

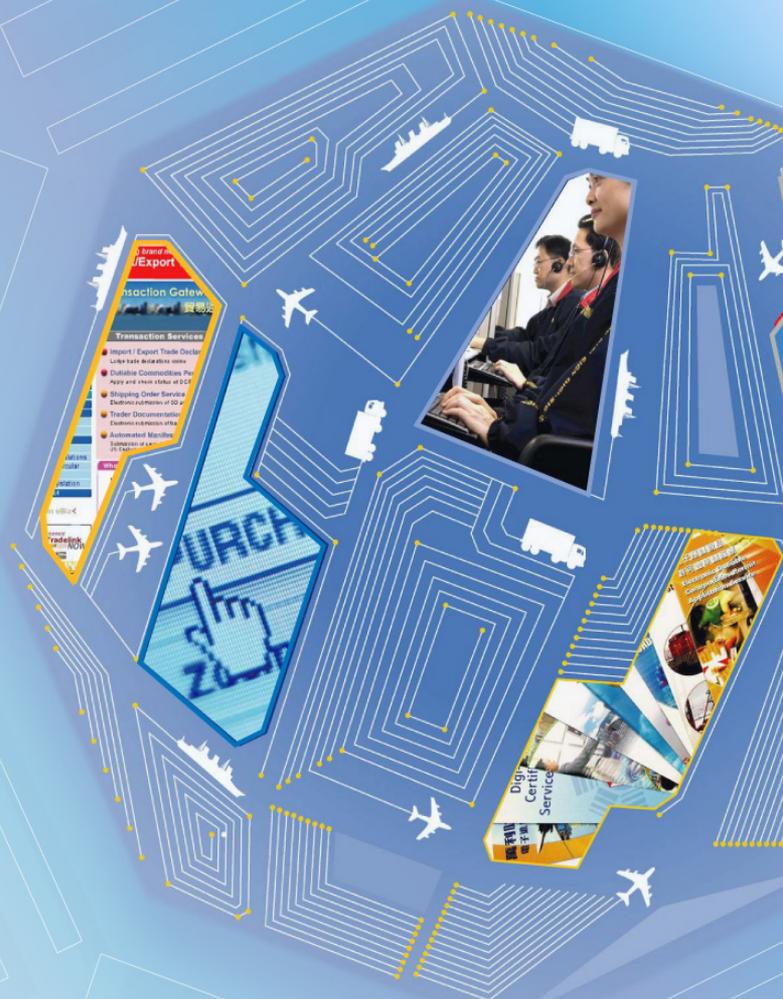


貿易通電子貿易有限公司  
Tradeline Electronic Commerce Limited

Stock Code : 536

2008 Interim Results Announcement

2 September 2008



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

# Business Highlights

# Key Highlights

- ✦ Higher interim profit attributable to successful in containing costs and a more favourable profits tax rate
- ✦ Core business of providing six front-end Government Electronic Trading Services (“GETS”) remained stable:

Import or Export  
Declaration (“TDEC”)

Production  
Notification (“PN”)

Certificate of Origin  
 (“CO”)

Dutiable Commodities  
Permit (“DCP”)

Electronic Cargo  
Manifest (“EMAN”)

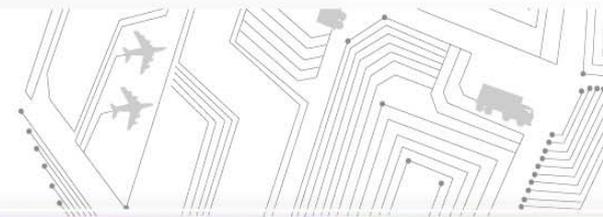
Notifications under Textiles  
Trader Registration  
Scheme (“TTRS”)

- ✦ Submitted a tender for the new GETS license, confident of securing the new 7-year license

# Key Highlights

- ✦ DTTNCo continued to make progress with over 3,600 customers among leading organisations in the region and worldwide
- ✦ Engaged by one of the largest US banks to jointly develop a solution to integrate the online payment system of the bank with DTTN
- ✦ Digi-Sign strengthened relationship with a number of banks in Hong Kong
- ✦ Set up a branch office in Beijing to explore business opportunities in China

# Interim Dividend



- ✦ Profit attributable to shareholders amounted at HK\$36.7 million
- ✦ 2008 declared interim dividend:
  - Total: HK\$28.1 million
  - Per share: HK cents 3.61
  - Dividend payout ratio: 76.6%

