Tradelink
貿易通電子貿易有限公司
Tradelink Electronic Commerce Limited
Stock Code 股份代號：536

2024

ANNUAL RESULTS PRESENTATION

Maximising digital efficiency

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FINANCIAL HIGHLIGHTS

Overview of 2024 Annual Results

Tradelink

Revenue	Profit from operations	Profit before tax	Profit for the year
HK$247.6 M	HK$67.4 M	HK$89.3 M	HK$82.0 M
⇩ 7.1% YoY	⇩ 13.9% YoY	⇩ 19.6% YoY	⇩ 18.6% YoY

Net cash flow from operating activities	Cash & bank deposits
HK$78.2 M	HK$453.1 M

- Maintain strong and healthy financials

Financial Highlights

Tradelink

(HK$M)	**For the year ended 31 Dec 2024**	For the year ended 31 Dec 2023	**Change**
Revenue	**247.6**	266.6	**(7.1%)**
Profit from operations	**67.4**	78.2	**(13.9%)**
Profit before taxation	**89.3**	111.1	**(19.6%)**
Taxation	**(7.3)**	(10.4)	**29.8%**
Profit for the year	**82.0**	100.6	**(18.6%)**
Earnings per share (HK cents)			
Basic	**10.3**	12.7	**(18.9%)**
Diluted	**10.3**	12.7	**(18.9%)**
Total dividend for the year per share (HK cents)	**10.1**	10.0	**1%**
Interim dividend per share	**3.7**	3.7	**0%**
Final dividend per share	**6.4**	6.3	**1.6%**

Segment Revenue

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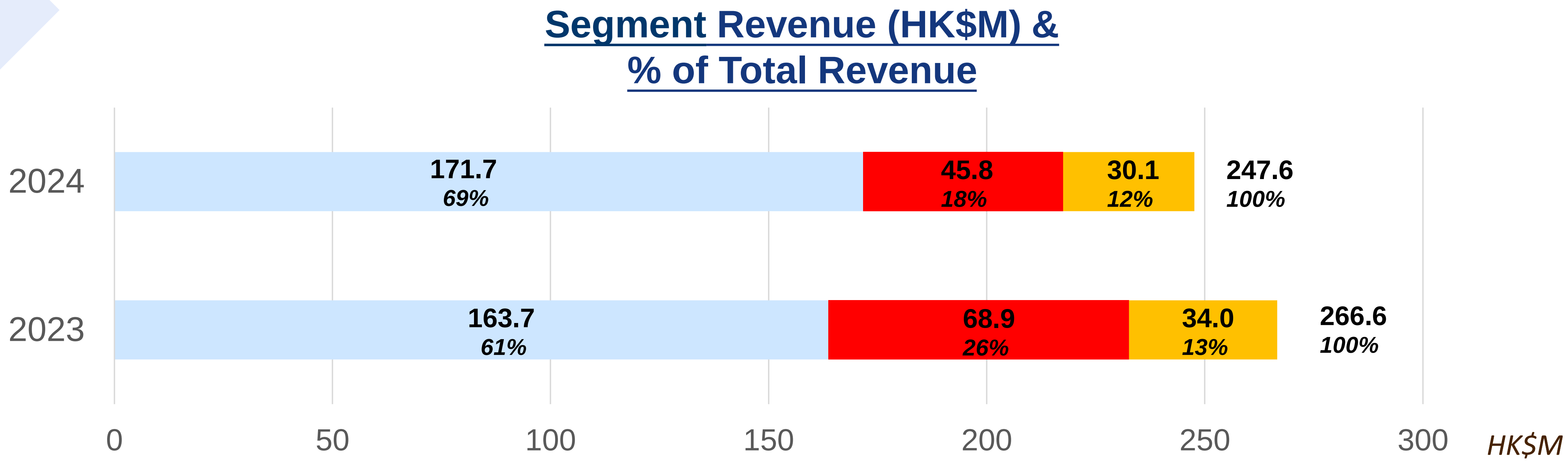

E-Commerce generates income from the Group's Government Electronic Trading Services ("GETS") and Supply Chain Solutions ("SCS")

Identity Management ("IDM") generates income from the provision of digital certificate services, security products and biometric-based authentication solutions for identity management

Other Services comprises handling fees for paper-to-electronic conversion services, and income from payment technology solutions and other projects

Key Financial Ratios

Tradelink

For the year ended 31 December	2024	2023
Operating profit margin	**27.2%**	29.3%
Net profit margin	**33.1%**	37.7%
Effective tax rate	**8.2%**	9.4%
Current ratio	**3.24**	3.07
Debtors' turnover days	**16**	28
Dividend payout ratio	**98.0%**	79.0%

Key Balance Sheet Items

Tradelink

(HK$M)	As at 31 Dec 2024	As at 31 Dec 2023
Property, plant and equipment	**25.6**	25.5
Trade receivables and contract assets	**23.9**	42.6
Cash and bank deposits	**453.1**	444.7
Net assets	**378.8**	376.2

BUSINESS REVIEW

E-Commerce Business Review

GETS & SCS

- E-Commerce segment's revenue up by 4.9% to HK$171.7 million; segment profit grew by 9.5% to HK$55.0 million

