

[For Immediate Release]



Tradelink announces 2018 Annual Results
Revenue up 12.4% while Profit for the year up 21.1% YoY

Financial highlights for the year ended 31 December 2018

- Revenue: HK\$271.9 million, up 12.4 %
- Operating profit: HK\$104.8 million, up 11.3%
- Profit before tax: HK\$106.2 million, up 20.2%
- Profit for the year: HK\$89.8 million, up 21.1%
- Board recommends final dividend of HK 6.0 cents per share. Together with the interim dividend, total 2018 dividend will be HK 9.5 cents per share.

(Hong Kong, 26 March 2019) **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 2018.

The Group’s revenue in 2018 surged 12.4% to HK\$271.9 million, while its operating profit was HK\$104.8 million, up by 11.3% year-on-year. The Group’s after tax profit for 2018 was HK\$89.8 million, increased by an impressive 21.1% year-on-year, compared to the after tax profit of HK\$74.1 million for 2017. The Board has decided to recommend a final dividend of HK 6.0 cents per share. Together with the 2018 interim dividend of HK 3.5 cents per share already paid, the total dividend for 2018 would be HK 9.5 cents per share, which is the same with the total dividend for 2017.

In 2018, all the Group’s three key businesses, namely E-Commerce, Identity Management (“IDM”) and Other Services recorded strong growth of various magnitudes. Particularly outstanding was IDM business as its revenue for 2018 surged by an impressive 42.9% year-on-year from HK\$40.1 million last year to HK\$57.3 million this year and its profit also climbed 29.9% to HK\$7.6 million. The business has benefited from the strong and increasing market demand for security solutions. During the reporting period, the Group fulfilled several major orders for its two-factor biometric authentication solution which has become one of the Group’s most sought after IDM solutions in recent years.

As for the E-Commerce business, its revenue grew by HK\$9.0 million, or 4.9%, from HK\$182.7 million last year to HK\$191.7 million this year, and its profit was up 18.2% from HK\$61.5 million in 2017 to HK\$72.7 million in 2018. The top line increase was attributable mainly to the good performance of Commercial Services business, whereas the segment profit increase was largely due to the effective control of GETS operating costs.

Other Services business also recorded revenue and segmental profit increase from HK\$19.0 million and HK\$11.4 million last year to HK\$22.9 million and HK\$14.8 million this year, representing an increase of 20.2% and 29.1%, respectively. The improvement in the margin of Other Services business was primarily owed to our control on operating costs for GETS-related services.

Mr. K.K. Tse, CEO of Tradelink said, “Looking ahead, I am glad that we have started some years ago to build a ‘firewall’ by diversifying our business to cover areas more immune to cyclical economic fluctuation. The encouraging results of our business segments in recent years is evidence of the success of our business diversification strategy. It is expected that IDM business will continue to be a key growth driver of the Group’s business in 2019. Our IDM solutions are not only adopted by the banking and financial industry, but have extended their reach to a variety of industries and also for a diverse scope of user applications for identity authentication.”

Mr. Tse continued, “As for our combined E-commerce business, given the strong business momentum Commercial Services has gathered and solid sales pipelines we have on hand, we are cautiously optimistic about its outlook in 2019. That said, the uncertainty of the global economy in 2019 will have a significant impact to our GETS business. The outlook of Other Services business in 2019 is expected to at best maintain stable. We hope any drop of the GETS-related business, which is not expected to be significant, would be compensated by the moderate growth of the Smart Point-of- Sales business in 2019.”

Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2018.

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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 thereafter under licences with the current one expiring by end of 2024, 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 solutions, including supply chain solutions, digital certification services/identity management solutions, payment solutions and a Community Logistics Platform through its subsidiaries Digital Trade and Transportation Network Limited, Digi-Sign Certification Services Limited, Tradelink E-Biz Secure Solutions Limited and VSHIP 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.

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Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2018

	Year ended 31 December 2018	
	2018	2017
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	271,930	241,830
Interest income	15,152	16,892
Other net income	405	1,463
Cost of purchases	(29,283)	(23,279)
Staff costs	(114,142)	(105,607)
Depreciation	(6,893)	(6,270)
Other operating expenses	(32,403)	(30,860)
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Profit from operations	104,766	94,169
Impairment loss on other financial assets	(156)	(8,242)
Share of results of associates	1,540	2,415
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Profit before taxation	106,150	88,342
Taxation	(16,382)	(14,222)
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Profit for the year	89,768	74,120
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Earnings per share (HK cents)		
Basic	11.3	9.3
Diluted	11.3	9.3
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