

[For Immediate Release]



Tradelink announces 2015 Annual Results Total dividend of 11.6 cents including special dividend

Financial highlights for the year ended 31 December 2015

- Turnover: HK\$222.7 million
- Operating profit: HK\$ 86.0 million
- Profit attributable to shareholders: HK\$81.4 million
- Board recommends final dividend of HK5.1 cents per share and special dividend of HK2.9 cents per share. Together with the interim dividend, total 2015 dividend will be HK11.6 cents.

(Hong Kong, 29 March 2016) 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 2015.

The Group’s revenue during 2015 was HK\$222.7 million, down 1.6% on 2014. Operating profit, at HK\$86.0 million, and profit attributable to equity shareholders, at HK\$81.4 million, was up by 2.9% and 9.7% respectively on 2014. The Board recommends a final dividend of HK 5.1 cents per share and a special dividend of HK2.9 cents per share to return the entire amount of gain on disposal of Guofurui and the surplus revenue reserves of the Company. Together with the interim dividend, the total dividend for 2015 will be 11.6 cents per share.

The overall GETS market in 2015 dropped 1.5% due to the weak global economy affecting Hong Kong’s external trade sector. The Group’s GETS revenue was down almost 5%, to HK\$164.8 million notwithstanding the success in achieving an overall price increase for all the Group’s GETS services, due to the shrinking market, the loss of all TTRS revenue since termination of the service by the Government and one of the major GETS clients.

Revenue from Commercial Services in 2015 recorded a drop of about 17% to HK\$9.7 million compared with year 2014. The drop was due to the slippage of a couple of customer projects. During the second half of 2015, several major projects were completed and delivered to customers, including a Delivery Order Management System developed for a multinational home furniture retailer and a similar system launched for a global, luxury fashion, beauty and lifestyle retailer.

Security solutions business continued a strong growth in the second half of 2015, total revenue in 2015 was HK\$29.5 million, an increase of 31% year-on-year. While maintaining uptrend of Tradelink’s security token delivery business for the major bank client, up about 10.2% year-on-year, we also successfully captured new revenue contribution from the e-cheque projects before pilot launch in December 2015. As anticipated, the launch of e-cheque has brought new business from digital certificates, e-cheque projects of various scale / scope, to security tokens for e-banking and e-workflow back office systems for banks.

The revenue of Other Services increased by 2.2% from HK\$18.3 million to HK\$18.7 million. Other services, predominantly GETS-related, offered stable contribution to the performance. During the year, business performance of PRC associates was steady. Share of results from PRC associates amounted to HK\$6.6 million; roughly at par with the level in 2014. As the disposal of the Guofurui stake was completed in

December 2015, we therefore could continue to share their profits up to November. Before the end of the year, the Group successfully completed the disposal of its stake in Guofurui; at a gain of HK\$12.0 million.

Mr. K.K. Tse, CEO of Tradelink said, “Against a backdrop of cut-throat competition and shrinking market, we will strive to uphold our GETS revenue by maintaining our service reliability, quality and integrity and continue implementing service improvement and developing / offering more value-added services. With the addition of the renowned names to our customer list and our innovative design, we are confident in achieving a steady, strong growth of the Commercial Services business in 2016. Likewise, we will capitalize on our e-security expertise and the suite of proven solutions for banks and merchants like e-cheque and mobile POS solutions to further enhance our offerings for our customers in keeping up with the FinTech trend.”

Mr. Tse also commented on the sustainability of our GETS business, “Government has expressed its intention to extend our current GETS licence by two years till end of 2018, continuity of our GETS business is definite until then. While Government has announced its plan on “single window” implementation, we believe under the future “single window” implementation, GETS is going to be a key component. Tradelink as the dominant GETS services provider, should potentially have a prominent role to play and be able to seize new business opportunities from the future single window.”

- End -

Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2015

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 which Government has expressed its intention to extend the current licence by two years till end of 2018. In addition to GETS, Tradelink Commercial Services provide supply-chain electronic applications and solutions, facilitating and integrating work flows for the trade, logistics, warehousing and retails industries. Tradelink also specializes in the development and provision of all aspects of online security solutions, products and digital certificates to ensure security and authenticity of online transactions such as e-banking services and mobile commerce. Leveraging on the granted status as a Recognized Certification Authority of our subsidiary Digi-Sign, it issues digital certificates for the purpose of supporting digital signatures.

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

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Appendix:

Consolidated Statement of Profit or Loss for the year ended 31 December 2015

	Year ended 31 December 2015	
	2015	2014
	(HK\$'000)	(HK\$'000)
Revenue	222,719	226,293
Interest income	15,195	14,370
Other net income	12,455	5,722
Cost of purchases	(16,044)	(17,730)
Staff costs	(102,342)	(101,280)
Depreciation	(7,159)	(8,935)
Other operating expenses	(38,842)	(34,794)
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Profit from operations	85,982	83,646
Share of results of associates	6,596	6,888
Share of result of joint venture	-	(409)
Impairment loss on interest in associate	-	(3,000)
Impairment loss on interest in joint venture	-	(1,280)
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Profit before taxation	92,578	85,845
Taxation	(11,174)	(11,662)
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Profit for the year	81,404	74,183
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Profit attributable to equity shareholders of the Company	81,404	74,183
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Earnings per share (HK cents)		
Basic	10.2	9.3
Diluted	10.2	9.3
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