



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

Stock Code : 0536
2009 Annual Results Announcement



Corporate Profile

Listing Date	28 October 2005
Share Price (@ 23/3/2010)	HK\$ 0.91
Issued Shares (@ 28/2/2010)	778,306,055 shares
Market Cap	HK\$708.3 million
FY End Date	31 December
Major Shareholders	The Financial Secretary Incorporated (12.3%) The Hongkong & Shanghai Banking Corporation Limited (8.12%) DJE Investment S.A. (7.99%) Penta Investment Advisers Limited (5.05%)



Outline

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- ✦ Q&A
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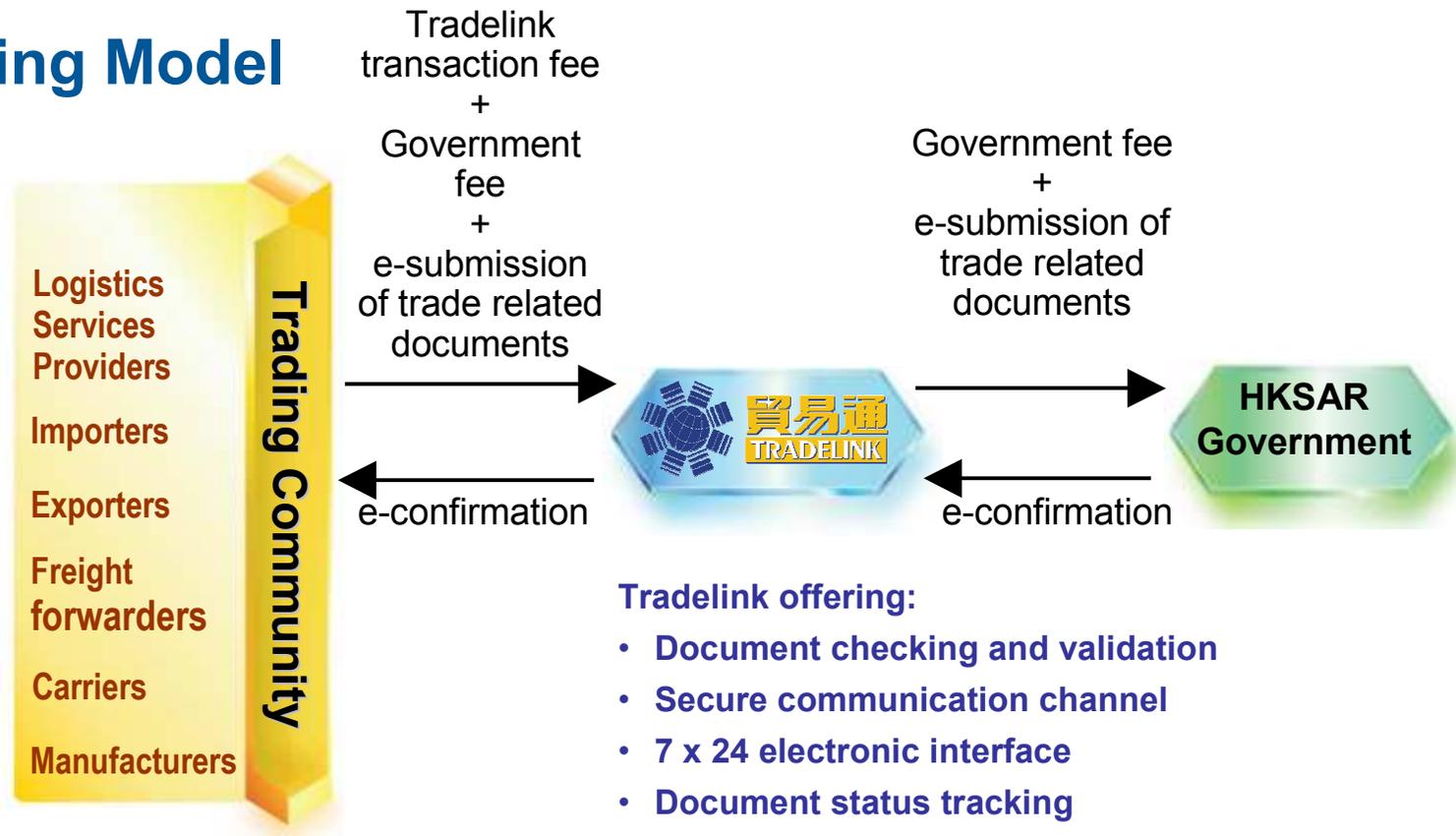


Business Review



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”)

- ✦ Successfully completed the necessary enhancement to the computer platform. The enhanced platform was rolled out on 1 January 2010 for offering GETS under a new seven-year licence (2010-2016)



Core Business – GETS (Cont'd)

- ✦ Core business experienced a decline of 18% in 1H 2009 due to the global economic downturn. The decline narrowed to 9% in the 2H 2009, with a overall drop of 13% for the whole year.
- ✦ Continue to command a dominant market share for all six GETS services.
- ✦ Maintained 54,000 registered customers including manufacturers, importers, exporters, freight forwarders, logistics services providers and carriers.



