

2024 Interim Results Presentation



貿易通電子貿易有限公司

Tradelink Electronic Commerce Limited

Stock Code 股份代號：536



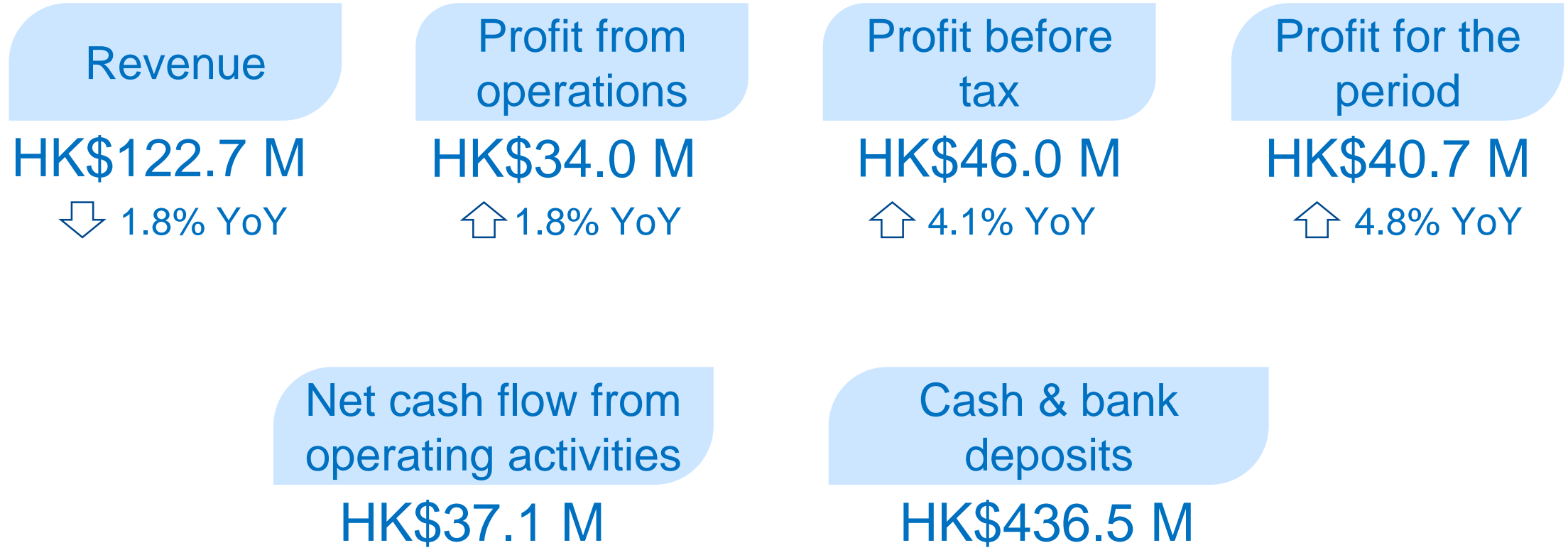
Maximising
digital efficiency

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FINANCIAL HIGHLIGHTS

➤ Overview of 2024 Interim Results



- Maintain strong and healthy financials



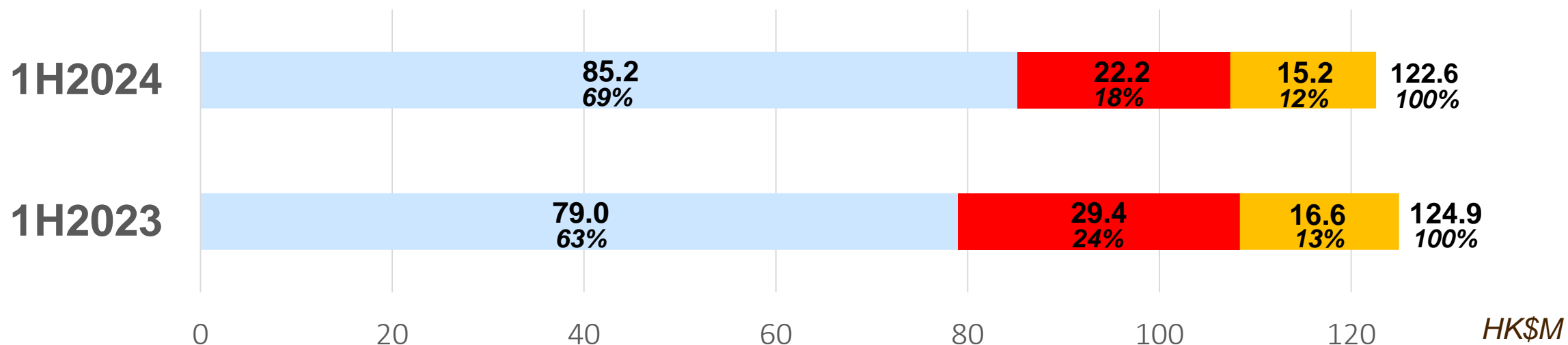
➤ Financial Highlights

(HK\$M)	1H 2024 (unaudited)	1H 2023 (unaudited)	Change
Revenue	122.7	124.9	(1.8%)
Profit from operations	34.0	33.4	1.8%
Profit before taxation	46.0	44.2	4.1%
Taxation	(5.3)	(5.3)	(0.6%)
Profit for the period	40.7	38.8	4.8%
Earnings per share (HK cents)			
Basic	5.12	4.89	4.7%
Diluted	5.12	4.89	4.7%
Interim dividend per share (HK cents)	3.7	3.7	0



