

[For Immediate Release]



**Tradelink announces 2017 Annual Results**  
**Recommended total 2017 dividend at HK9.5 cents per share, up 9.2% YOY**

**Financial highlights for the year ended 31 December 2017**

- Revenue: HK\$241.8 million
- Operating profit: HK\$94.2 million
- Profit before tax: HK\$88.3 million
- Profit for the year: HK\$74.1 million
- Board recommends final dividend of HK 6.3 cents per share. Together with the interim dividend, total 2017 dividend will be HK 9.5 cents, 9.2% higher than that for 2016.

(Hong Kong, 23 March 2018) 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 2017.

The Group’s revenue and operating profit during 2017 were HK\$241.8 million and HK\$94.2 million, up by 4.6% and 2.4% respectively year-on-year. The Group’s after tax profit, at HK\$74.1 million, was down by 6.5%. Ignoring the effect of the deferred tax charge of HK\$2.1 million for 2017, this year’s profit after tax profit increased to HK\$76.2 million and if the deferred tax credit of HK\$8.9 million for 2016 was excluded, the profit growth year-on-year was 8.4%. The Board recommends a final dividend of HK 6.3 cents per share. Together with the interim dividend, the total dividend for 2017 will be HK 9.5 cents per share, 9.2% higher than that for 2016.

Benefited from the economic growth, the overall GETS market grew 1.3% year-on-year. With increase in our business volume, our GETS revenue grew from HK\$166.6 million in 2016 to HK\$169.1 million in 2017, a 1.5% surge. With more vigorous control over our costs, our GETS profits climbed up to HK\$55.6 million in 2017 compared to the profit at HK\$52.1 million in 2016, a handsome increase of 6.7%.

Revenue and profit from Commercial Services at HK\$13.6 million and about HK\$6 million in 2017, was down 12.5% and 14.7% respectively from the revenue and profit recorded in 2016. The drop was due to the delay in the conclusion of a couple of projects and the resources diverted to work on a new community-wide business venture for which development work has started in the third quarter of the year.

Revenue of our Security Solutions business recorded an impressive revenue growth of 35% to HK\$40.1 million from HK\$29.7 million for 2016, and a profit at HK\$5.8 million doubling that in 2016. The favorable performance of this segment was partly due to the increased demand of our security tokens delivery services. Also contributing to the increase was the revenue from a number of biometric authentication projects completed and delivered before the end of 2017.

Despite a slight drop of revenue from our Other Services in 2017 at HK\$19.0 million from HK\$19.5 million in 2016, segment profit for the year was up 7.1% year-on-year to HK\$11.4 million compared to the 2016 profit at HK\$10.7 million. While our other GETS-related business remained largely stable, we have incurred less cost in 2017 not only on those services but also on research work upon completion of some of the studies. Our total share of result of Nanfang in 2017 was a gain of HK\$2.4 million compared to a total share loss of HK\$10.6 million from our PRC associates in 2016.

Mr. K.K. Tse, CEO of Tradelink said, “With the confirmation of our new GETS contract commencing 2019 and the same three service providers continued in the GETS market under the new contract, we expect a relatively stable GETS business environment in coming years. As for our Commercial Services, riding on the booming e-commerce growth coupled with our extended commercial services portfolio, we are working on solid and qualified leads which hopefully would reap the harvest in 2018. We are particularly optimistic about the business outlook of our electronic identity management business in 2018 given the solid customer references we have for our biometric authentication solutions for online banking / security trading as well as KYC for bank account opening. For our Smart PoS solution, we will work with our first bank customer to deploy the solutions to other merchant customers and explore opportunity to build more new payment paths.”

Mr. Tse also commented on our future plan, “Along the new mission statement we revitalized in 2017, we have devised a three-pillar strategy to guide the business direction and activities of the company. Pillar 1 is our stable GETS business, Pillar 2 is our growing Commercial Services and Security Solutions businesses; and Pillar 3 is our potential new initiatives. With these three pillars, we hope we shall sustain a healthy and continuous growth of our business in the short to medium term.”

- End -

*Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2017*

#### **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. The government also has confirmed award of a new 6-year GETS licence (2019-2024) to Tradelink, extendable up to three years at the Government's discretion. 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 2017*

	<b>Year ended 31 December 2017</b>	
	<b>2017</b>	2016
	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>
<b>Revenue</b>	<b>241,830</b>	231,302
Interest income	<b>16,892</b>	19,386
Other net income	<b>1,463</b>	6,354
Cost of purchases	<b>(23,279)</b>	(18,577)
Staff costs	<b>(105,607)</b>	(103,052)
Depreciation	<b>(6,270)</b>	(6,723)
Other operating expenses	<b>(30,860)</b>	(36,759)
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<b>Profit from operations</b>	<b>94,169</b>	91,931
Impairment loss on other financial assets	<b>(8,242)</b>	-
Share of results of associates	<b>2,415</b>	(10,557)
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<b>Profit before taxation</b>	<b>88,342</b>	81,374
Taxation	<b>(14,222)</b>	(2,122)
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<b>Profit for the year</b>	<b>74,120</b>	79,252
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<b>Earnings per share (HK cents)</b>		
Basic	<b>9.3</b>	9.9
Diluted	<b>9.3</b>	9.9
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