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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)

VOLUNTARY ANNOUNCEMENT PARTIAL DISPOSALS OF BONDS IN A SINGLE BONDS PORTFOLIO

This announcement is made by Tradelink Electronic Commerce Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis, for the purpose of updating the shareholders and potential investors on the latest status of financial instruments held by the Company.

THE DISPOSALS

On 14 October 2022, the Company notified UBS HK to partially dispose Bonds, which were issued by different issuers not related to the Company, in the Single Bonds Portfolio managed by UBS HK at the aggregated disposal proceeds of approximately US\$6.7 million (equivalent to about HK\$52.4 million). The Disposals were executed by UBS HK in open market from 14 October 2022 and completed on 20 October 2022.

IMPLICATIONS UNDER THE LISTING RULES

Bonds issued by each issuer in the Single Bonds Portfolio is treated as an individual financial product and there is therefore no need to aggregate the individual Bonds issued by different issuers in the Single Bonds Portfolio under Rule 14.22 of the Listing Rules when conducting the size test under Rule 14.07. Accordingly, as all of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of each issuer in the Single Bonds Portfolio are less than 5%, the disposal of the Bonds issued by each issuer does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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After the Disposals, the carrying value of the Single Bonds Portfolio was approximately US\$10.5 million (equivalent to about HK\$82.1 million) as at 20 October 2022. Depending on market conditions and financial performance of the remaining bonds in the Single Bonds Portfolio, the Company may further dispose of the remaining bonds in the future, in which case the Company will publish further announcement(s) to inform the market and investors in due course.

As the Disposals were conducted in the open market by UBS HK, the identities of the counterparties of the Disposals cannot be ascertained. While it is not possible or practicable to ascertain the identities of such counterparties, there is no evidence available to the Company to show that such counterparties and their ultimate beneficial owner(s) of the counterparties of the Bonds disposed are not third parties independent of the Company and its connected persons, and on this basis, the Company believes that such counterparties are third parties independent of the Company and its connected persons.

The details of the Disposals are set out as below:

Row number	Trade date	Settlement date	Issuer	Bond	Coupon	Maturity date	Nominal value (US\$ thousand)	Sales proceeds (US\$ thousand)
1	18/10/2022	20/10/2022	AIA Group Ltd	AIA Group Ltd 2019	3.6%	9 Apr 2029	200	179
2	17/10/2022	19/10/2022	Bank of America Corp.	Bank of America Corp. 2018	3.419%	20 Dec 2028	200	177
3	17/10/2022	19/10/2022	Bank of China Ltd	Bank of China Ltd 2014	5%	13 Nov 2024	200	203
4	17/10/2022	19/10/2022	BOC Aviation Ltd	BOC Aviation Ltd 2020	2.75%	2 Dec 2023	200	196
5	17/10/2022	19/10/2022	CDBL Funding 1	CDBL Funding 1 2017	3%	24 Apr 2023	200	201
6	17/10/2022	19/10/2022	CGNPC International Ltd	CGNPC International Ltd 2019	2.75%	2 Jul 2024	200	194
7	17/10/2022	19/10/2022	China Cinda 2020 I Management Ltd	China Cinda 2020 I Management Ltd 2020	3%	18 Mar 2027	200	168
8	17/10/2022	19/10/2022	China Huaneng	China Huaneng 2020	2.85%	Without fixed maturity	200	195
9	17/10/2022	19/10/2022	China Overseas Finance (Cayman)V Ltd	China Overseas Finance (Cayman)V Ltd 2014	5.95%	8 May 2024	200	205
10	17/10/2022	19/10/2022	CITIC Ltd	CITIC Ltd 2012	6.8%	17 Jan 2023	200	204
11	17/10/2022	19/10/2022	Cn Construct HK	Cn Construct HK 2020	1.25%	4 Aug 2025	200	182
12	17/10/2022	19/10/2022	CNAC (HK) Finbridge Company Ltd	CNAC (HK) Finbridge Company Ltd 2018	5.125%	14 Mar 2028	200	183
13	17/10/2022	19/10/2022	CNOOC Petroleum North America ULC	CNOOC Petroleum North America ULC 2002	7.875%	15 Mar 2032	150	175
14	17/10/2022	19/10/2022	European Investment Bank EIB	European Investment Bank EIB 2021	0.375%	24 Jul 2024	150	140
15	17/10/2022	19/10/2022	Hyundai Capital America Inc.	Hyundai Capital America Inc. 2019	4.3%	1 Feb 2024	250	247
16	17/10/2022	19/10/2022	Indo Eximbank	Indo Eximbank 2017	3.875%	6 Apr 2024	200	194
17	17/10/2022	19/10/2022	Industrial and Commercial Bank of China Ltd	Industrial and Commercial Bank of China Ltd 2015	4.875%	21 Sep 2025	200	198
18	18/10/2022	20/10/2022	JGSH Philippines Ltd	JGSH Philippines Ltd 2013	4.375%	23 Jan 2023	200	198
19	17/10/2022	19/10/2022	JIC Zhixin Ltd	JIC Zhixin Ltd 2017	3.5%	24 Nov 2027	200	187

