



貿易通電子貿易有限公司
Tradelink Electronic Commerce Limited

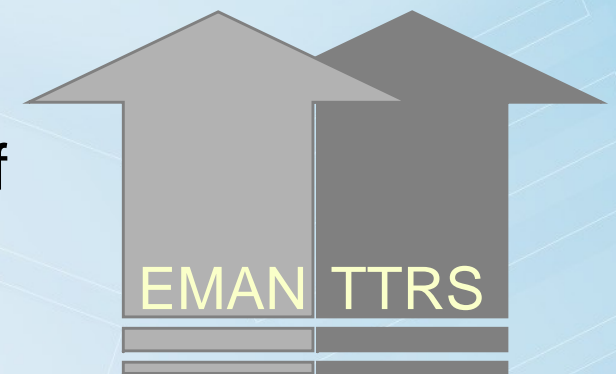
Stock Code: 536
2007 Interim Results Announcement
4 September 2007

People Building Successful e-Commerce 電子商貿 以人成就



Highlights – Core Business

- ✦ Solid core business remained strong and delivered stable results
- ✦ Agreement with the Government on current GETS license extended to end of 2009
- ✦ Started discussion with the Government to renew GETS license for 2010 and beyond
- ✦ Continued to command market share of over 90% for all six GETS services
- ✦ Recorded significant increase in usage of EMAN and TTRS



Highlights – DTTN

- ⊕ DTTNCo has gained broader market awareness and acceptance with a customer base of around 1,000 companies
- ⊕ Target to reach 3,000 customers by end of 2007, including customers dotted around China
- ⊕ Working with Tradelink to DTTN-enable Tradelink's customers
- ⊕ Launched a project with HKSME Association and HKITF Limited in April 2007 to initiate the development of DTTN-enabled solutions and training programmes for SMEs
- ⊕ Business development in the Mainland gaining momentum and could be the business driver for both Tradelink and DTTN
- ⊕ DTTN interconnection with other similar platforms being discussed with Asean countries, France, Mexico, and a number of logistics parks in China

Interim Dividend

- ✦ Declared dividend policy:
 - FY2005 & FY2006: not less than 80% of net profit after tax
 - Thereafter: not less than 60% of net profit after tax
- ✦ Profit attributable to shareholders amounted at HK\$33.8 million
- ✦ 2007 declared interim dividend:
 - Total: HK\$28.1 million
 - Per share: HK cents 3.61
 - Dividend payout ratio: 83%

Financial Highlights

Financial Highlights

	Six months ended 30 June	
	2007 (Unaudited)	2006 (Unaudited)
	HK\$'000	HK\$'000
Turnover	116,726	120,730
Profit from operations	54,726	55,655
Share of losses of an associate	(11,938)	(1,210)
Profit attributable to shareholders	33,801	45,215
Earnings per share		
- Basic	HK cents 4.34	HK cents 5.81
- Diluted	HK cents 4.32	HK cents 5.75
Interim dividend		
- Per share	HK cents 3.61	HK cents 4.80
- Total amount	28,091	37,326

