

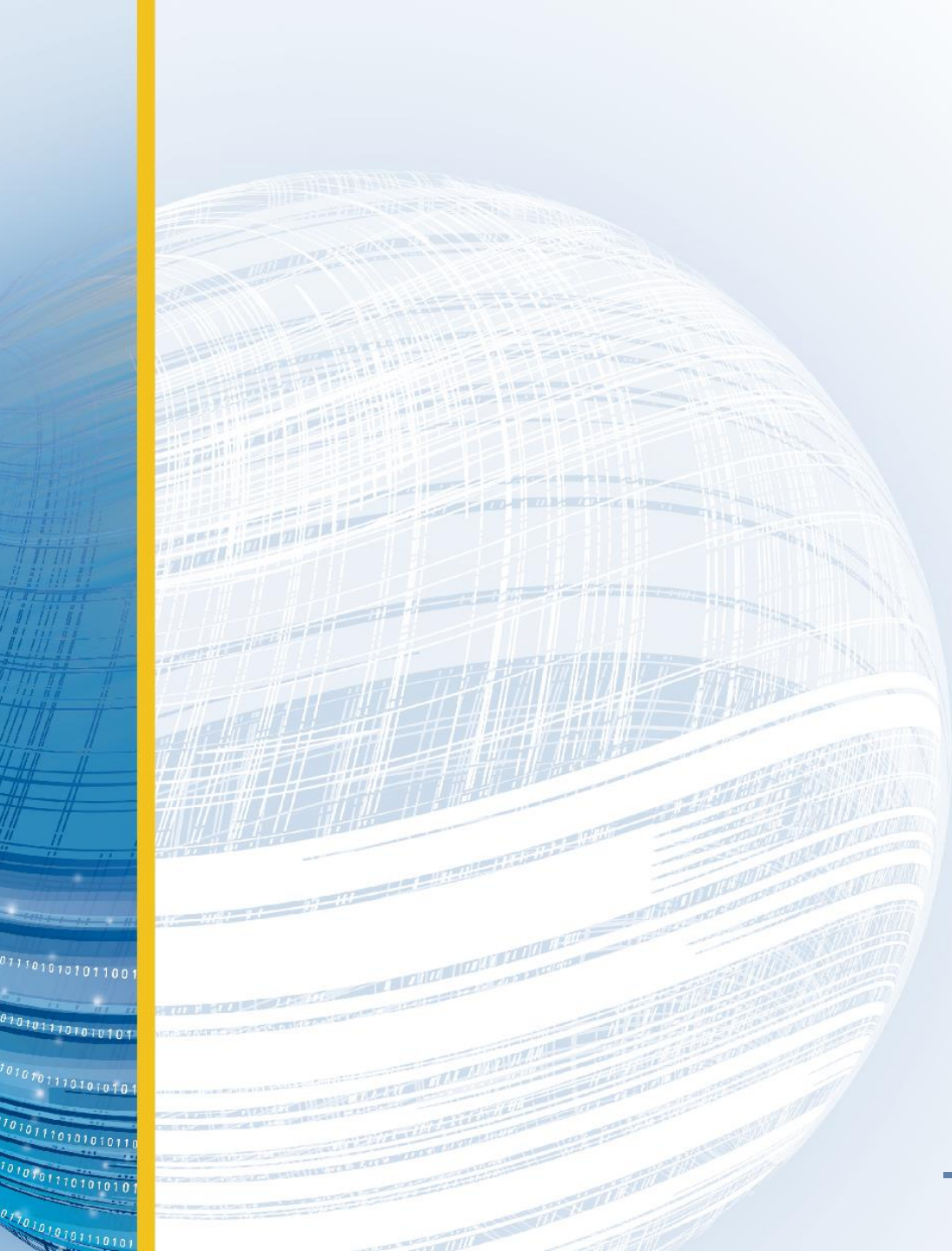


貿易通
TRADELINK

貿易通電子貿易有限公司
Tradelink Electronic Commerce Limited

Stock Code 股份代號 : 0536.HK

2015 Annual Results Presentation



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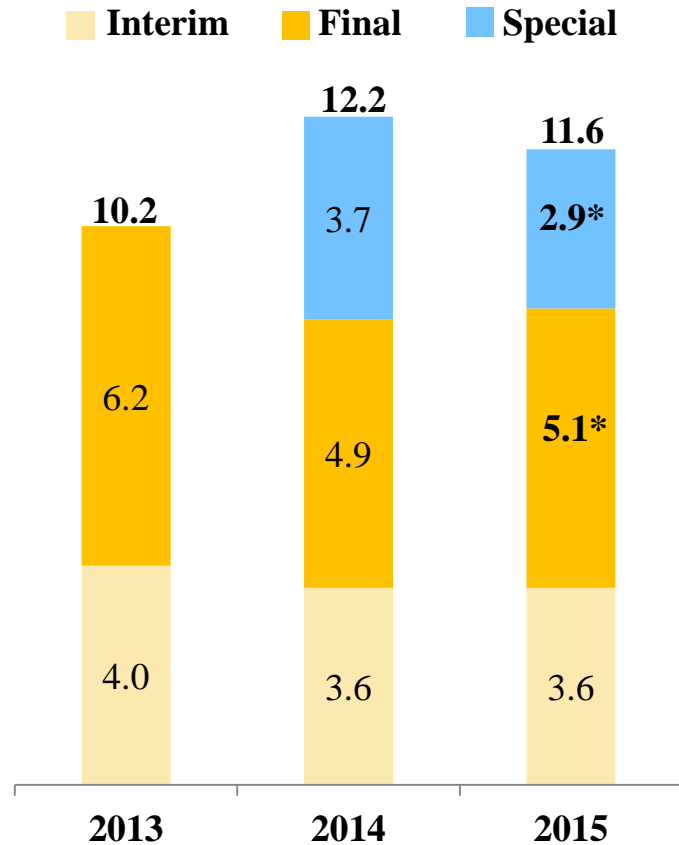
Overview

Compared with the results in 2014:

- Turnover decreased 1.6% to HK\$222.7 million
- Operating profit increased 2.9% to HK\$86.0 million
- Profit attributable to shareholders increased 9.7% to HK\$ 81.4 million
- Increase in basic earnings per share of 9.7 % to HK 10.2 cents

Final & Special Dividend

Dividend per Share (HK cents)



