

[For Immediate Release]



Tradelink Announces 2023 Annual Results

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Achieves Stable Operating Results Net Profit Growth to HK\$100.6 Million

(Hong Kong, 22 March 2024) **Tradelink Electronic Commerce Limited** (“Tradelink” or “the Group”) (Stock Code: 536) today announced its annual results for the year ended 31 December 2023 (the “Year”).

Against a challenging business environment and following the trend noticed in the last Interim Report, the Group reported a small increase of 3.0% to HK\$266.6 million in turnover and a small drop of 2.4% to HK\$78.2 million in operating profit. Profit after tax nonetheless saw a notable 92.3% increase to HK\$100.6 million. As mentioned previously, this profit growth was primarily driven by our prudent decision in 2022 to sell all our securities investment and put the proceeds in bank deposits to avoid the investment risk as well as to generate good return due to the high interest rate environment.

With Tradelink’s solid financial position, debt-free position and healthy cash reserves, the Board has decided to recommend a final dividend of HK 6.3 cents per share. Together with the interim dividend payout of HK 3.7 cents per share, the total dividend for 2023 will be HK 10.0 cents per share, representing an increase of 8.1% over the total dividend (including a special dividend) payout of HK 9.25 cents per share for 2022.

During the Year, the **Identity Management (“IDM”) business** delivered encouraging results, with a revenue surge of 44.4% from HK\$47.7 million in 2022 to HK\$68.9 million in 2023 and its segment profit soaring over 3 times to HK\$16.2 million. In particular, the digital signing solution stood out in 2023 with a phenomenal growth as the market seemed ripe for such a demand.

With regards to the Group’s **E-Commerce business**, which comprises Government Electronic Trading Services (“GETS”) and Supply Chain Solutions (“SCS”), its revenue was at HK\$163.7 million and profit at HK\$50.2 million, down 4.9% and 17.5% respectively, primarily due to the adverse impact of Hong Kong's poor trade performance. Despite a 9.8% drop in the overall GETS market in 2023, the Group's GETS business revenue only declined by 1.9% to HK\$141.8 million. This can be attributed to the successful increase in average service price, mitigating the impact of the decrease in transaction volume. Revenue from SCS was down 20.6% to HK\$21.9 million primarily due to lack of new projects amidst the current uncertain economic climate.

The **Other Services business** segment, which comprises Smart Point-of-Sales (“PoS”), GETS-related services and partnerships, generated a revenue of HK\$34.0 million and a segment profit of HK\$20.7 million, down 12.6% and 7.9% respectively. Revenue of the Smart PoS and related business declined by 28.7% to HK\$12.7 million, primarily due to the absence of development revenue upon completion of a major project in 2022. On the other hand, GETS-related services managed to achieve a slight increase in revenue of HK\$21.3 million as a result of the resumption of cross-border and international cargo transport activities in early 2023.

Mr. K.K Tse, Executive Director and CEO of Tradelink said, “We are cautiously optimistic about our overall performance in 2024. Regarding our treasury activities, we shall continue to use time deposits for the time being due to high interest rates and continued macro-market uncertainty. Considering the challenging external environment and our market positioning, we anticipate our three business segments to follow the recent trends. We are confident in the continued positive performance of our IDM business and shall concentrate on promoting our PKI-based digital signing solution. Its unique feature of enabling remote issuance of recognized certificates for e-Passport holders appeals to both local and global users. As regards the GETS business within the E-Commerce segment, we remain committed to delivering high-quality services that would allow us to justify our price increases with customers. As for our SCS business, upon completion of the current strategic review by mid-2024, we shall have a clearer roadmap for future steps. In the area of our Smart PoS business, we shall continue to explore innovative ideas and seize opportunities. Leveraging our connection to Hong Kong Monetary Authority's Commercial Data Interchange, we anticipate working with more partners on initiatives that may unlock new service offerings and revenue streams for our GETS-related business.”

Appendix: Consolidated Statement of Profit or Loss for the year ended 31 December 2023

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About Tradelink Electronic Commerce Limited

Established in 1988, and listed in 2005, Tradelink (Stock Code: 536) is Hong Kong’s digital efficiency champion. Since 1997 the company has successfully brought the advantages of its e-solutions to tens of thousands of organisations. Tradelink has pioneered numerous innovative business technology applications in Hong Kong, including EDI, digital certificates, biometric ID and warehouse automation. In addition to offering expertise in supply chain, identity management and PayTech solutions, the company leads in the city’s business-to-government document compliance market. Tradelink customers span all industry sectors. The company has earned the trust of governments, multinationals, and small and medium businesses alike. Hong Kong-based organisations seeking to measurably benefit from greater digital efficiency have a reliable partner with Tradelink.

For more information about Tradelink, please visit www.tradelink.com.hk.

Appendix:

Consolidated Statement of Profit or Loss for the year ended 31 December 2023

	Year ended 31 December	
	2023	2022
	(HK\$'000)	(HK\$'000)
Revenue	266,611	258,815
Cost of purchases	(27,756)	(18,167)
Staff costs	(120,133)	(118,610)
Depreciation	(8,925)	(8,479)
Other operating expenses	(31,611)	(33,465)
Profit from operations	78,186	80,094
Other net income/(loss)	32,161	(20,427)
Share of results of an associate	705	(585)
Profit before taxation	111,052	59,082
Taxation	(10,413)	(6,749)
Profit for the year	100,639	52,333
Earnings per share (HK cents)		
Basic	12.7	6.6
Diluted	12.7	6.6

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