Key Financial Ratios

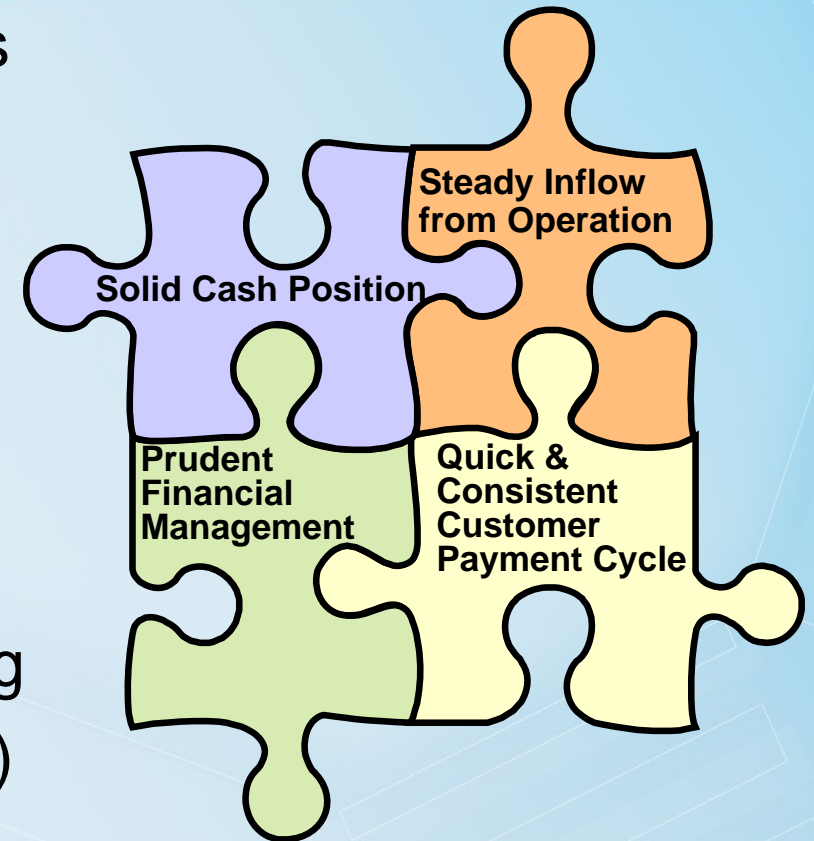
	Six months ended 30 June	
	2007	2006
Operating profit margin	46.9%	46.1%
Net profit margin	29.0%	37.5%
Effective tax rate	21.6%	17.0%
Current ratio	1.64	1.61 ²
Debtor's turnover days³	7	6

Note 2: As of 31 December 2006

Note 3: The calculation of debtor's turnover days is based on the closing balance for trade receivables divided by the amount of turnover and Government charges collected by Tradelink and multiplied by number of days of the relevant period.

Healthy Cash Flow

- ✦ Net cash flow from operating activities of approximately HK\$49.9 million
- ✦ Trade receivables at HK\$26.5 million
- ✦ Debtor's turnover day of about 7 days
- ✦ Zero bad debt
- ✦ HK\$348.5 million cash and cash deposits as at 30 June 2007 (including customer deposit of HK\$171.1 million)
- ✦ Zero gearing



Key Balance Sheet Items

	At 30 June 2007 (Unaudited)	At 31 December 2006 (Audited)
	HK\$'000	HK\$'000
Fixed assets	46,721	50,568
Trade receivables	26,463	23,969
Cash and cash deposits⁴	348,543	335,586
Net assets	324,275	329,223

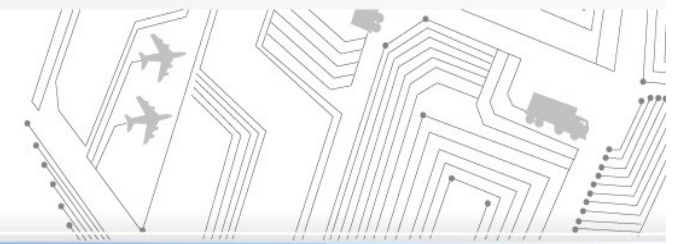
Note 4: Including customer deposits of HK\$171.1 million and HK\$171.0 million as at the respective review period

Core Business

Core Business – Government Electronic Trading Services (“GETS”)

Services	Details
Import or Export Declaration (“TDEC”)	+ e-lodgment of import or export declaration with Customs
Production Notification (“PN”)	+ e-lodgment of notification to the Trade & Industry Department about cut-and-sewn garments manufactured in HK
Certificate of Origin (“CO”)	+ e-application for CO to the Trade & Industry Department or other government approved organisations
Dutiable Commodities Permit (“DCP”)	+ e-application for DCP to Customs for import, export, manufacturing or storage of dutiable commodities
Electronic Cargo Manifest (“EMAN”)	+ e-submission of manifests for air, rail, water cargo to the Census Department and the Trade & Industry Department + e-receipt of notice / voucher from Customs and e-communication with other government departments
Notifications under Textiles Trader Registration Scheme (“TTRS”)	+ e-submission of notification to the Trade & Industry Department for textile trading under TTRS

