
Other net income	6,354	12,455
Cost of purchases	(18,577)	(16,044)
Staff costs	(103,052)	(102,342)
Depreciation	(6,723)	(7,159)
Other operating expenses	(36,759)	(38,842)
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Profit from operations	91,931	85,982
Share of results of associates	(10,557)	6,596
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Profit before taxation	81,374	92,578
Taxation	(2,122)	(11,174)
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Profit for the year	79,252	81,404
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Profit attributable to equity shareholders of the Company	79,252	81,404
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Earnings per share (HK cents)		
Basic	9.9	10.2
Diluted	9.9	10.2
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