



## Tradelink Announces 2021 Annual Results

### Financial highlights for the year ended 31 December 2021

- Revenue: HK\$273.8 million, up 4.8%
- Operating profit: HK\$87.1 million, up 9.2%\*
- Profit before tax: HK\$86.2 million, up 4.6%
- Profit for the year: HK\$73.7 million, up 1.2%
- Board recommends final dividend of HK 6.45 cents per share. Together with the interim dividend of HK 2.8 cents per share, total 2021 dividend will be HK 9.25 cents per share

*Note: \*Excluding the subsidy of Employment Support Scheme (“ESS”) in 2020 from the Government*

(Hong Kong, 22 March 2022) **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 2021 (the “Year”).

With the support rendered by the robust recovery of the global economy from the COVID-19 pandemic, Hong Kong’s external trade environment was exceedingly favorable in 2021. Riding on the macro tailwinds, the Group’s turnover increased 4.8% from HK\$261.2 million in 2020 to HK\$273.8 million in 2021. The operating profit in 2021 was HK\$87.1 million, up 9.2% year-on-year if excluding the subsidy of ESS received in 2020 from the Government. The Group’s after tax profit for 2021 was HK\$73.7 million, up 1.2% compared with 2020.

As the Group has on the whole been keeping debt-free with a healthy cash reserve, the board has decided to recommend a final dividend of HK 6.45 cents per share. Together with the interim dividend payout of HK 2.8 cents per share for the first half of 2021, the total dividend for the entire year of 2021 will be HK 9.25 cents per share, 0.5% higher than the total dividend of HK 9.2 cents per share for 2020.

Regarding the performance of the Group’s three business segments in 2021, except for the Identity Management (“IDM”) business, E-Commerce and Other Services were able to keep up with their strong growth momentum gathered since the first half of the year.

Backed by a remarkably favorable operating environment, the Group’s **E-Commerce business**, comprising Government Electronic Trading Services (“GETS”) and Supply Chain Solutions, recorded outstanding results in 2021. It recorded a total revenue of HK\$188.4 million, an increase of 8.3% compared with 2020 and segment profit also grew from HK\$59.1 million in 2020 to HK\$74.4 million in 2021, an increase of 26.0%. The GETS market which is tied to Hong Kong’s external trade performance recorded a phenomenal growth of 21.0% year-on-year. Benefited from such a favorable operating environment, the Group’s GETS business recorded a revenue increase of 11.1% year-on-year from HK\$150.7 million in 2020 to HK\$167.5 million in 2021. For Supply Chain Solutions, its revenue in 2021 was HK\$20.9 million, down 10.3% compared with HK\$23.3 million revenue recorded in 2020. Business of this sub-segment improved slightly in the second half of 2021, narrowing the shrinkage recorded in the first half of the year. Amongst the new projects signed in 2021, a prominent one worth mentioning was the Group’s first customer in the cold chain logistics industry who placed an order for the Group’s Warehouse Management System (“WMS”) and Transportation Management System (“TMS”) to support their cold chain logistics operations. With the

development work starting in the second half of the year, the Group was almost half way through the project by year end, thus enabling it to have the corresponding portion of revenue recognized in 2021.

**Other Services business** comprising mainly Smart PoS, GETS-related services and partnerships recorded outstanding results for the whole year of 2021. The total revenue recorded was HK\$31.6 million, representing a handsome year-on-year increase of 34.2% compared with 2020. Segment profit growth was even stronger, soaring 54.0% to HK\$15.4 million in 2021. As the local retail market continued to recover, its Smart PoS business eventually rose from the bottom as its major bank customer began to place more orders for Smart PoS solutions from the Group in the second half of 2021. As a result, revenue of its Smart PoS business at HK\$7.6 million in 2021 was up 64.7% compared to the revenue at HK\$4.6 million in 2020. The GETS-related services also recorded pleasing results in 2021 as its revenue at about HK\$24.1 million was up about 26.8% year-on-year from its revenue at HK\$19.0 million in 2020. The growth was attributable to the favorable trading operations environment and its business collaboration with Ping An OneConnect Bank (Hong Kong) Limited (“PAOB”) from which the Group received a rather handsome amount of revenue in 2021.