*Proposed final & special dividend

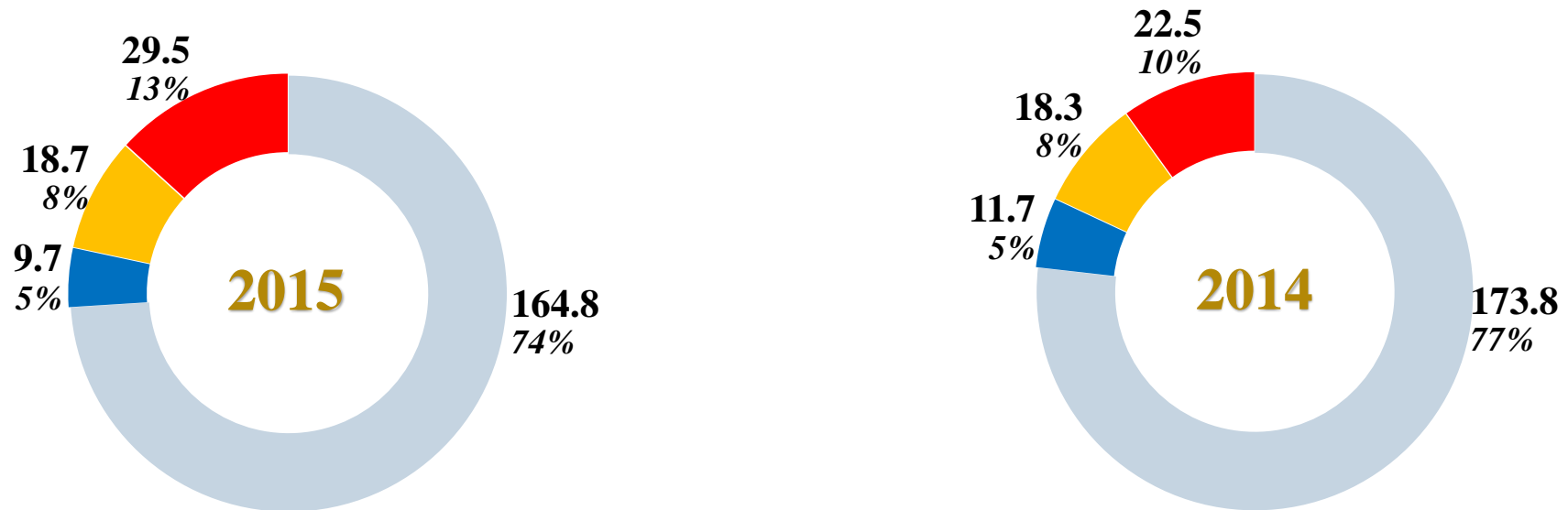
- Declared interim dividend: HK 3.6 cents per share
- Proposed final dividend: HK 5.1 cents per share
 - The total amount of interim and proposed final dividend for 2015 represents 100% of the Group's profit attributable to shareholders excluding the gain on disposal of Guofurui
- Proposed special dividend: HK 2.9 cents per share
 - the entire amount of gain on disposal of our investment in Guofurui at HK\$12.0 million and the surplus revenue reserves of the Company at HK\$11.1 million
- Total dividend: HK 11.6 cents per share

