

[For Immediate Release]



Tradelink announces 2013 Annual Results Another year of 100% dividend payout

Financial highlights for the year ended 31 December 2013

- Turnover slipped by 1% to HK\$230 million
- Operating profit increased 5% to HK\$96.1 million
- Profit attributable to shareholders increased marginally to HK\$80.5 million
- Board recommends final dividend of HK6.2 cents per share. Together with the interim dividend, total 2013 dividend same as 2012

(Hong Kong, 25 March 2014) Tradelink Electronic Commerce Limited (“Tradelink” or “the Group”) (SEHK Stock Code: 0536) is pleased to announce its annual results for the year ended 31 December 2013.

The Group’s turnover during 2013 slipped 1% to HK\$230 million while operating profit increased 5% to HK\$96.1 million despite costs increasing by about 5% to HK\$159.6 million due to investments in the development of the new mobile payment businesses. The Group’s profit was also affected by the provision for the loss of a court case and a claw back of \$6 million profit declared in 2011 by our Beijing data center joint venture due to a new accounting method directed by the State Auditors. As a result, profit attributable to shareholders only grew marginally to HK\$80.5 million and basic earnings per share stayed at HK 10.4 cents. The Board recommends a final dividend of HK 6.2 cents per share; making a total dividend payout of HK 10.2 cents per share for 2013, the same as for 2012.

Regarding the Group’s core Government Electronic Trading Services (“GETS”) business; although revenue continued to decline due to intense competition, the down trend has finally been arrested as the decline has narrowed just to 1% year-on-year, from 8.7% in 2011. The Group is confident of reversing this trend as a result of continued cost controls and expanded services enhancing customer loyalty.

The delay in the roll out of the Group’s mobile wallet solution, originally intended for mid-2013, due to a temporary shortage in the chip market, impacted Digi-Sign’s performance last year, with revenue dropping by 15% to HK\$31.5 million. Of the four bank clients already signed up its our mobile wallet solution, product launch for the first client is now expected to be Q2, 2014. As well, its mobile point of sale (“MPoS”) solution will only be launched in the second half of 2014.

The Group’s DTTN and other trade-related businesses, on the other hand, improved, with revenue growing by about 50% and 7% respectively. These two segments together now account for some 13% of the Group’s total revenue, up from around 11% last year.

U-Link, the Group's 4th party logistics joint venture in Shanghai, which is central to the Group's China strategy, launched its logistics platform in the third quarter of 2013 with offices now in eight key cities offering some 1,800 routes. Its network, which is building up rapidly, will contribute significantly to the Group's supply chain connectivity in the China market for years to come.

"Our performance during 2013 can best be described as workman-like as we maintained existing operations while building for the future of the Group. Both the court case and the HK\$6 million profit claw back are one-off in nature and do not impact our operations going forward. With expectations of a reversal of the decline in GETS revenue, steady growth in our non-GETS trade-related services, the strong DTTN pipeline, the roll-out of our mobile wallet and MPoS solutions and a turnaround in profit contributions from our PRC associates, we are confident of a much improved performance in 2014," said Mr. Michael Wu, CEO of Tradelink.

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Appendix:

Consolidated Income Statement for the year ended 31 December 2013

About Tradelink Electronic Commerce Limited

Established in 1988, Tradelink Electronic Commerce Limited is a leading provider of e-commerce services for Hong Kong business community. Since 1997, Tradelink has been providing Government Electronic Trading services (GETS) for the trading community, initially under a 7-year exclusive franchise (1997-2003) and currently under a licence till 2016. Over the years, by perfecting its infrastructure and developing services that meet users' needs, Tradelink has earned the trust and support of the trading community; enabling it to stand firmly as dominant player in the e-commerce market. In addition to GETS, Tradelink also offers a wide range of Business-to-Business services and other related supply chain management solutions to help customers improve their operational efficiency. In 2004, Digital Trade and Transportation Network Limited (DTTNC) was set up, provides a state-of-the-art electronic platform connecting stakeholders in the supply chain locally with their overseas partners for document exchanges.

In 2000, Tradelink set up a wholly-owned subsidiary, Digi-Sign Certification Services Limited (Digi-Sign), the first private company granted status as a Recognized Certification Authority (CA) in Hong Kong. Since establishment, Digi-Sign has been providing digital certificate issuance services as its core business and subsequently extending to other security solution business to cope with the rapid development and growing popularity of online business transactions. In 2013, Tradelink hived off Digi-Sign's non-CA related business into a new wholly-owned subsidiary, Tradelink E-Biz Secure Solutions Limited (TESS). TESS specializes in the development and provision of online security solution business.

Tradelink was listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 0536) on 28 October 2005. For more information about Tradelink, please visit www.tradelink.com.hk

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Appendix:

Consolidated Income Statement for the year ended 31 December 2013

	Year ended 31 December 2013	
	2013	2012
	(HK\$'000)	(HK\$'000)
Turnover	230,006	232,383
Interest income	11,863	11,898
Other net income	13,837	-
Cost of purchases	(21,295)	(19,965)
Staff costs	(90,756)	(89,847)
Depreciation	(9,997)	(9,959)
Other operating expenses	(37,553)	(32,718)
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Profit from operations	96,105	91,792
Share of results of associates	120	2,973
Share of result of joint venture	(2,750)	(391)
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Profit before taxation	93,475	94,374
Taxation	(13,027)	(14,197)
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Profit for the year	80,448	80,177
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Attributable to:		
Equity shareholders of the Company	80,511	80,262
Non-controlling interest	(63)	(85)
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Profit for the year	80,448	80,177
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Earnings per share (HK cents)		
Basic	10.4	10.4
Diluted	10.2	10.2
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