GETS

- Revenue rose 6% to HK$150.3 million
  - Total amount of trade declarations in 2024 outperformed 2023 in Hong Kong ("HK") by 4.1%
  - GETS revenue increase and transaction volume outperformed the market due to the Group's quality and reliable services

SCS

- Revenue slightly decreased 2.3% to HK$21.4 million
  - Customer investments in new digitalisation projects were affected due to the volatile external trade environment and sluggish local consumption
  - Completed of a strategic review by mid-2024, enhancing business consultant teams with strengthened industry knowledge and a customer-centric culture
  - Completed a new Dutiable Commodities Permit-related system integration project for a tobacco trading client and addressed other outstanding projects with established clients

IDM Business Review

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- IDM business revenue dropped 33.5% to HK$45.8 million; segment profit of HK$3.3 million, denoting a drop of 79.5%
  - Challenges: high comparison base in 2023, sluggish economic recovery and weak market demand
  - Expected deals with existing customers delayed to late 2024 or postponed to early 2025
  - IDM business associate closure led to payment default and affected the Group’s electronic Know-Your-Customer (“eKYC”) solution offering in relation to Mainland customers, delaying a related multinational bank project
  - HK stored value facility licensee which used eKYC services surrendered its license, terminating our contract
- Redeployed staff resources to complete targeted research and development work for new opportunities in 2025 and beyond
- Received permission from the HKSAR Government to issue a new type of digital certificate to corporates both local and overseas
  - Enable the corporates to carry out digital transactions bound by the Electronic Transactions Ordinance
  - This achievement aligns with the Government’s Digital Corporate Identity initiative

Others Services Business Review

Smart PoS and Related Business & GETS-related Services

- Other Services business, comprising Smart Point-of-Sales ("PoS") and related business, and GETS-related services business, revenue fell 11.5% to HK$30.1 million while segment profit down 10.9% to HK$18.4 million

Smart PoS and Related Business

- Revenue from Smart PoS and related business decreased 29.1% to HK$9.0 million
  - Decline in recurring maintenance and support revenue due to weak consumer spending
  - Intensified competition from new players in the HK payment market led to no new Smart PoS device orders from the bank we are serving

GETS-related Services Business

- Revenue of GETS-related services business decreased 0.9% to HK$21.1 million
  - Stable performance amidst small single-digit growth in the overall GETS market
  - Higher referral income from PAO Bank Limited ("PAObank") and increased electronic trading access services-related fees offset the absence of one-off revenue from setting up call center services for Customs & Excise Department in 2023

PROSPECTS

Prospects – E-Commerce Business

GETS & SCS

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Outlook for GETS Business

- Remain cautiously optimistic due to the resilience in 2024 despite the volatile external trade environment
- Engage with Government's Trade Single Window (“TSW”) project office for a smoother TSW transition
- Advocate for early, detailed discussion on Value Added Service Provider arrangements
- Upgrade key GETS systems and introduce the revamped services on Tradelink eBiz Portal for better TSW transition

Outlook for SCS Business

- Optimistic about its return of positive year-on-year revenue growth
- Confident that full implementation of strategic review measures will effectively reposition us in the competitive market

Prospects – IDM Business

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Outlook for IDM Business

- Confident in its performance to regain positive growth, driven by increasing market traction for digital identity and remote signing services
- Plan to launch an integrated digital signing service with a renowned document management provider in early 2025
- Plan to launch a turnkey digital onboarding service for securities brokers in HK to meet regulatory requirements in early 2025, driven by ongoing demand for our IDM products and solutions due to cybersecurity threats

Prospects – Other Services Business

Smart PoS and Related Business & GETS-related Services

Outlook for Smart PoS and Related Business

- Pressured outlook
- Mild local consumption boost despite tourism recovery, impacting maintenance fees and service contract fees from major bank customers
- Seeking new partnerships to jointly develop new products and solutions, seizing opportunities in a competitive payment market

Outlook for GETS-related Services Business

- Cautious optimism hinges on the recovery of the local retail sector and HK's external trade performance
- Gain support from a stable and slightly positive outlook for the GETS market and ongoing revenue-generating strategic partnerships like PAObank

CORPORATE PROFILE

Corporate Profile

Tradelink

Share Information

Listing Date
28/10/2005

Share Price (@18/3/2025)
HK$0.96

Issued Shares (@18/3/2025)
794,633,719 Shares

Market Cap
HK$763 Million

Key Business Segment

E-Commerce

GETS

Government Electronic Trading Services (Import & Export Trade Declarations, Dutiable Commodities Permit, Electronic Cargo Manifest and Certificate of Origin)

Supply Chain Solutions

Provide electronic supply chain solutions for the trade, logistics, warehousing and retail industries (Digital Warehousing Solutions, Distributed Order Management System, Transport and Distribution Solutions, Internet-of-Things and Supplier / Vendor Management Solutions etc.)

Identity Management

Provides digital certificate services, security products and biometric-based authentication solutions for identity management

Other Services

GETS-related services including paper-to-electronic conversion services, Road Cargo System ("ROCARS"), ROCARS and TSW (Phases 1 and 2) call centre services on behalf of Customs & Excise Department, payment technology solutions and other projects.

THANK YOU