➤ Segment Revenue

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



E-Commerce generates income from the Group’s Government Electronic Trading Services (“GETS”) and Supply Chain Solutions (“SCS”)

Identity Management (“IDM”) generates income from the provision of digital certificate services, security products and biometric-based authentication solutions for identity management

Other Services comprises handling fees for paper-to-electronic conversion services, income from payment technology solutions and other projects

➤ Key Financial Ratios

Six months ended 30 June	1H 2024 (Unaudited)	1H 2023 (Unaudited)
Operating profit margin	27.7%	26.7%
Net profit margin	33.2%	31.1%
Effective tax rate	11.5%	12.1%
Current ratio	3.0	3.0
Debtors' turnover days	27	26
Dividend payout ratio	72.3%	75.7%



➤ Key Balance Sheet Items

(HK\$M)	As at 30 Jun 2024 (Unaudited)	As at 31 Dec 2023 (Audited)
Property, plant and equipment	26.9	25.5
Trade receivables and contract assets	38.6	42.6
Cash and bank deposits	436.5	444.7
Net assets	366.9	376.2





BUSINESS REVIEW



➤ E-Commerce Business Review

GETS & SCS

- E-Commerce's revenue up by 7.9% to HK\$85.2 million; segment profit grew by 28.9% to HK\$27.1 million

GETS

- Revenue rose 6.6% to HK\$74.6 million
 - Overall GETS market grew 7.4% year-on-year, which closely ties to favourable turnaround of Hong Kong's external trade performance
 - Benefitted from the expanded market and hence increase in business volume

SCS

- Revenue up 17.9% to HK\$10.6 million
 - Revenue generated from ongoing maintenance and support ("M&S") and other services remained stable
 - Boosted from developing project income, including enhancements of previously developed and deployed solutions for the customers
 - Secured a new project: Warehouse Management System ("WMS") for a tobacco trader who required our WMS to be integrated with Dutiable Commodity Permit services under GETS

➤ IDM Business Review

- IDM business revenue drop of 24.3% to HK\$22.2 million; segment profit of HK\$2.4 million, denoting a drop of 63.9%
 - Both the recurrent revenues from maintenance services and projects revenue dropped 13.1% and 27.7% respectively
 - Business was affected by the slow market development and hesitant client commitments
 - A reasonable amount of the staff cost has been used to develop new solutions and products for our clients in the future
- Secured new orders for electronic Know-Your-Customer (“eKYC”) solution
 - Secured two eKYC projects ordered by an e-wallet operator and a multinational bank
 - A major non-profit institution placed order for an authentication solution



Others Services Business Review

Smart PoS and Related Business & GETS-related Services

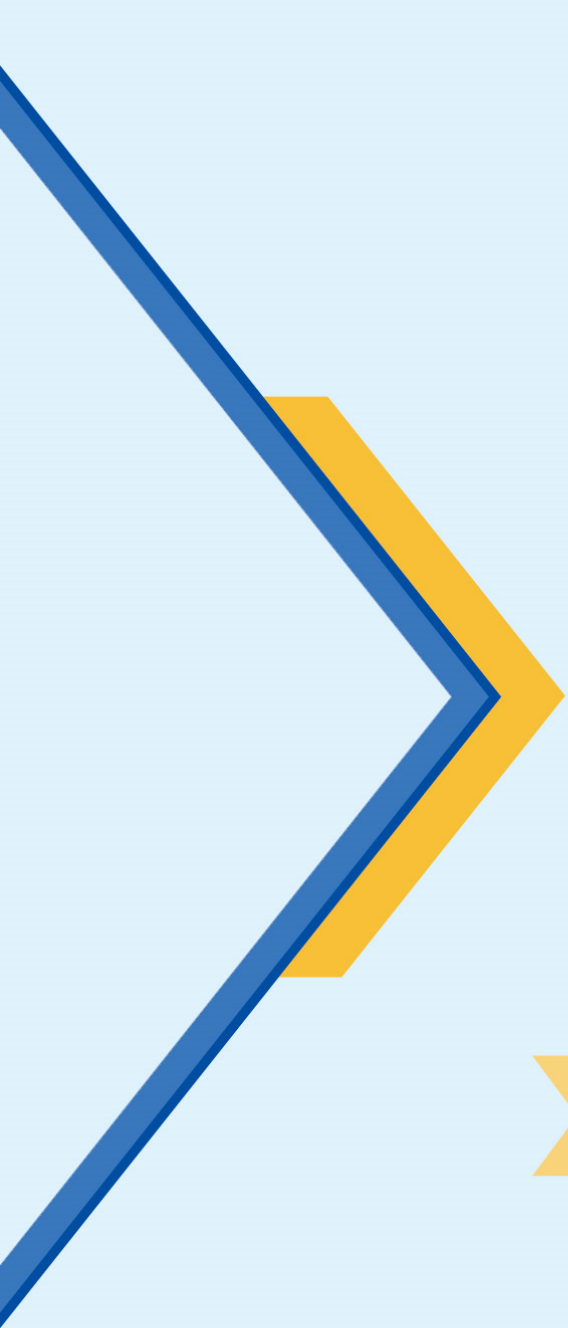
- Other Services business, comprising Smart Point-of-Sales (“PoS”) and related business, and GETS-related services business, revenue fell 8.3% to HK\$15.2 million while segment profit down 9.2% to HK\$9.1 million

