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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)

DISCLOSEABLE TRANSACTIONS REDEMPTIONS OF FINANCIAL PRODUCTS

REDEMPTIONS OF FINANCIAL PRODUCTS

(i) On 11 July 2022, the Company redeemed its investments in the HSBC Financial Products in the aggregated redemption amount of approximately US\$7.5 million (equivalent to about HK\$58.5 million) and (ii) on 12 July 2022, the Company and DTTNCo (a wholly-owned subsidiary of the Company) redeemed their investments in the UBS Financial Products in the aggregated redemption amount of approximately US\$2.7 million (equivalent to about HK\$21.1 million).

IMPLICATIONS UNDER THE LISTING RULES

Each of the redemptions of the HSBC Financial Products and the UBS Financial Products on a standalone basis does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, since the HSBC Redemptions and the UBS Redemptions were all conducted within a period of 12 months respectively, the HSBC Redemptions and the UBS Redemptions were required to be aggregated respectively as two series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable ratios (as defined under the Listing Rules) in respect of the HSBC Redemptions and the UBS Redemptions each exceed 5% but are less than 25%, the HSBC Redemptions and the UBS Redemptions each constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements.

INTRODUCTION

Reference is made to the announcements of the Company dated 15 December 2021 and 27 May 2021 in relation to the subscriptions of the HSBC Financial Products and UBS Financial

Products in the aggregated subscription amounts of US\$9.0 million (equivalent to about HK\$70.2 million) and US\$4.0 million (equivalent to about HK\$31.2 million) respectively.

(i) On 11 July 2022, the Company redeemed its investments in the HSBC Financial Products in the aggregated redemption amount of approximately US\$7.5 million (equivalent to about HK\$58.5 million) and (ii) on 12 July 2022, the Company and DTTNCo (a wholly-owned subsidiary of the Company) redeemed their investments in the UBS Financial Products in the aggregated redemption amount of approximately US\$2.7 million (equivalent to about HK\$21.1 million).

After the Redemptions, the Company ceased to hold any investments in the HSBC Financial Products and the UBS Financial Products.

On the other hand, the Company still engages UBS HK to manage a USD-denominated discretionary portfolio of Asian investment grade single bonds. The carrying value of the discretionary portfolio was US\$19.0 million (equivalent to about HK\$148.3) million) as at 30 June 2022.

REDEMPTIONS OF FINANCIAL PRODUCTS

(1) The details regarding the HSBC Redemptions, by the Company, are as follows:

Row number	Date of redemption	Date of redemption confirmation	Name and class of product	Units being redeemed	Subscription amount (US\$ million)	Redemption proceeds (US\$ million)	Loss from redemption (US\$ million)
1	11 July 2022	12 July 2022	HSBC Investment Funds Trust – HSBC Asian Bond Fund (class: ID2-USD)	297,825.871	3.0	2.6	0.4
2	11 July 2022	13 July 2022	HSBC Global Funds ICAV – Multi Factor Worldwide Equity Fund (class: XC)	197,823.936	3.0	2.5	0.5
3	11 July 2022	12 July 2022	HSBC Global Investment Funds – Managed Solutions – Asia Focused Conservative (class: AC)	72,306.58	1.0	0.9	0.1
4	11 July 2022	12 July 2022	HSBC Global Investment Funds – Managed Solutions – Asia Focused Income (class: AM2)	96,693.096	1.0	0.8	0.2
5	11 July 2022	12 July 2022	HSBC Global Investment Funds – Managed Solutions – Asia Focused Growth (class: AC)	67,599.54	1.0	0.7	0.3

(2) The details regarding the UBS Redemptions, by the Company and by DTTNCo (a wholly-owned subsidiary of the Company), are as follows:

Redeemer	Date of redemption	Date of redemption confirmation	Name and class of product	Units being redeemed	Subscription amount (US\$ million)	Redemption proceeds (US\$ million)	Loss from redemption (US\$ million)
The Company	12 July 2022	14 July 2022	UBS (CAY) Investment Fund Series – UBS Asian Bonds Series 6 (USD) (class: K-1-qdist (USD))	30,000	3.0	2.1	0.9
DTTNCo	12 July 2022	14 July 2022	UBS (CAY) Investment Fund Series – UBS Asian Bonds Series 5 (USD) (class: A-qdist (USD))	10,000	1.0	0.6	0.4

CONSIDERATION

The units of the Financial Products are redeemed at the relevant redemption prices which are equal to the net asset value per unit of the relevant class as at the relevant redemption day. Upon redemption, the aggregated proceeds of the HSBC Redemptions and UBS Redemptions are US\$7.5 million (equivalent to about HK\$58.5 million) and US\$2.7 million (equivalent to about HK\$21.1 million) respectively.

