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

Stock Code : 0536
2009 Interim Results Announcement
1 September 2009

Corporate Profile

Listing Date	28 October 2005
Share Price (@ 31/8/2009)	HK$ 0.95
Issued Shares (@ 31/8/2009)	778,306,055 shares
Market Cap	HK$ 739.4million
FY End Date	31 December
Major Shareholders	The Financial Secretary Incorporated (12.29%) The Hongkong & Shanghai Banking Corporation Limited (8.11%) DJE Investment S.A. (7.99%)

Outline

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- Financial Highlights
- Prospects
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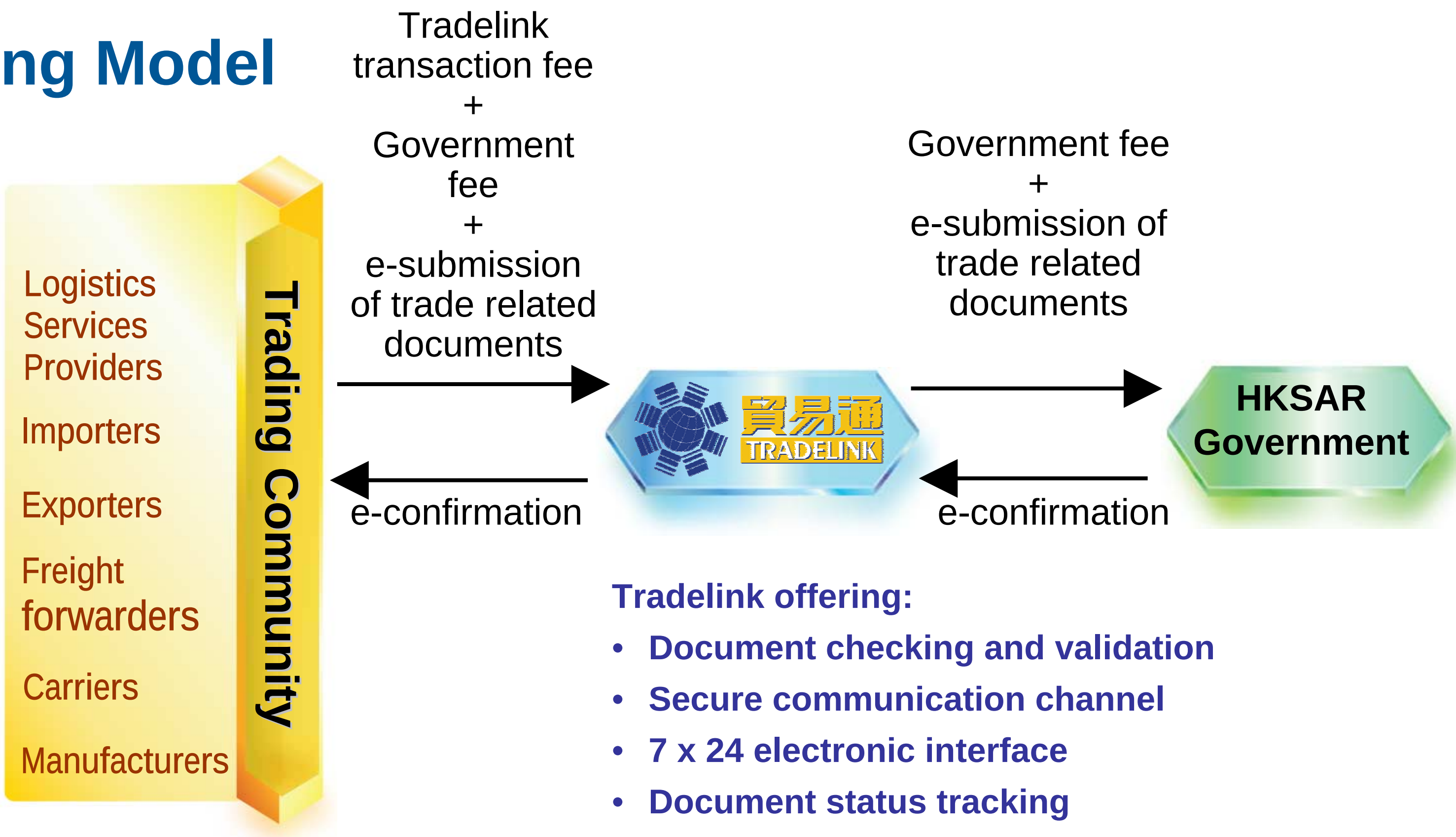
Business Review