Value-added Services

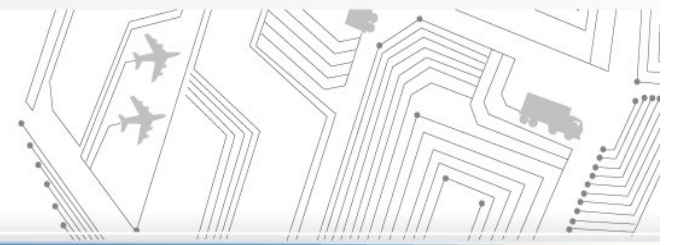


Services	Details
Trader Documentation Services (“TDS”)	<ul style="list-style-type: none">✦ web-based application solutions✦ facilitates secure electronic document exchange for international trade transactions
Electronic Shipping Orders	<ul style="list-style-type: none">✦ platform that assists shippers and forwarders to prepare and submit shipping orders and obtain draft bills of lading
Automated Manifest Services	<ul style="list-style-type: none">✦ e-solution for carriers and non-vessel operating common carriers✦ meets the requirements under the “24-hour Rule” of the US and Canada (monitoring similar development in EU)
HK-China Cargo Manifest Interface	<ul style="list-style-type: none">✦ a one-stop platform for the electronic submission of cargo manifests by river trade vessels