The revenue of the Group’s **Identity Management business** dropped by 15.4% to HK\$53.8 million and its segment profit dropped by 45.2% to HK\$9.7 million due to the delay in finalizing the formal contract with a customer on a major electronic Know-Your-Customer (“eKYC”) project in 2021; and many of the customers in the financial services and banking industry had their budgets constrained in 2021 due to the COVID-19 pandemic. During the year, the Group secured a new order from a local bank with Chinese background in the second half of the year. The order was for an eKYC solution to support digital onboarding of the bank’s customers. The project was completed and delivered to the bank with revenue fully recognized before the end of the year.

Regarding the Group’s PRC associate, Guangdong Nanfang Haian Science and Technology Service Company Limited (“Nanfang”), in view of its gloomy business outlook, on a prudence basis, the Group decided to further write down HK\$0.8 million of its investment in Nanfang in 2021.

**Mr. K.K. Tse, CEO of Tradelink** said, “Despite the uncertainty over Hong Kong’s trade performance in 2022, we are cautiously optimistic about our GETS business outlook in 2022 given a stable competitive environment. For our Supply Chain Solutions business, we are reasonably positive about its prospect in 2022. This is based on our confidence in our Supply Chain Solutions, in particular, our flagship product, WMS, which has been gaining market traction in recent years. Regarding our IDM business, we expect a slight improvement in its performance this year as the market is expected to strengthen in 2022 as after two years into the pandemic, businesses have adapted to the new normal. Although Smart PoS will inevitably face uncertainty due to the new wave of the Omicron variant, we are close to finalizing a major deal with a renowned enterprise in the service sector for a sizeable Smart PoS development and deployment project. On the other hand, we expect to generate a higher revenue from our partnership with PAOB based on the strong growth momentum of their SME loan business. Overall speaking we are cautiously optimistic in the outlook for our Other Services business. With the pandemic entering its third year, we will strive to address the challenges ahead of us in 2022 under the new normal and explore new business opportunities to maintain our profitability levels.”

*Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2021*

- End -

**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 3 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 solutions, including supply chain solutions, digital certification services/identity management solutions, payment technology solutions through its wholly-owned subsidiaries Digital Trade and Transportation Network Limited, Digi-Sign Certification Services Limited, and Tradelink PayTech 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](http://www.tradelink.com.hk).

**For media enquiries, please contact:**  
**Strategic Financial Relations Limited**

Mandy Go	+852 2864 4812	<a href="mailto:mandy.go@sprg.com.hk">mandy.go@sprg.com.hk</a>
Vivienne Leung	+852 2864 4862	<a href="mailto:vivienne.leung@sprg.com.hk">vivienne.leung@sprg.com.hk</a>
Fax	+852 2527 1196	
Website	<a href="http://www.sprg.com.hk">www.sprg.com.hk</a>	

Appendix:

Consolidated Statement of Profit or Loss for the year ended 31 December 2021

	<b>Year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>
<b>Revenue</b>	<b>273,825</b>	261,213
Interest income	<b>3,340</b>	10,450
Other net (loss)/income	<b>(9,595)</b>	6,137
Cost of purchases	<b>(22,749)</b>	(23,788)
Staff costs	<b>(122,348)</b>	(120,824)
Depreciation	<b>(8,484)</b>	(9,088)
Other operating expenses	<b>(26,920)</b>	(31,413)
<b>Profit from operations</b>	<b>87,069</b>	92,687
Reversal of impairment loss on other financial assets	<b>1,882</b>	99
Impairment loss on interest in an associate	<b>(834)</b>	(9,000)
Share of results of an associate	<b>(1,899)</b>	(1,395)
<b>Profit before taxation</b>	<b>86,218</b>	82,391
Taxation	<b>(12,565)</b>	(9,591)
<b>Profit for the year</b>	<b>73,653</b>	72,800
<b>Earnings per share (HK cents)</b>		
Basic	<b>9.3</b>	9.2
Diluted	<b>9.3</b>	9.2