Financial Highlight

Year ended 31 December (HK\$M)	2015	2014	Change
Revenue	222.7	226.3	(1.6%)
Profit from operations	86.0	83.6	2.9%
Profit before taxation	92.6	85.8	7.9%
Profit for the year	81.4	74.2	9.7%
Profit attributable to Equity shareholders of the Company	81.4	74.2	9.7%
Earnings per share (HK cents)			
Basic	10.2	9.3	9.7%
Diluted	10.2	9.3	9.7%

2015 Annual Results

Segment Revenue (HK\$M) & % of Total Revenue



● **GETS** segment generates income from customers using Tradelink's electronic front-end solutions for processing certain government trade-related documents.

● **Commercial Services** segment generates income from the electronic logistics platform for facilitating information flows among the trade logistics and finance industries.

● **Security Solutions** segment generates income from the provision of security products, digital certificates and security solutions and mobile security solutions.

● **Other Services** segment comprises handling fees for the conversion of paper form to electronic messages, income from the provision of technical support and other project services.

Key Financial Ratios

Year ended 31 December	2015	2014
Operating profit margin	38.6%	37.0%
Net profit margin	36.6%	32.8%
Effective tax rate	12.1%	13.6%
Current ratio	1.33	2.03
Debtors' turnover days	8	8
Dividend payout ratio	100%*	91%

**The total amount of interim and proposed final dividend for 2015 represents 100% of the Group's profit attributable to shareholders excluding the gain on disposal of Guofurui.*

Key Balance Sheet Items

(HK\$M)	As at 31 December 2015	As at 31 December 2014
Property, plant and equipment	29.3	30.6
Trade receivables	21.9	23.3
Other financial assets	229.4	288.2
Cash and bank deposits	146.2	114.0
Net Asset	360.6	377.1

Strong and Healthy Financials

- Net cash flow from operating activities totaled HK\$ 53.8 million
- Trade receivables at HK\$ 21.9 million
- Debtors' turnover day at about 8 days
- HK\$ 146.2 million of cash and bank deposits as at 31 December 2015
- Zero bad debt
- Zero gearing



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E-Commerce - GETS Review

- GETS revenue was down almost 5%, to HK\$164.8 million notwithstanding our success in achieving an overall price increase for all our GETS services
 - Overall GETS market in 2015 dropped 1.5% due to the weak global economy
 - Loss of all our TTRS revenue since termination of the service by the Government and one of our major GETS clients
- GETS profits in 2015 dropped almost 14.5% to HK\$47.0 million from \$55.0 million in 2014, since most of the costs for operation are fixed costs in running the technical platform.