Operating Mode of Key Services



Substantial Customer Base

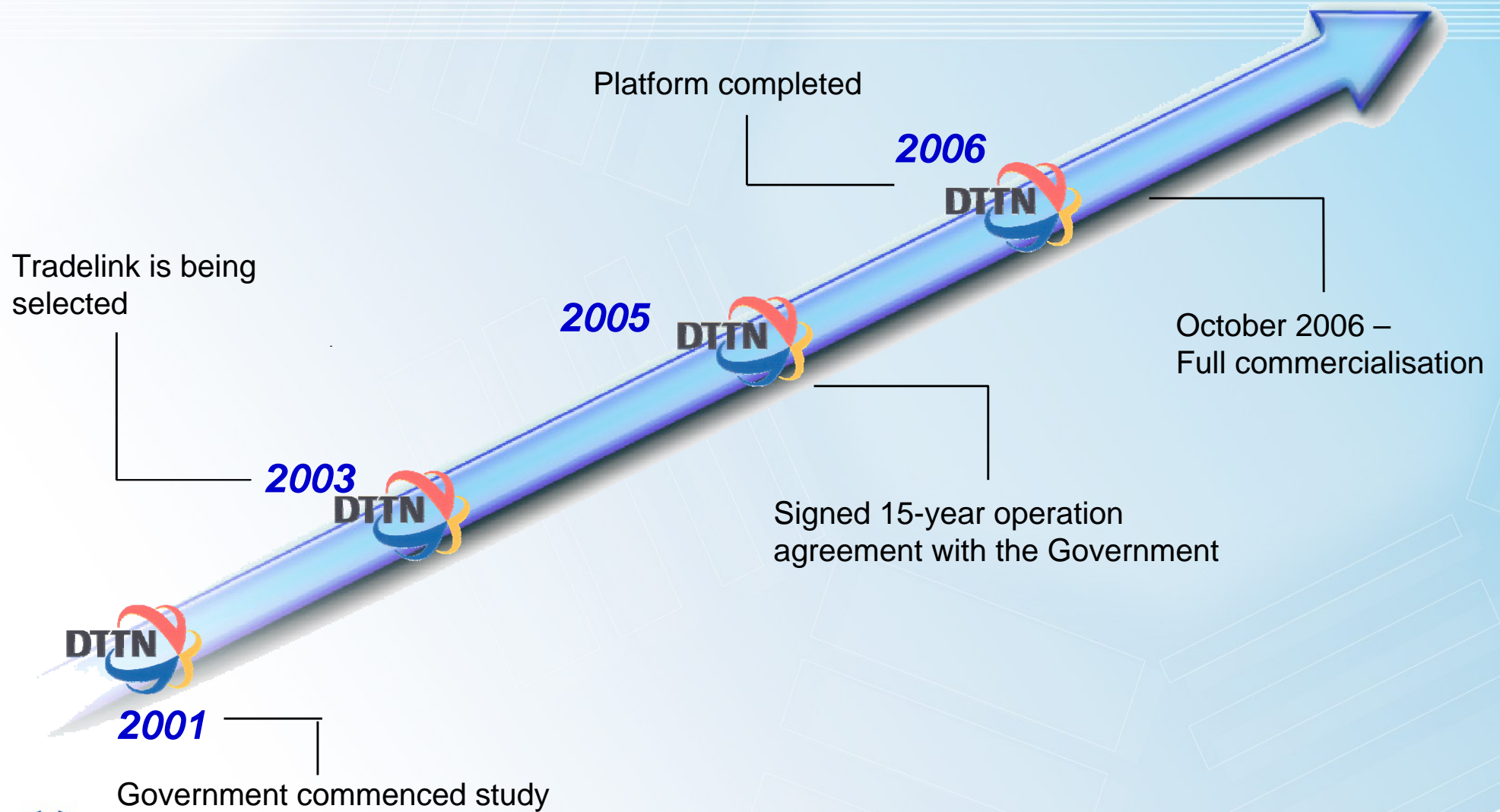


- ✦ Over 54,000 registered customers including manufacturers, importers, exporters, freight forwarders, logistics services providers and carriers
- ✦ Steady transaction volume – over 9.5 million in 1H 2007 (FY 2006: 19 million)
- ✦ Dedicated customer services offering hotline, onsite technical support, 35 customer services centres, training support and account managers for key clients