DTTNC_o

- ✦ Acquisition of DTTNCo has enabled Tradelink to achieve significant operational cost saving by integrating the business and operations of the two companies.
- ✦ Further savings could be achieved upon full integration of the Tradelink and DTTN platforms which will take some 2 years to complete.
- ✦ Bundled services and applications gaining easier and wider acceptance by new and existing customers. A number of major success cases were reported during the year of review.
- ✦ DTTN will contribute positively to the Group's bottom line in the future.



Digi-Sign

- ✦ Digi-Sign made encouraging progress during 2009.
- ✦ Worked actively with the financial service sector to create security solutions which fully meet the requirements of the Hong Kong Monetary Authority for secure online banking transactions.
- ✦ The solution has been deployed by a number of major banks for online banking services for their corporate customers.
- ✦ Discussions to extend similar security solutions to on-line banking services for retail customers of these banks are at an advanced stage.
- ✦ Additional steady source of recurrent income for the Group in the future.



Dividends

- ⊕ **Dividends for 2009:**
 - Declared interim dividend: HK cents 1.752 per share
 - Proposed final dividend: HK cents 4.0 per share
 - Total dividend: HK cents 5.752 per share

- ⊕ The fourth year in a row with a 100% dividend payout of the Group's attributable profits to shareholders



Financial Highlights



Financial Highlights

	Year ended 31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	199,225	232,605
Profit from operations	58,598	110,199
Share of results of associates	(2,037)	(22,222)
Profit attributable to equity shareholders	45,111	71,115
Earnings per share		
- Basic	HK cents 5.8	HK cents 9.1
- Diluted	HK cents 5.8	HK cents 9.1
Dividend per share		
- Interim	HK cents 1.752	HK cents 3.61
- Proposed final	HK cents 4.0	HK cents 5.52



Key Financial Ratios

	Year ended 31 December	
	2009	2008
Operating profit margin	29.4%	47.4%
Net profit margin	22.6%	30.6%
Effective tax rate	20.4%	19.2%
Current ratio	2.0	2.1
Debtor's turnover days ¹	6	4

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 Balance Sheet Items

	As at 31 December 2009	As at 31 December 2008
	HK\$'000	HK\$'000
Fixed assets	59,657	41,461
Trade receivables	22,503	18,401
Cash and bank deposits ²	252,371	439,483
Net assets	322,854	336,760

Note 2: Including customer deposits of HK\$168.5 million and HK\$171.6 million as at the respective year end



Healthy Cash Flow

- ✦ Net cash flow from operating activities totalled approximately HK\$32.8 million
- ✦ Trade receivables at HK\$22.5 million
- ✦ Duration of debtor's turnover: 6 days
- ✦ cash and bank deposits totalled HK\$252.4 million as at 31 December 2009 (including customer deposits of HK\$168.5 million)
- ✦ HK\$145.8 million invested in corporate notes (fair value as at 31 December 2009 at HK\$147.4 million)