# Financial Highlights

# Financial Highlights

	Six months ended 30 June	
	2008 (Unaudited)	2007 (Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover</b>	<b>114,696</b>	116,726
<b>Interest income</b>	<b>6,567</b>	4,742
<b>Profit from operations</b>	<b>56,115</b>	54,726
<b>Share of losses of an associate</b>	<b>(11,077)</b>	(11,938)
<b>Profit attributable to shareholders</b>	<b>36,699</b>	33,801
<b>Earnings per share</b>		
- Basic	<b>HK cents 4.72</b>	HK cents 4.34
- Diluted	<b>HK cents 4.71</b>	HK cents 4.32
<b>Interim dividend</b>		
- Per share	<b>HK cents 3.61</b>	HK cents 3.61
- Total amount	<b>28,097</b>	28,091

# Key Financial Ratios



	Six months ended 30 June	
	2008	2007
<b>Operating profit margin</b>	<b>48.9%</b>	46.9%
<b>Net profit margin</b>	<b>32.0%</b>	29.0%
<b>Effective tax rate</b>	<b>18.5%</b>	21.6%
<b>Current ratio</b>	<b>2.10</b>	1.64
<b>Debtor's turnover days<sup>1</sup></b>	<b>6</b>	7

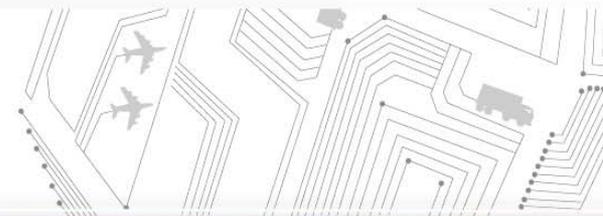
*Note 1: The calculation of debtor's turnover days is based on the closing balance for trade receivables divided by the amount of turnover and Government charges collected by Tradelink and multiplied by number of days of the relevant period.*

# Healthy Cash Flow

- ✦ Net cash flow from operating activities of approximately HK\$44.8 million
- ✦ Trade receivables at HK\$25.1 million
- ✦ Debtor's turnover day of about 6 days
- ✦ Zero bad debt
- ✦ HK\$367.7 million cash and cash deposits as at 30 June 2008 (including customer deposit of HK\$172.1 million)
- ✦ Zero gearing



# Key Balance Sheet Items

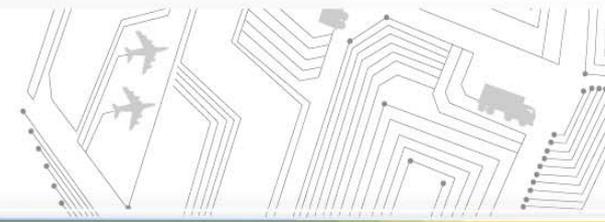


	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
	HK\$'000	HK\$'000
<b>Fixed assets</b>	<b>43,695</b>	<b>44,547</b>
<b>Trade receivables</b>	<b>25,067</b>	<b>19,381</b>
<b>Cash and cash deposits<sup>2</sup></b>	<b>367,665</b>	<b>374,706</b>
<b>Net assets</b>	<b>329,325</b>	<b>339,848</b>

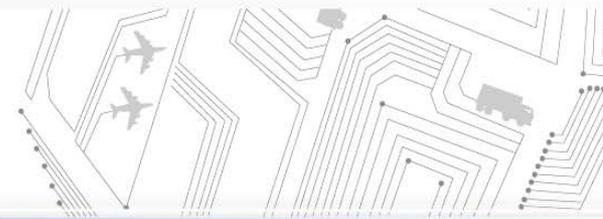
Note 2: Including customer deposits of HK\$172.1 million and HK \$171.7 million as at the respective review period

# Core Business

# Operating Mode of GETS

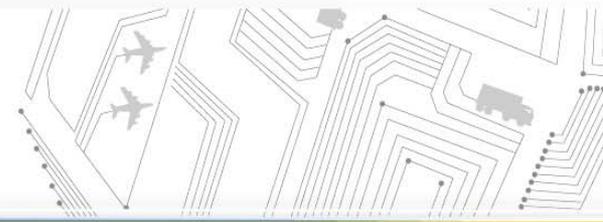


# Substantial Customer Base



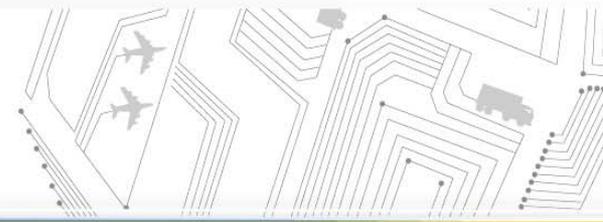
- ✦ Over 54,000 registered customers including manufacturers, importers, exporters, freight forwarders, logistics services providers and carriers
- ✦ Steady transaction volume – over 10.2 million in 1H 2008 (FY 2007: 20 million)
- ✦ Dedicated customer services offering hotline, onsite technical support, 35 customer services centres, training support and account managers for key clients