E-Commerce - Commercial Services Review

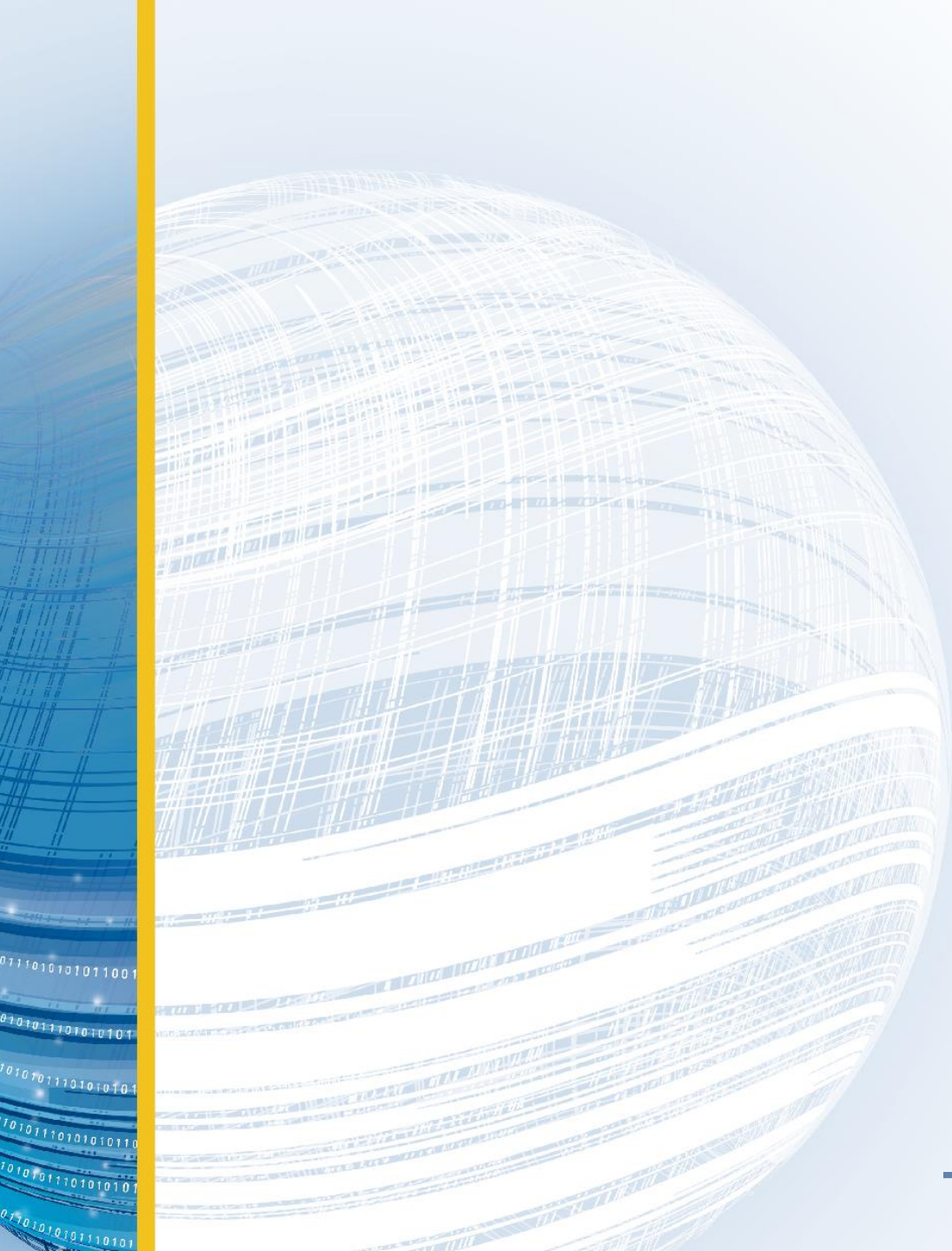
- Revenue from our Commercial Services (formerly called DTTN services) in 2015 recorded a drop of about 17% to HK\$9.7 million and profits down 28%, to HK\$4.3 million
 - due to the slippage of several projects previously targeted for completion before end of 2015
- During 2H 2015, several major projects were completed and delivered to customers, including
 - a Delivery Order Management System with Track-and-Trace/Proof-of-Delivery function developed for a multinational home furniture retailer
 - a similar system for a global, luxury fashion, beauty and lifestyle retailer