Prospects

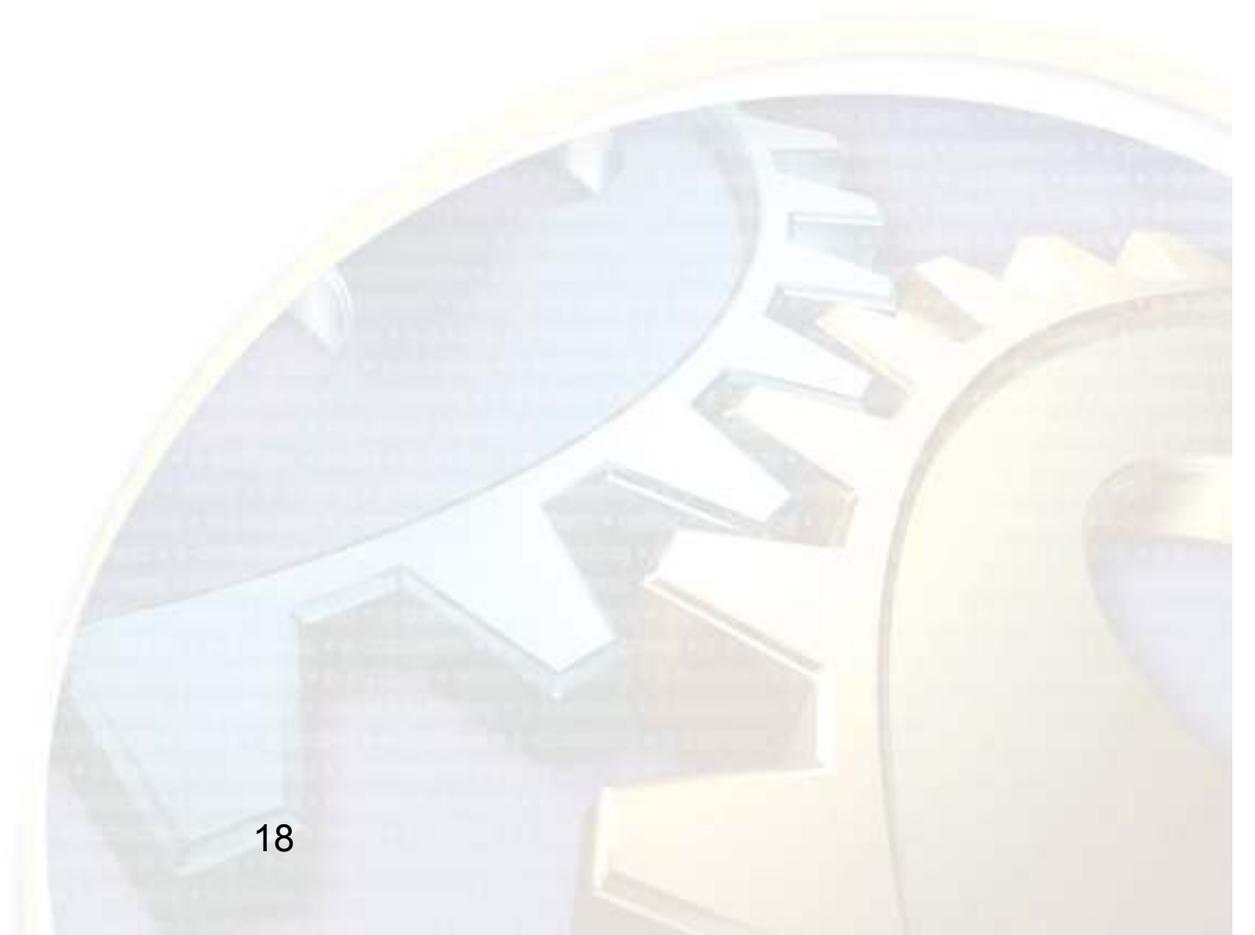


Prospects

- ✦ The economic recovery in the Mainland China renders the Group with optimism its investment and business prospects in that market
- ✦ Firstly, Nanfang Haian Science & Technology Service Company Limited poses to have a better performance in 2010
- ✦ Secondly, the Pinggu Logistics Park project was inaugurated on 12 March 2010 and has become fully operational since then
- ✦ Lastly, Beijing Changdian Zhiyuan Optoelectronic Company Limited is become fully operational during the first half of 2010



Q&A



Appendix



Consolidated Income Statement

	For the year ended 31 December	
	2009	2008
	(HK\$'000)	(HK\$'000)
Turnover	199,225	232,605
Interest income	5,937	12,681
Staff costs	(82,334)	(80,639)
Depreciation	(18,656)	(9,383)
Other operating expenses	(45,574)	(45,065)
Profit from operations	58,598	110,199
Share of results of associates	(2,037)	(22,222)
Profit before taxation	56,561	87,977
Taxation	(11,529)	(16,850)
Profit for the year	45,032	71,127
Attributable to:		
Equity shareholders of the Company	45,111	71,115
Minority interests	(79)	12
Profit for the year	45,032	71,127
Dividends		
Interim	13,636	28,097
Proposed final after the balance sheet date	31,132	42,962
	44,768	71,059
Earnings per share		
Basic	HK cents 5.8	HK cents 9.1
Diluted	HK cents 5.8	HK cents 9.1



Consolidated Balance Sheet

	As at 31 December 2009 (HK\$'000)	As at 31 December 2008 (HK\$'000)
Non-current assets		
Fixed assets	59,657	41,461
Interest in leasehold land held for own use under operating lease	5,342	5,484
Goodwill	9,976	-
Interest in associates	23,659	42,539
	<u>98,634</u>	<u>89,484</u>
Current assets		
Trade receivables	22,503	18,401
Other receivables and prepayments	28,913	14,876
Other financial assets	147,373	-
Deposits with bank	5,000	5,124
Cash and cash equivalents	247,371	434,359
	<u>451,160</u>	<u>472,760</u>
Current liabilities		
Trade creditors, accounts payable, and other payables	220,096	220,046
Taxation	3,867	2,438
	<u>223,963</u>	<u>222,484</u>
Net current assets	<u>227,197</u>	<u>250,276</u>
Total assets less current liabilities	<u>325,831</u>	<u>339,760</u>
Non-current liabilities		
Provision for long service payments	2,405	2,282
Deferred taxation	572	718
	<u>2,977</u>	<u>3,000</u>
NET ASSETS	<u>322,854</u>	<u>336,760</u>
Capital and reserves		
Share capital	155,661	155,661
Reserves	167,193	180,819
Total equity attributable to equity shareholders of the Company	<u>322,854</u>	<u>336,480</u>
Minority interests	-	280
TOTAL EQUITY	<u>322,854</u>	<u>336,760</u>