Growth Driver – DTTN

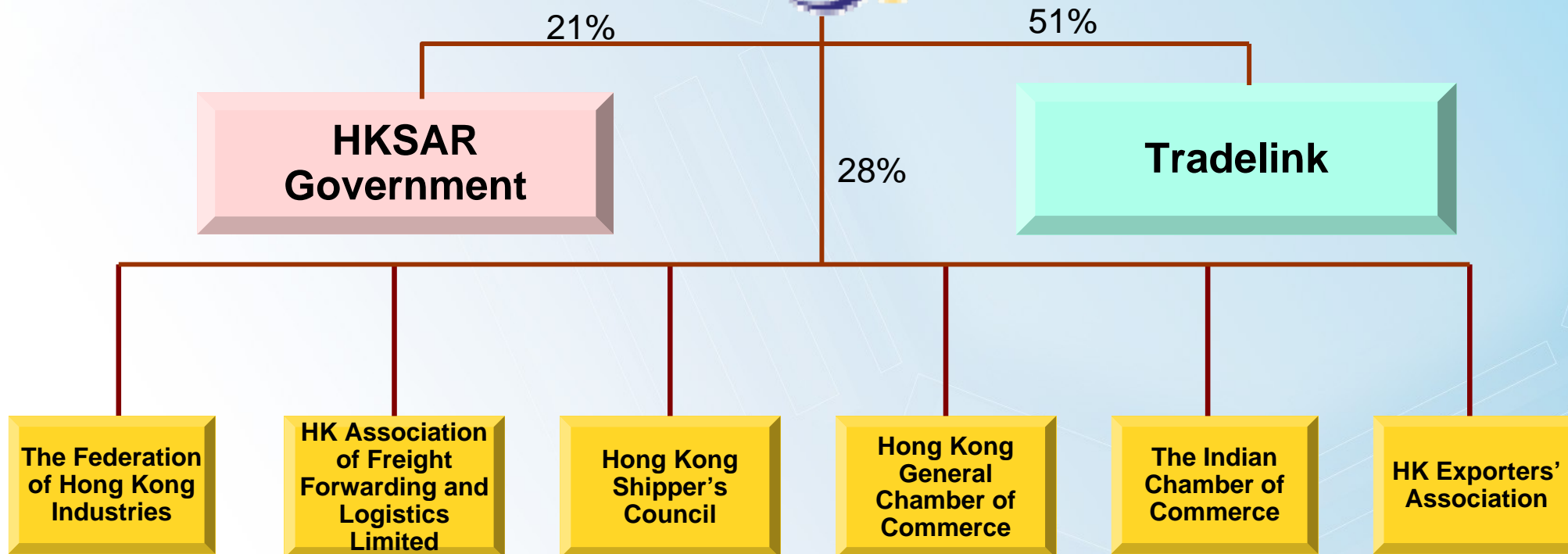


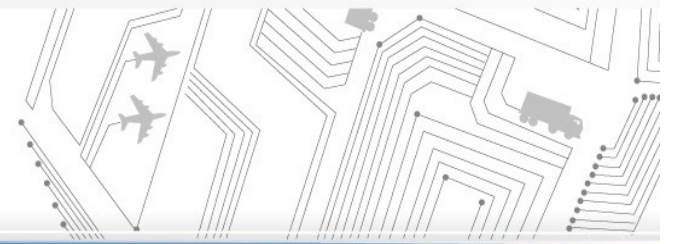
Genesis – Digital Trade and Transportation Network (“DTTN”)





Ultimate Shareholding Structure

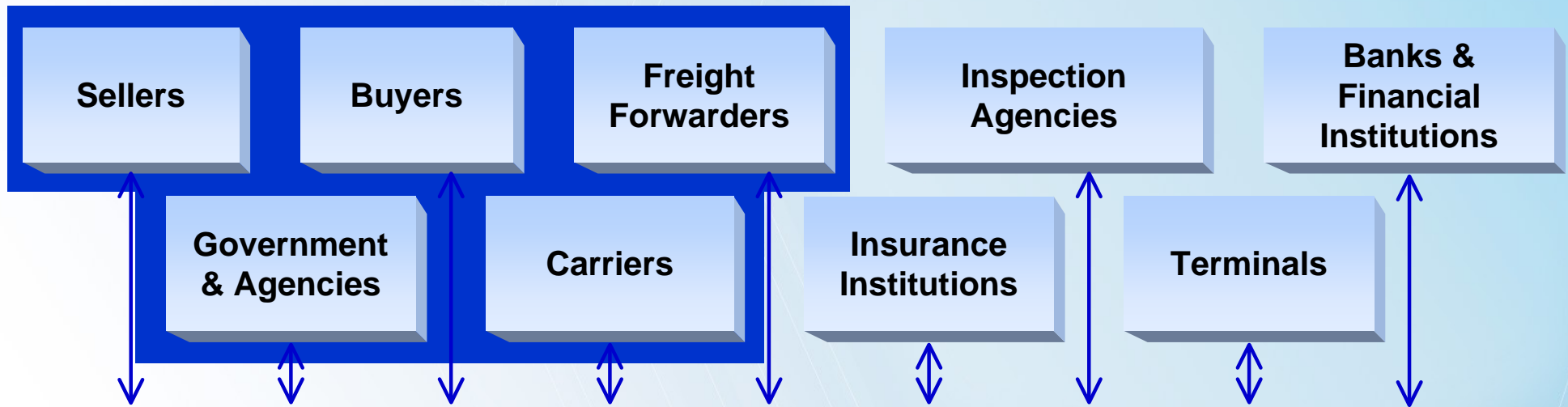




- ✦ **Reliable, secure transformation and delivery of legally recognised electronic documents**
 - Any-to-any protocol and document transformation
 - Secure delivery – encryption and digital signatures
 - Documents stored online for 2 years, offline for 7 years
 - Data inheritance service allowing reuse of data and documents
 - Creating a network with world-wide reach

DTTN Functional Blueprint

- Rich array of capabilities for messaging, transactions, payments, security etc.



DTTN Key Services Offering

Electronic message routing services
Portal services
Statistical and analytical reporting services

Electronic message transformation services
Data inheritance services
Information security services

 Focus of Tradelink current offering



Support the Whole Supply-Chain

Purchase Process + Purchase / Sales Order, Order Confirmation

Delivery + Packing List / ASN, Commercial Invoice, Inspection Certificate, Insurance

Local and Overseas Transportation + Booking, Shipping Order, Arrival Notices, Transport Documents - Master / House Waybill - Sea / Air, Cargo Receipt, Transport Set, EIR, Delivery / Release Order

