



[For immediate release]

TRADELINK ANNOUNCES 2005 ANNUAL RESULTS

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PROFIT SURGES 45% TO HK\$91.4 MILLION, BEATING FORECAST

ATTRACTIVE DIVIDEND PAYOUT

DTTN SET TO DRIVE FUTURE GROWTH

Key Highlights

- Solid core business continued to deliver strong financials
- Net profit amounted to around HK\$91.4 million, exceeding forecast in listing prospectus
- Attractive dividend yield based on dividend payout of over 80%
- Secure e-solution emerged as new growth area
- DTTN progressed as planned

(Hong Kong, 23 March 2006) – **Tradelink Electronic Commerce Limited** (“Tradelink” / the “Group”) (HKEx: 0536), a leading provider of electronic commerce service for both Hong Kong and international business communities, today announced its first annual results for the year ended 31 December 2005, since its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 28 October, 2005.

During the year, despite a decline in turnover, the Group recorded a significant growth in profit of approximately 45% to around HK\$91.4 million (2004: around HK\$63.0 million), higher than the profit forecast made when it was listed. The decline in turnover to HK\$249.1 million was mainly due to the cessation of the Restrained Textiles Export Licence application service following the worldwide lifting of the textile and garment quotas on 1 January 2005. Profit from operations increased 31.9% to around HK\$110.3 million. Net profit margin also improved from 22.5% in 2004 to 36.7% this year. Basic earnings per share were HK cents 12.5 (2004: HK cents 8.8).

In light of the satisfactory results in 2005, the Board of Directors proposed the payment of a final dividend of HK cents 3.0 per share, which translated into a dividend payout ratio of approximately 83% of the Group’s distributable profit attributable to shareholders for four months from September to December 2005.

During the year, Tradelink maintained a sound and healthy financial position. Cash and cash equivalents as at 31 December 2005 amounted to around HK\$317.2 million, and gearing ratio was zero.

Justin Yue, Chief Executive Officer of Tradelink, said, “In 2005, we made significant progress and initiated a number of strategic moves to generate values for our shareholders. We continued to maintain our dominant market share in the provision of front-end Government Electronic Trading Services and achieved satisfactory growth in profit.”

During the year, a subsidiary of the Group Digi-Sign Certification Services Limited has created a new category of digital certificate. The new service enhances the security solutions currently on offer to Tradelink and non-Tradelink customers. “We are glad to report that market reception to the new service has been encouraging. Customers newly acquired for this service include banks, professional bodies and stockbrokers,” continued Mr. Yue.

In addition, to ensure compatibility with the Government's enhanced computer system, Tradelink completed all necessary system upgrades for its services (except for the Certificates of Origin and Production Notification services) ahead of the schedule. With the system upgraded, all Tradelink's 54,000 customers are provided with more advanced version of software or web solutions for more efficient services. Upgrading of system supporting Certificates of Origin and Production Notification transactions will be completed by June 2006.

A considerable amount of resources in 2005 was devoted to the Digital Trade and Transportation Network ("DTTN"), an open, neutral and reliable infrastructural platform for linking information systems in a supply chain. Phase I of its construction was completed in December 2005. Selected pilot customers have started transmitting live transactions via the platform since January 2006. Following the approval of funding by the Finance Committee of the Legislative Council, the Government has invested HK\$31.5 million for what will eventually become 21% equity stake in DTTNCo. Full commercial launch of DTTN is scheduled for later this year and the development of phase II will take place simultaneously and is scheduled for completion early in the fourth quarter of 2006.

"Our DTTN platform has been completed on schedule and we strongly believe that it will not only provide additional revenue to the Group, but will also become a major growth driver of our business in the years to come," added Mr. Yue.

Steering forward, Mr. Yue commented, "Riding on the anticipated growth in trade in the market, we see a stronger demand for our services which will brace the continuous growth in volume and revenue of our government-related services. In the longer run, leveraging our comprehensive service portfolio, extensive customer base and experienced management, we will extend our reach beyond Hong Kong to particularly the Mainland. With a solid foundation and new services boasting strong potential, we will continue to drive for the best returns to our shareholders."

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About Tradelink Electronic Commerce Limited

Established in 1988, Tradelink Electronic Commerce Limited, a joint venture between the Hong Kong SAR Government and private sector shareholders, is a leading provider of trade-related electronic services for both Hong Kong and international business communities. Over the years, by perfecting its infrastructure and developing services that meet users' practical needs, Tradelink has earned the trust of the trading community and built a superb reputation that underscores its dominance in the public e-trading services sector. It offers a unique range of customer support solutions, designed specifically to help customers gain maximum benefits from e-commerce. It makes the use of electronic services as affordable, convenient and user-friendly as possible for its customers. On 28 October 2005, Tradelink was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0536).

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(N.B.: Please find below the consolidated profit and loss account of Tradelink)



Tradelink Electronic Commerce Limited
2005 Annual Results
Consolidated profit and loss account

	<i>2005</i> <i>(HK\$'000)</i>	<i>2004</i> <i>(HK\$'000)</i>
Turnover	249,101	279,706
Interest income	8,064	5,093
Other net loss	(1,170)	(4,266)
Staff costs	(80,084)	(82,964)
Depreciation	(15,559)	(25,501)
Impairment losses of investment in unlisted equity securities	-	(40,000)
Other operating expenses	(50,059)	(48,431)
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Profit from operations	110,293	83,637
Finance costs	-	(3)
Share of losses of associates	(787)	-
Gain/(loss) on disposal of subsidiary	347	(55)
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Profit before taxation	109,853	83,579
Taxation	(18,456)	(20,586)
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Profit attributable to equity shareholders of the Company	91,397	62,993
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Dividends		
Interim	63,300	38,267
Special	31,074	-
Proposed final after the balance sheet date	23,329	11,509
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	117,703	49,776
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Earnings per share		
Basic	HK cents 12.5	HK cents 8.8
Diluted	HK cents 12.4	-