Core Business - GETS

Operating Model



Tradelink offering:

- **Document checking and validation**
- **Secure communication channel**
- **7 x 24 electronic interface**
- **Document status tracking**
- **Hotline & onsite technical support and other customer services**
- **“Paper-to-electronic” conversion service**

Core Business – GETS (Cont'd)

GETS

- Six Government Electronic Trading Services (GETS) includes :

Import & Export Declaration ("TDEC")	Production Notifications ("PN")	Certificates of Origin ("CO")
Dutiable Commodities Permit ("DCP")	Electronic Cargo Manifest ("EMAN")	Notifications under Textiles Trader Registration Scheme ("TTRS")

- A decline of 18% in 1H 2009 compared to the same period last year following by and large the economic downturn of Hong Kong as a whole

- Transaction volume picked up significantly in June 2009, which together with other indicators, seems to suggest the worst is over

DTTN

Operating Model

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

Sellers

Buyers

Freight Forwarders

Inspection Agencies

Banks & Financial Institutions

Government & Agencies

Carriers

Insurance Institutions

Terminals

DTTN Key Services Offering

Electronic message routing services

Electronic message transformation services

Portal services

Data inheritance services

Statistical and analytical reporting services

Information security services

DTTN (Cont'd)

DTTN

- DTTNCo became a wholly-owned subsidiary of Tradelink upon completion of the buyout of DTTNCo's other shareholders in March 2009
- Achieved saving in annual operating costs of more than $10 Million due to removal of duplications between Tradelink and DTTNCo
- Steady growth in DTTN business, transaction volume increased by 25% in 1H 2009 compared to the same period last year

Digi-Sign

Digi-Sign

- Continued to make steady progress
- Expect to acquire additional market share in providing security solutions for online transactions of the financial services sector

Interim Dividend

2009 interim dividend:

- per share: HK cents 1.752
- Total amount: HK$13.6 million
- Dividend payout ratio at 76.6% of distributable profit (same ratio for the 2008 interim dividend payout)

Financial Highlights

Financial Highlights

Six months ended 30 June (HK$ '000)	**1H 2009 (Unaudited)**	1H 2008 (Unaudited)	Change
Turnover	**92,835**	114,696	-19.1%
Profit from operations	**25,298**	56,115	-54.9%
Share of results of associates	**(2,564)**	(11,077)	-76.9%
Profit attributable to equity shareholders	**17,799**	36,699	-51.5%
Earnings per share (HK cents)			
- Basic	**2.29**	4.72	-51.5%
- Diluted	**2.29**	4.71	-51.4%
Interim Dividend per share			
- per share (HK cents)	**1.752**	3.61	-51.5%
- total amount	**13,636**	28,097	-51.5%

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Financial Highlights

Six months ended 30 June	**1H 2009 (Unaudited)**	1H 2008 (Unaudited)
Operating profit margin	**27.3%**	48.9%
Net profit margin	**19.1%**	32.0%
Effective tax rate	**22.1%**	18.5%
Current ratio	**1.9**	2.1
Debtor's turnover days[1]	**5**	6

Note 1: 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.

Key Financials

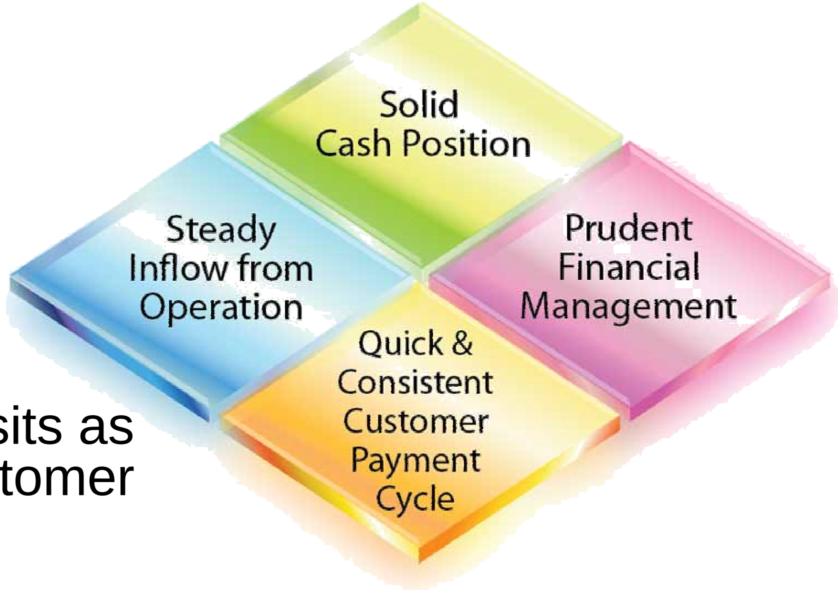
(HK$'000)	**As at 30 June 2009 (Unaudited)**	As at 31 December 2008 (Audited)
Fixed assets	**68,462**	41,461
Trade receivables	**17,828**	18,401
Other financial assets[2]	**76,980**	-
Cash and bank deposits[3]	**315,416**	439,483
Net assets	**309,530**	336,760