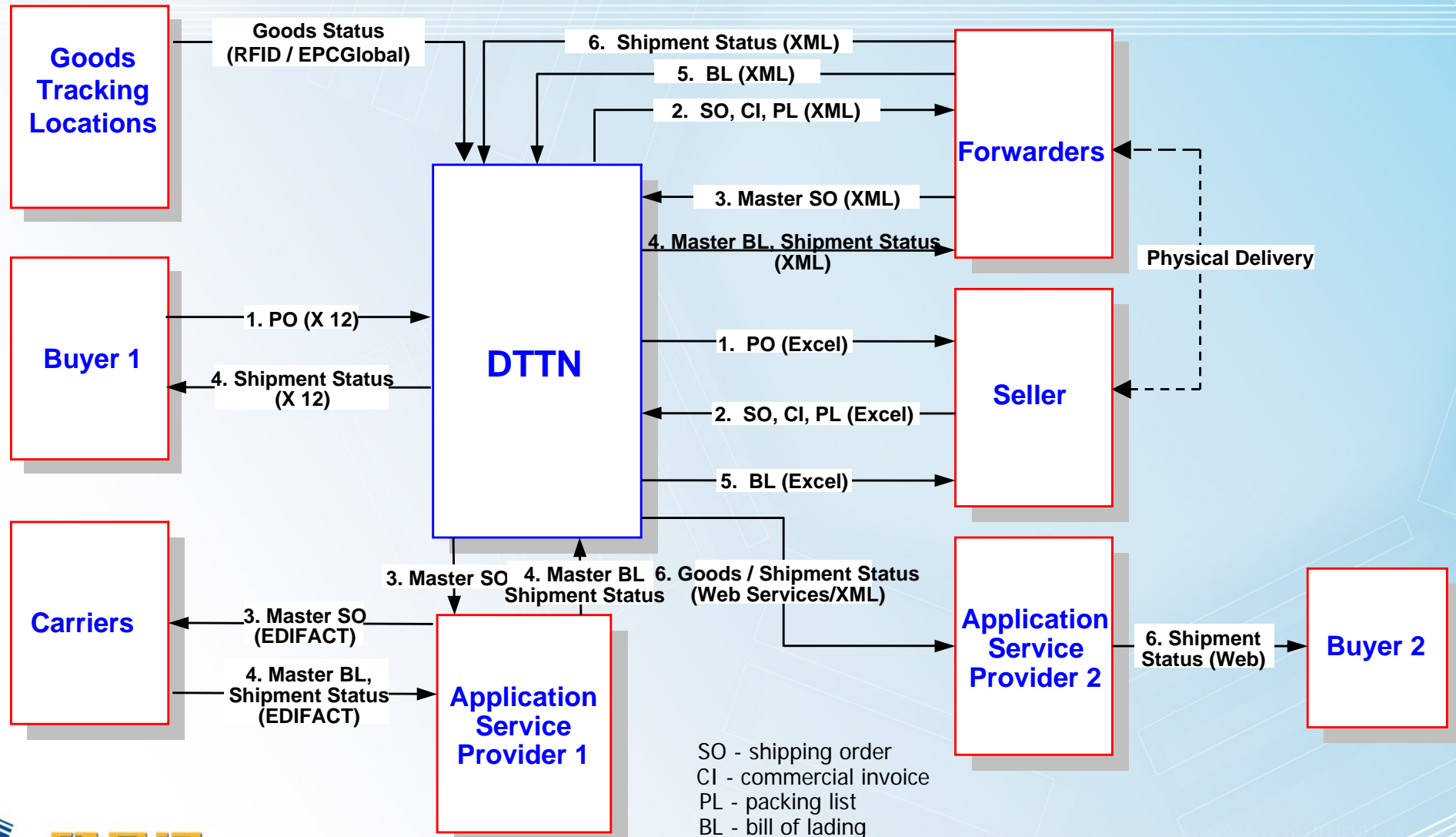
Government Trade Documents + Export / Import Licence, Customs Clearance, Certificate of Origin etc.