Security Solutions - Digi-Sign/TESS Review

- Total revenue in 2015 was HK\$29.5 million, an increase of 31%
 - Maintaining uptrend of our security token delivery business for our major bank client, up about 10.2%
 - Successfully captured new revenue contribution from the e-cheque projects before its pilot launch in December 2015
- Our mobile wallet business
 - Due to various internal and external factors, we decided not worth pursuing the business further after undergoing an intensive market and business review.
 - We will complete our mobile wallet project orders on hand and has started to free up resources to work on other business initiatives.

Others Services & China Review

- 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 our performance.
- Share of results from our PRC associates amounted to HK\$6.6 million; roughly at par with the level in 2014. The Group successfully completed the disposal of our stake in Guofurui; at a gain of HK\$12.0 million.
 - As the disposal of our Guofurui stake was completed in December 2015, we therefore could continue to share their profits up to November.



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Prospects - GETS

- 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, like
 - implementing service improvement and developing / offering more value-added services
- Government has expressed its intention to extend our current GETS licence by two years till end of 2018
- Government's planned "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.
 - In addition to the four documents from our current GETS licence, we will look into the opportunities regarding over 50 documents under the "single window" .
 - We are keeping a close eye on progress of the "single window" planning and implementation work.

Prospects - Commercial Services

- With the addition of the renowned names to our customer list, we are confident in achieving a steady, strong growth of the Commercial Services business in 2016.
- The team will adopt a focus approach in 2016 to market our proven solutions / products as the building block and replicate them for deployment to customers with similar needs.