# Highlights – Core Business (GETS services)



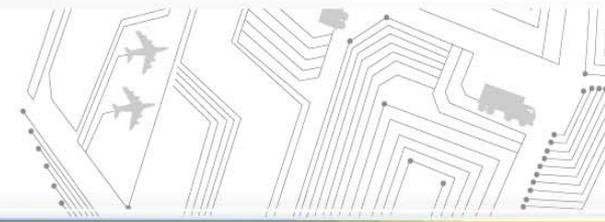
- ✦ GETS services experienced a small decline in 1H 2008 due to lower transaction volume of services used by the manufacturing sector in Hong Kong
- ✦ Submitted a tender for the new GETS license, confident of securing the new 7-year license

# Highlights – Core Business (non-GETS services)



- ✦ Trader Documentation Service (“TDS”) was deployed for more shippers and buyers, including a major Korean-based forwarder and a renowned forwarder appointed by several large US importers
- ✦ Exploring a number of co-operation opportunities in and around Beijing supported by the new office in the capital city

# Highlights – DTTN



- ✦ Reduced loss through vigorous cost-cutting and aggressive marketing
- ✦ A customer base of around 3,600 companies including leading organisations in the region / worldwide
- ✦ Engaged by one of the largest US banks to jointly develop a solution to integrate the online payment system of the bank with DTTN, and in turn promote electronic payment through DTTN
- ✦ Forge partnership with software vendors to develop easy-to-use electronic business solutions for SMEs



# Highlights – Digi-Sign

- ✦ Strengthened relationship with a number of banks in Hong Kong and enhanced the security of the online services
- ✦ Signed an arrangement to provide digital certificates to all member organisations of a regulatory body
- ✦ The regulatory body also commissioned Digi-Sign to design and develop a security infrastructure, which is scheduled for launch by the end of 2008

# Prospects

# Prospects

- ✦ Government services will be stable
- ✦ Develop new services (e.g. value-added services) and create new revenue streams
- ✦ Some of the projects in China under negotiation, if materialised, will benefit DTTN notably
- ✦ Actively looking for business investment and cooperation opportunities in both Hong Kong and China to enhance returns from the sizable cash reserve

# Q & A

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Thank You

# Appendix

# Consolidated Income Statement

	Six months ended 30 June	
	2008 (Unaudited) (HK\$'000)	2007 (Unaudited) (HK\$'000)
<b>Turnover</b>	114,696	116,726
Interest income	6,567	4,742
Staff costs	(39,124)	(37,757)
Depreciation	(4,867)	(5,705)
Other operating expenses	(21,157)	(23,280)
Profit from operations	56,115	54,726
Share of losses of an associate	(11,077)	(11,938)
Gain on partial disposal of an associate	-	345
<b>Profit before taxation</b>	45,038	43,133
Taxation	(8,339)	(9,332)
<b>Profit attributable to equity shareholders of the Company</b>	36,699	33,801
<b>Interim Dividend</b>		
Total	28,097	28,091
Per share	HK cents 3.61	HK cents 3.61
<b>Earnings per share</b>		
Basic	HK cents 4.72	HK cents 4.34
Diluted	HK cents 4.71	HK cents 4.32

# Consolidated Balance Sheet

	As at 30 June 2008 (Unaudited) (HK\$'000)	As at 31 December 2007 (Audited) (HK\$'000)
<b>Non-current assets</b>		
Fixed assets	43,695	44,547
Interest in leasehold land held for own use under operating lease	5,555	5,626
Interest in associates	31,701	43,020
	<u>80,951</u>	<u>93,193</u>
<b>Current assets</b>		
Trade receivables	25,067	19,381
Other receivables and prepayments	19,353	11,974
Other financial assets	69,242	69,342
Deposits with bank	3,592	188,500
Cash and cash equivalents	364,073	186,206
	<u>481,327</u>	<u>475,403</u>
<b>Current liabilities</b>		
Trade creditors, accounts payable, and other payables	222,647	221,479
Taxation	6,988	4,142
	<u>229,635</u>	<u>225,621</u>
<b>Net current assets</b>	<u>251,692</u>	<u>249,782</u>
<b>Total assets less current liabilities</b>	<u>332,643</u>	<u>342,975</u>
<b>Non-current liabilities</b>		
Provision for long service payments	2,367	2,173
Deferred Taxation	951	954
	<u>3,318</u>	<u>3,127</u>
<b>Net assets</b>	<u>329,325</u>	<u>339,848</u>
<b>Capital and reserves</b>		
Share capital	155,661	155,642
Reserves	173,664	184,206
	<u>329,325</u>	<u>339,848</u>