REASONS FOR AND BENEFITS OF THE REDEMPTIONS

The HSBC Financial Products and UBS Financial Products were acquired by the Group for treasury management purpose at an aggregated subscription amount of US\$9.0 million (equivalent to about HK\$70.2 million) and US\$4.0 million (equivalent to about HK\$31.2 million) respectively as disclosed in the announcements of the Company dated 15 December 2021 and 27 May 2021 respectively. Since the subscriptions and up to date of this announcement, the Group has received dividend income in the aggregated amount of HK\$0.2 million and HK\$2.5 million from the HSBC Financial Products and UBS Financial Products respectively. 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 liquidation of its investments in the Financial Products to contain further losses. The Group intends to use the proceeds from the Redemptions for other investment and business opportunities that may arise in the future.

In view of the above, the Directors are of the view that the value at which the Redemptions were made were fair and reasonable, and the Redemptions were necessary and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECT OF THE REDEMPTIONS

The HSBC Financial Products and UBS Financial Products were acquired by the Group during the years ended 31 December 2021 and 31 December 2020 respectively. During the period of holding of the Financial Products and up to 31 December 2021 (i.e. the date the Company's latest audited consolidated financial statements were made up), the Group recognised (i) gain attributable to the fair value changes of the HSBC Financial Products of HK\$0.3 million and (ii) loss attributable to the fair value changes of the UBS Financial Products of HK\$5.5 million respectively.

For the period ended 30 June 2022, the fair value losses of HSBC Financial Products and the UBS Financial Products were HK\$11.6 million and HK\$3.8 million respectively.

After the Redemptions, the expected loss to be realised for the year ending 31 December 2022, being the difference between the aggregated redemption proceeds and the carrying value as of 31 December 2021 of (i) the HSBC Financial Products is US\$1.5 million (equivalent to about HK\$11.7 million) and (ii) the UBS Financial Products is US\$0.6 million (equivalent to about HK\$4.7 million) respectively, subject to auditor's review.

INFORMATION OF THE COMPANY

The principal activity of the Company is the provision of Government Electronic Trading Services (“GETS”) for processing certain official trade-related documents. Leveraging its core competence, the Company has diversified its business into other areas including supply chain solutions, identity management solutions and payment technology solutions, some of which businesses are being operated by the Company’s subsidiaries.

INFORMATION OF HSBC ASSET MANAGEMENT

HSBC Asset Management is a subsidiary of HSBCPLC, which is a banking and financial services company listed in Hong Kong. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, HSBC Asset Management and its ultimate parent company or companies are third parties independent of the Company and its connected persons.

INFORMATION OF UBS HK

UBS HK is a branch of UBS AG, a bank incorporated in Switzerland. It provides a broad range of financial services including wealth management, advisory services, underwriting, financing, brokerage and asset management. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, UBS HK and its ultimate parent company or companies are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

Each of the redemptions of the HSBC Financial Products and the UBS Financial Products on a standalone basis does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, since the HSBC Redemptions and the UBS Redemptions were all conducted within a period of 12 months respectively, the HSBC Redemptions and the UBS Redemptions were required to be aggregated respectively as two series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable ratios (as defined under the Listing Rules) in respect of the HSBC Redemptions and the UBS Redemptions each exceed 5% but are less than 25%, the HSBC Redemptions and the UBS Redemptions each constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements.

OTHER IMPORTANT INFORMATION

The information contained in this announcement related to the amount of loss on the Redemptions 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;
“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;
“DTTNCo”	Digital Trade and Transportation Network Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Financial Products”	collectively, HSBC Financial Products and UBS Financial Products;
“Group”	the Company together with its subsidiaries;
“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;
“HSBC Asset Management”	HSBC Investment Funds (Hong Kong) Limited;
“HSBC Financial Products”	collectively, HSBC Investment Funds Trust – HSBC Asian Bond Fund, HSBC Global Funds ICAV – Multi Factor Worldwide Equity Fund, HSBC Global Investment Funds – Managed Solutions – Asia Focused Conservative, HSBC Global Investment Funds – Managed Solutions – Asia Focused Income and HSBC Global Investment Funds – Managed Solutions – Asia Focused Growth with HSBC Asset Management;
“HSBC Redemptions”	redemptions of HSBC Financial Products as disclosed in the announcement”
“HSBCPLC”	HSBC Holdings plc;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Redemptions”	collectively, HSBC Redemptions and UBS Redemptions;
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“UBS Financial Products”	collectively, UBS (CAY) Investment Fund Series – UBS Asian Bonds Series 6 (USD) and UBS (CAY) Investment Fund Series – UBS Asian Bonds Series 5 (USD) with UBS HK;
“UBS HK”	UBS AG, Hong Kong Branch, a branch of UBS AG, a bank incorporated in Switzerland;
“UBS Redemptions”	redemptions of the UBS Financial Products as disclosed in this announcement;
“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, 14 July 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.