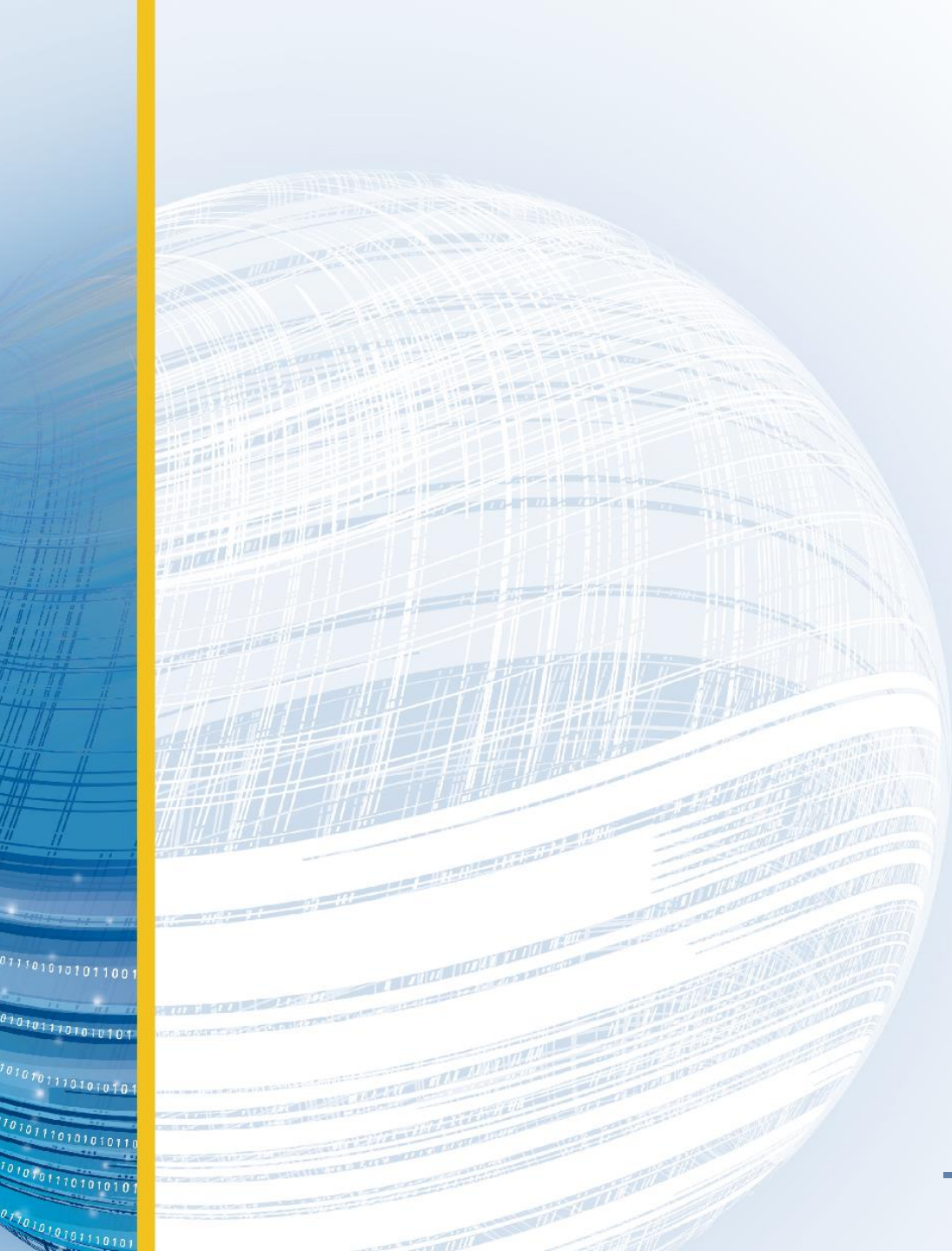
Prospects - Security Solutions

Our key growth drivers of this business segment in 2016 are:

- E-cheque solutions
 - With our strong customer reference and leveraging on Government's promotion, we expect new bank customers coming on line.
 - The launch of e-cheque has brought us new businesses from digital certificates, e-cheque projects of various scale / scope, to security tokens for e-banking; and e-workflow back office systems for banks.
- Mobile PoS project
 - With all jigsaw pieces mostly in place, we could shortly and confidently announce a firm date for launch of our suite of mobile payment solutions.
- Given our sound domain knowledge and solid experiences in e-security and payment solutions for the banking industry, we expect more doors be opened to grow our security solutions business riding on the FinTech trend in the market.

Prospects - Others Services & China

- We expect performance of Other Services to continue steady in the coming year.
 - iTeM, as our B2C E-commerce platform, has been soft launched in 2015. We are conducting further enhancement of the platform for commercial launch.
- China Business
 - The re-structuring of U-Link will strengthen its business going forward, we may have to accept negative contribution due to investment in business expansion.
 - The business of Guangdong Nanfang Hai'an Science & Technology Service Company will likely need to take some times to recover after settling some historical legal problems.
 - With three PRC associates left after disposal of our Guofurui stake, in 2016 we will take a rigorous review of our activities in China.



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Appendix - Corporate Profile

Share Information

Listing Date : 28 October 2005

Share Price : HK\$ 1.73
(@ 29/3/2016)

Issued Shares : 794,217,410 shares
(@ 29/3/2016)

Market Cap : HK\$ 1.37 Billion

Key Business Segment

GETS Services

- Government Electronic Trading services (Import & Export Declaration, Dutiable Commodities Permit, Electronic Cargo Manifest and Certificate of Origin)

Commercial Services

- Provide supply-chain electronic applications and solutions for the trade, logistics, warehousing and retail industries (Warehouse Management System, Delivery Order Management System, Proof of Delivery System etc.)

Security Solutions

- 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

Other Services

- Provide paper-to-electronic conversion services for paper users of GETS services, Road Cargo Service (ROCARS) and ROCARS call center service on behalf of Customs & Excise Department
- Provide technical support and other project services