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Tradelink Electronic Commerce Limited

貿易通電子貿易有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 536)

PROFIT WARNING UPDATE ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of Tradelink Electronic Commerce Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 20 May 2022.

The board of directors (the “**Board**”) of Company wishes to inform shareholders of the Company and potential investors that based on a preliminary review of the Group’s latest unaudited consolidated management accounts for the six months ended 30 June 2022 and the information currently available, the Group is expected to record a significant decrease in profit attributable to shareholders of the Company for the six months ended 30 June 2022 by around 50% as compared to the profit attributable to the shareholders of the Company for the corresponding period in 2021. The primary reason for the decrease in profit is the fair value loss on investments in financial instruments for the six months ended 30 June 2022 of approximately HK\$25.9 million as compared to the fair value loss of HK\$1.5 million for the six months ended 30 June 2021. The investments in financial instruments as at 30 June 2022 mainly included investment funds with HSBC Asset Management and UBS HK, and a discretionary portfolio of Asian investment grade single bonds managed by UBS HK. Such fair value loss on financial instruments is attributable to the extreme volatility in the global financial market (including the bond market) experienced in the first half of 2022.

In this connection, the Board also refers to the announcement made on 14 July 2022 which discloses that the abovementioned investment funds with HSBC Asset Management and UBS HK had been redeemed as part of the Group’s prudent and cautious investment strategy to tackle the challenges posed by the turbulent financial market and uncertain economic outlook. Such redemption took place in the second half of 2022, resulting in the expected

fair value loss of the redeemed financial instruments for the first half of 2022 becoming realised loss for the second half of 2022 with a further fair value loss of approximately HK\$1 million, subject to auditors view.

Despite the abovementioned loss, the Board believes that the overall financial, operational and business positions (including cashflow) of the Group remain healthy.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2022, the information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and the information currently available, which have neither been reviewed nor audited by the auditors of the Company. The financial results of the Group for the six months ended 30 June 2022 will be set out in the interim results announcement of the Company to be published by the end of August 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Dr. LEE Nai Shee, Harry, S.B.S., J.P.
Chairman

Hong Kong, 10 August 2022

As at the date of this announcement, the Board of the Company comprises

Non-executive Directors: Dr. LEE Nai Shee, Harry, S.B.S., J.P. (Chairman), Dr. LEE Delman, Mr. YING Tze Man, Kenneth and Mr. YUEN Wing Sang, Vincent;

Executive Directors: Mr. TSE Kam Keung, Mr. CHENG Chun Chung, Andrew and Ms. CHUNG Shun Kwan, Emily; and

Independent Non-executive Directors: Mr. CHAK Hubert, Mr. CHAU Tak Hay, Ms. CHAN Chi Yan, Mr. CHUNG Wai Kwok, Jimmy and Mr. HO Lap Kee, Sunny, M.H., J.P.