Smart PoS Business and Related Business

- Revenue from Smart PoS business decreased 6.2% to HK\$4.8 million
 - The ongoing trend of changes in consumption patterns among both visitors and residents that have adversely affected the local retail market
 - Lack of new orders and reduction in the number of devices in M&S

GETS-related Services Business

- Revenue of GETS-related services business declined 9.2% to HK\$10.4 million
 - Benefitted from the strong GETS market, GETS-related services generated an increase in total revenue
 - Absence of the one-off revenue received in the first half of 2023 from the Government for the development and setup of the call centre services for the Trade Single Window (“TSW”) (Phases 1 and 2)



PROSPECTS



➤ Prospects – E-Commerce Business GETS & SCS

Outlook for GETS Business

- Despite the persistent challenges posed by high interest rates and ongoing geopolitical risks, the global economy has demonstrated remarkable resilience thus far
- Reasonably confident about the positive trajectory of our GETS market for the second half of 2024
- With an expanded market and an increase in overall business volume, optimistic about our GETS business for the whole of 2024

Outlook for SCS Business

- Upon completion of the current strategic review of our SCS business in June this year, confident that the actions taken to refresh and revitalise the business, along with the acquisition of new orders, this sub-segment will achieve a more favourable outlook for the remainder of the year.
- We anticipate further growth and improvement of its performance in the second half of 2024



➤ Prospects – IDM Business

Outlook for IDM Business

- Confident in significant performance improvement due to growing demand driven by increasing security threats from technological advancements
- With the resources we allocated to research and development earlier this year, we are hopeful that we will be able to introduce new products in the latter part of the year
- Collaborating with regulatory bodies on new initiatives while boosting marketing efforts to promote new offerings in the market



➤ Prospects – Other Services Business

Smart PoS and Related Business & GETS-related Services

Outlook for Smart PoS and Related Business

- Cautiously optimistic that the performance of our Smart PoS and related business would improve slightly in the second half of 2024
- Actively exploring various opportunities and innovative strategies to regain control of our business
- Completion of the enhancement of our Smart PoS to support digital renminbi (e-CNY) for cross-boundary payments
- Closely discuss with a local bank that has expressed interest in ordering Smart PoS devices for deployment among their retail clients

Outlook for GETS-related Services Business

- Anticipating strong results in GETS-related services which closely tied to the GETS market, reflecting a positive trend for the second half of 2024
- Expecting referral revenue from PAO Bank Limited to remain stable and slightly exceed last year's levels
- Overall revenue for the entirety of 2024 may experience a small decline as the lack of the lump sum revenue from the TSW call centre setup





CORPORATE PROFILE



Corporate Profile

Share Information

Listing Date

28/10/2005

Share Price (@28/8/2024)

HK\$0.89

Issued Shares (@28/8/2024)

794,633,719 Shares

Market Cap

HK\$707 Million

Key Business Segment

E-Commerce

GETS

Government Electronic Trading Services (Import & Export Trade Declarations, Dutiable Commodities Permit, Electronic Cargo Manifest and Certificate of Origin)

Supply Chain Solutions

Provide electronic supply chain solutions for the trade, logistics, warehousing and retail industries (Digital Warehousing Solutions, Distributed Order Management System, Transport and Distribution Solutions, Internet-of-Things and Supplier / Vendor Management Solutions etc.)

Identity Management

Provides digital certificate services, security products and biometric-based authentication solutions for identity management

Other Services

GETS-related services including paper-to-electronic conversion services, Road Cargo System (ROCARS), ROCARS and TSW (Phases 1 and 2) call centre services on behalf of Customs & Excise Department, payment technology solutions and other projects.

THANK YOU

