

[For Immediate Release]



Tradelink Announces 2017 Interim Results

Financial highlights for the six months ended 30 June 2017

- Revenue: HK\$113.1 million, up 6.3%
- Profit from operations: HK\$45.1 million, up 20.6%
- Profit for the period: HK\$33.3 million, down 9.3%
- Basic earnings per share: HK 4.19 cents, down 9.1%
- Interim dividend: HK 3.2 cents per share, up 33.3%

(Hong Kong, 22 August 2017) 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 2017.

With the improved results from our key business segments, revenue and profit from operations for the period increased 6.3% to HK\$113.1 million and 20.6% to HK\$45.1 million year-on-year respectively. However, with the improvement of the performance of PRC associates largely being offset by an exceptional impairment loss on other financial assets and the swing of the deferred tax charge year-on-year, profit for the period dropped 9.3% to HK\$33.3 million. Basic earnings per share for the first six months of 2017 were HK 4.19 cents and the Board has resolved to declare an interim dividend of HK 3.2 cents per share, 33.3% higher than the interim dividend in 2016. Excluding the deferred tax effect, the interim dividend payout ratio is about 74% of our distributable profit of HK\$34.3 million for the period which compared with the distributable profit for the same period last year was up 37.2%.

During the first six months of 2017, with the overall GETS market and our transaction volume grew by 2.7% and 3.2% year-on-year respectively, our GETS revenue for the period recorded a growth of 2.3% to HK\$83.1 million. Keeping the costs at more or less the same level as last year, our GETS profit for the period at HK\$22.6 million, was up 9.7% for the same period last year.

The revenue of the Commercial Services at HK\$5.2 million was 30.0% higher than the revenue last year. The profit also increased to HK\$3.4 million compared to the profit at HK\$2.8 million last year. The performance of this business segment improved during the reporting period as new projects were delivered on time and healthy sales pipeline built up with hot leads closed in a timely manner. The Group’s Security Solutions business also recorded a strong growth with revenue increased by 35.3% from HK\$11.6 million last year to HK\$15.7 million this year, making a profit of HK\$3.0 million. The revenue growth for the period under review was primarily from our security tokens delivery service business which performed remarkably well.

Revenue from our Other Services during the period under review dropped slightly to HK\$9.1 million this year, down about 4.2%. As additional costs continued to be incurred for conducting feasibility and research of new initiatives, the profit for this segment at HK\$4.3 million was down 39.4% from the profit last year at HK\$7.1 million.

The overall performance of our PRC associates for the first half of 2017 improved markedly with a total gain of HK\$2.2 million, compared to a share loss of HK\$7.5 million last year, since Guangdong Nanfang Hai'an Science & Technology Service Company Limited has a healthy recovery of their business after settlement of their historical legal issues.

“In response to Government tender for the new GETS contract, we have submitted our proposal. With our solid track record, we are confident of the successful award of the new GETS contract from 2019 to 2024 with a possible extension up to 2027. Meanwhile while keeping a close eye on the development of the Single Window, we have been going all out to ensure reliable and quality GETS to be delivered to our customers. Regarding our Commercial Services, the outlook is promising given the confirmed orders we have on hand. The advancement of technology and threats from hackers are opening up more opportunity for us to offer our Security Solutions to the banking and financial industry. Overall speaking, we are reasonably confident of our performance for the remainder of this year.” said **Mr. K.K. Tse, 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 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. For more information about Tradelink, please visit www.tradelink.com.hk.

Media enquiry

Tradelink Electronic Commerce Limited

Ms. Iris Tsang

Tel: (852) 2161 4370

Fax: (852) 2506 0188

Email: ir@tradelink.com.hk

Appendix:

Consolidated Statement of Profit or Loss for the six months ended 30 June 2017 (unaudited)

	Six months ended 30 June	
	2017	2016
	(HK\$'000)	(HK\$'000)
Revenue	113,071	106,443
Interest income	9,650	9,460
Other net income/(loss)	2,384	(272)
Cost of purchases	(9,549)	(7,050)
Staff costs	(53,121)	(50,755)
Depreciation	(3,057)	(3,310)
Other operating expenses	(14,303)	(17,125)
Profit from operations	45,075	37,391
Impairment loss on other financial assets	(7,992)	-
Share of results of associates	2,213	(7,528)
Profit before taxation	39,296	29,863
Taxation	(5,970)	6,820
Profit for the period	33,326	36,683
Earnings per share (HK cents)		
Basic	4.19	4.61
Diluted	4.19	4.61