Row number	Trade date	Settlement date	Issuer	Bond	Coupon	Maturity date	Nominal value (US\$ thousand)	Sales proceeds (US\$ thousand)
20	17/10/2022	19/10/2022	Korea National Oil Corp.	Korea National Oil Corp. 2016	2.5%	24 Oct 2026	200	182
21	17/10/2022	19/10/2022	Leader Goal International Ltd	Leader Goal International Ltd 2018	4.25%	Without fixed maturity	200	202
22	17/10/2022	19/10/2022	Minmetals Bounteous Finance (BVI) Ltd	Minmetals Bounteous Finance (BVI) Ltd 2020	3.375%	Without fixed maturity	200	190
23	17/10/2022	19/10/2022	Oversea-Chinese Banking Corp. Ltd	Oversea-Chinese Banking Corp. Ltd 2014	4.25%	19 Jun 2024	200	200
24	17/10/2022	19/10/2022	Perusahaan Penerbit SBSN III Indonesia	Perusahaan Penerbit SBSN III Indonesia 2017	4.15%	29 Mar 2027	200	190
25	17/10/2022	19/10/2022	PT Pertamina (Persero)	PT Pertamina (Persero) 2019	3.65%	30 Jul 2029	200	171
26	17/10/2022	19/10/2022	Republic of Indonesia	Republic of Indonesia 2018	4.75%	11 Feb 2029	200	194
27	17/10/2022	19/10/2022	Republic of the Philippines	Republic of the Philippines 2017	3.7%	2 Feb 2042	200	147
28	17/10/2022	19/10/2022	Republic of the Philippines	Republic of the Philippines 2022	3.556%	29 Sep 2032	200	170
29	17/10/2022	19/10/2022	Royal Capital B.V.	Royal Capital B.V. 2020	5%	Without fixed maturity	200	188
30	18/10/2022	20/10/2022	Shinhan Financial Group Co. Ltd	Shinhan Financial Group Co. Ltd 2019	3.34%	5 Feb 2030	200	184
31	19/10/2022	21/10/2022	SingTel Group Treasury Pte Ltd	SingTel Group Treasury Pte Ltd 2020	1.875%	10 Jun 2030	200	158
32	17/10/2022	19/10/2022	Tencent Holdings Ltd	Tencent Holdings Ltd 2018	3.595%	19 Jan 2028	200	177
33	19/10/2022	21/10/2022	Thaioil Treasury Center Company Ltd	Thaioil Treasury Center Company Ltd 2018	5.375%	20 Nov 2048	200	144
34	17/10/2022	19/10/2022	TNB Global Ventures Capital Bhd	TNB Global Ventures Capital Bhd 2018	4.851%	1 Nov 2028	200	194
35	18/10/2022	20/10/2022	United Overseas Bank Ltd	United Overseas Bank Ltd 2020	1.75%	16 Mar 2031	200	170
36	20/10/2022	24/10/2022	Vanke Real Estate (Hong Kong) Co. Ltd	Vanke Real Estate (Hong Kong) Co. Ltd 2018	5.35%	11 Mar 2024	200	178
Total							7,150	6,665

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Bonds in the Single Bonds Portfolio were acquired by the Company for treasury management purpose. In view of the recent volatile market conditions, prevailing market sentiment and overall outlook of the global economy and financial market (including the bond market), the Board, taking into account the opinions of its Investment Committee, considered that it was prudent and necessary to adopt a cautious investment strategy which required the Disposals to contain further losses. The Company intends to use the proceeds from the Disposals for other investment and business opportunities that may arise in the future.

Since the Disposals were conducted by USB HK at the open market, the Directors are of the view that the price at which the Disposals were made were fair, reasonable and represented market value of the Bonds at the material times, and because of the reasons abovementioned, the Disposals were necessary and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSALS

The Company invested in the Single Bonds Portfolio during the year ended 31 December 2020. Since such investments were made and up to 31 December 2021 (i.e. the date the Company's latest audited consolidated financial statements were made up), the Company recognised fair value gain of HK\$2.1 million. For the period ended 30 June 2022, the fair value loss was HK\$10.3 million.

The Disposals resulted in realised loss of approximately HK\$5 million, being the difference between the aggregated sales proceeds and either the carrying value of the disposed bonds as at 31 December 2021 or the acquisition costs of the disposed bonds which were purchased during 2022. Out of this amount, HK\$3 million has already been included in the fair value loss for the period ended 30 June 2022. The loss on the Disposals is subject to auditor's review.

Despite the abovementioned fair value loss on the investments in financial instruments, the Board believes that the overall financial, operational and business positions (including cashflow) of the Group remain healthy.

IMPLICATIONS UNDER THE LISTING RULES

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OTHER IMPORTANT INFORMATION

The information contained in this announcement related to the amount of loss on the Disposals is only based on the preliminary review of the information currently available, which have neither been reviewed nor audited by the auditors of the Company. The actual loss amount to be recorded will be subject to audit.

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

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors of the Company;
“Bonds”	the Asian investment grade single bonds in the Single Bonds Portfolio on the date of the notification of withdrawal served on UBS HK, and Bonds shall be construed accordingly;
“Company”	Tradelink Electronic Commerce Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Disposals”	collectively, the partial disposals of Bonds with a value of approximately US\$6.7 million;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company;
“Single Bonds Portfolio”	USD-denominated discretionary portfolio of bonds, including accrued interests and cash, managed by UBS HK;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UBS HK”	UBS AG, Hong Kong Branch, a branch of UBS AG, a bank incorporated in Switzerland;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

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

Hong Kong, 21 October 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.