Note 2: Fair value of corporate notes issued by Kowloon-Canton Railway Corporation (KCRC)

Note 3: Including customer deposits of HK$169.3 million and HK$171.6 million as at the respective period / year end

Strong and Healthy Financials

- Net cash flow from operating activities of approximately HK$13.1 million
- Trade receivables at HK$17.8 million
- Debtor's turnover day of about 5 days
- Zero bad debt
- HK$315.4 million cash and bank deposits as at 30 June 2009 (including customer deposits of HK$169.3 million)
- HK$76.1 million invested in corporate notes issued by KCRC (fair value as at 30 June 2009 at HK$77.0 million)
- Zero gearing



Prospects

Prospects

Growth Drivers

- Collaboration with CIECC (E-commerce arm under the Ministry of Commerce, PRC) to add a simple document creation solution on CIECC's business matching portal, providing a boost to promote more awareness and usage of DTTN in China

Prospects

Growth Drivers

- Development of a basic, low cost platform called “DTTN gateway” that can be readily deployed and operated locally; delivering full blown DTTN services to local customers through a link to the main platform in Hong Kong. Discussion on deployment of DTTN gateway in China is underway with some interested parties, including several municipal governments

Prospects

Business Investments

- A joint venture MOU signed with Beijing Changdian Zhiyuan Guangdianzi Company for Tradelink's investment of RMB 50Million (around 25% shareholding) in its data centre and disaster recovery as well as business continuity business

- A 10% shareholding in a joint venture of logistics park operations in Pinggu area of Beijing, involving development of an IT system by Tradelink to support the operations of the park

Q & A

Thank You

Appendix

Consolidated Income Statement

	Six months ended 30 June 2009 (Unaudited) (HK$'000)	2008 (Unaudited) (HK$'000)
Turnover	**92,835**	114,696
Interest income	**2,596**	6,567
Staff costs	**(39,954)**	(39,124)
Depreciation	**(7,594)**	(4,867)
Other operating expenses	**(22,585)**	(21,157)
Profit from operations	**25,298**	56,115
Share of results of associates	**(2,564)**	(11,077)
Profit before taxation	**22,734**	45,038
Taxation	**(5,014)**	(8,339)
Profit for the period	**17,720**	36,699
Attributable to:		
Equity shareholders of the Company	**17,799**	36,699
Minority interest	**(79)**	-
Profit for the period	**17,720**	36,699
Interim Dividend		
per share (HK cents)	**1.752**	3.61
total	**13,636**	28,097
Earnings per share (HK cents)		
Basic	**2.29**	4.72
Diluted	**2.29**	4.71

貿易通 TRADELINK

Consolidated Balance Sheet

	As at 30 June 2009 (Unaudited) *(HK$'000)*	As at 31 December 2008 (Audited) *(HK$'000)*
Non-current assets		
Fixed assets	**68,462**	41,461
Interest in leasehold land held for own use under operating lease	**5,413**	5,484
Goodwill	**9,976**	-
Interest in associates	**23,099**	42,539
	106,950	89,484
Current assets		
Trade receivables	**17,828**	18,401
Other receivables and prepayments	**13,968**	14,876
Other financial assets	**76,980**	-
Deposits with bank	**8,000**	5,124
Cash and cash equivalents	**307,416**	434,359
	424,192	472,760
Current liabilities		
Trade creditors, accounts payable, and other payables	**216,048**	220,046
Taxation	**2,471**	2,438
	218,519	222,484
Net current assets	**205,673**	250,276
Total assets less current liabilities	**312,623**	339,760
Non-current liabilities		
Provision for long service payments	**2,220**	2,282
Deferred taxation	**873**	718
	3,093	3,000
NET ASSETS	**309,530**	336,760
Capital and reserves		
Share capital	**155,661**	155,661
Reserves	**153,869**	180,819
Total equity attributable to equity shareholders of the Company	**309,530**	336,480
Minority interests	**-**	280
TOTAL EQUITY	**309,530**	336,760

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