Financial Settlement + Letter of Credit, Company Guarantee, Bill of Exchange, L/C collection Letter; Document Arrival Notice



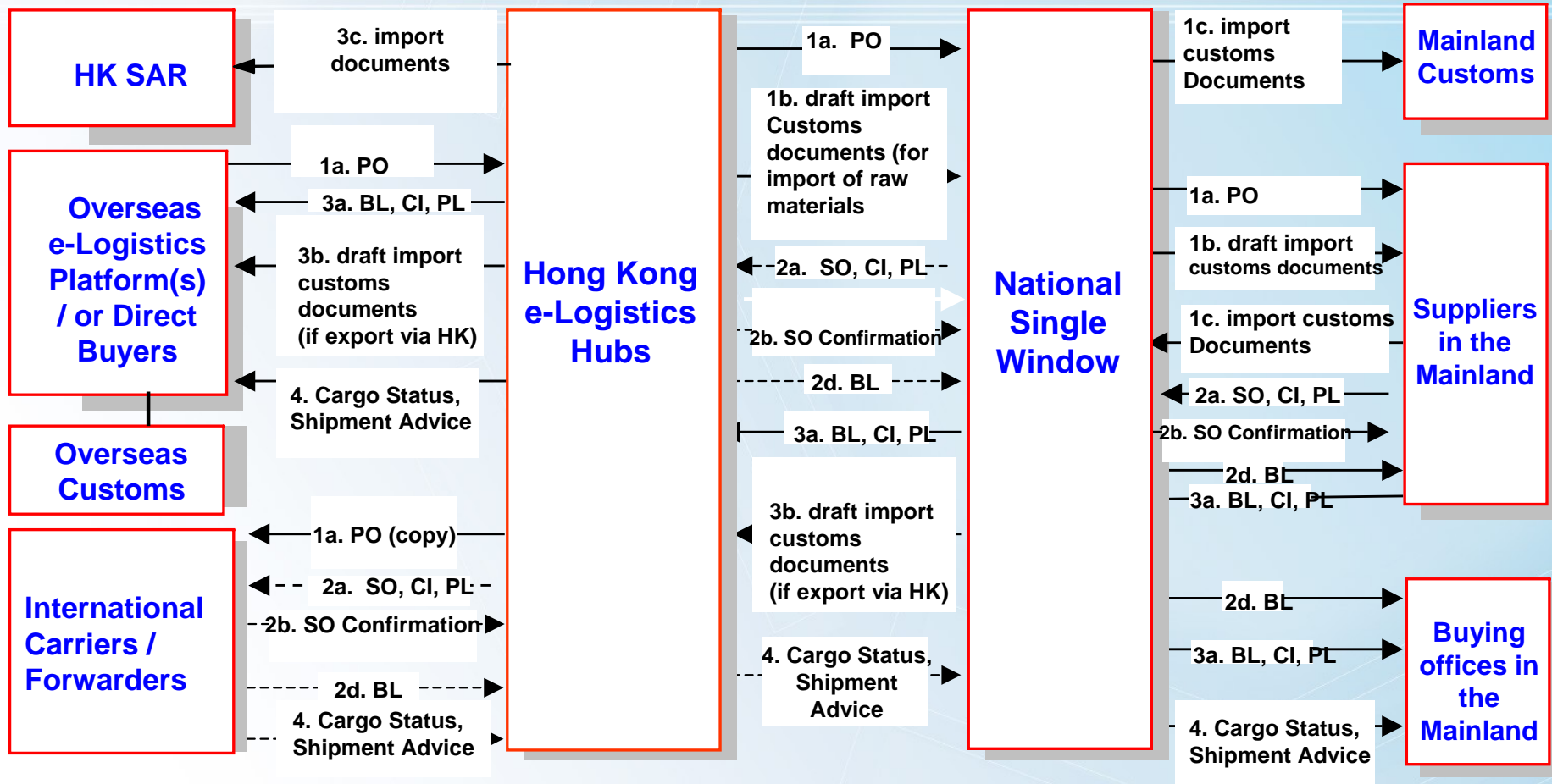


DTTN Interconnection Example (Purchase to Delivery)



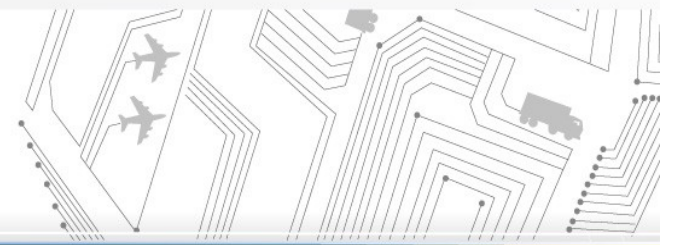


Model for Worldwide Interconnections



SO - shipping order
 CI - commercial invoice
 PL - packing list
 BL - bill of lading





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Action Plan

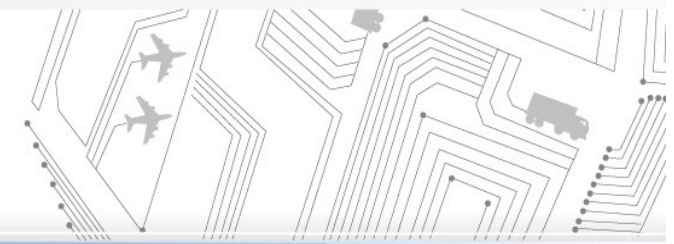
Action Plan

- ✦ Secure future (i.e. GETS agreement) of Tradelink's core business
- ✦ Speed up the market development of DTTN
- ✦ Identify and develop more revenue opportunities to grow both Tradelink and DTTN

Q & A

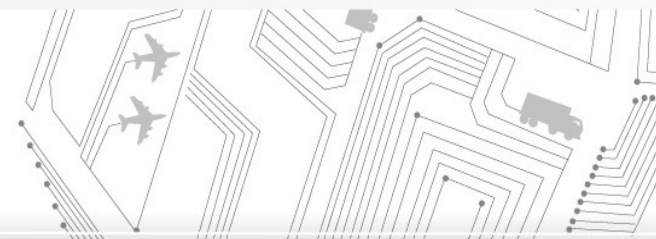
Thank You

Condensed Consolidated Income Statement *(Unaudited)*



	Six months ended 30 June	
	2007 (Unaudited) (HK\$'000)	2006 (Unaudited) (HK\$'000)
Turnover	116,726	120,730
Interest income	4,742	3,510
Staff costs	(37,757)	(38,373)
Depreciation	(5,705)	(7,656)
Other operating expenses	(23,280)	(22,556)
Profit from operations	<u>54,726</u>	<u>55,655</u>
Share of losses of an associate	(11,938)	(1,210)
Gain on disposal of an associate	345	-
Profit before taxation	<u>43,133</u>	<u>54,445</u>
Taxation	(9,332)	(9,230)
Profit attributable to equity shareholders of the Company	<u><u>33,801</u></u>	<u><u>45,215</u></u>
Interim Dividend		
Total	28,091	37,326
Per share	HK cents 3.61	HK cents 4.80
Earnings per share		
Basic	HK cents 4.34	HK cents 5.81
Diluted	HK cents 4.32	HK cents 5.75

Condensed Consolidated Balance Sheet (Unaudited)



	As at 30 June 2007 (Unaudited) (HK\$'000)	As at 31 December 2006 (Audited) (HK\$'000)
Non-current assets		
Fixed assets	46,721	50,568
Interest in leasehold land held for own use under operating lease	5,697	5,769
Interest in associates	55,281	67,116
Other financial assets	69,490	69,587
	<u>177,189</u>	<u>193,040</u>
Current assets		
Trade receivables	26,463	23,969
Other receivables and prepayments	10,461	8,494
Amount due from an associate	1,495	1,415
Deposits with bank	190,000	190,000
Cash and cash equivalents	158,543	145,586
	<u>386,962</u>	<u>369,464</u>
Current liabilities		
Trade creditors, accounts payable, and other payables	223,917	222,141
Taxation	12,668	7,544
	<u>236,585</u>	<u>229,685</u>
Net current assets	<u>150,377</u>	<u>139,779</u>
Total assets less current liabilities	<u>327,566</u>	<u>332,819</u>
Non-current liabilities		
Provision for long service payments	2,128	2,000
Deferred Taxation	1,163	1,596
	<u>3,291</u>	<u>3,596</u>
Net assets	<u>324,275</u>	<u>329,223</u>
Capital and reserves		
Share capital	155,628	155,615
Reserves	168,647	173,608
	<u>324,275</u>	<u>329,223</u>