



**貿易通**  
**TRADELINK**

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

# 2013 Interim Results Presentation

# Corporate Profile

**Listing Date**

- 28 October 2005

**Share Price  
(@ 27/8/2013)**

- HK\$1.55

**Issued Shares  
(@ 27/8/2013)**

- 787,828,144 shares

**Market Cap**

- HK\$1,221,133,623



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# Overview

- Results for the first half of our Silver Jubilee year were highly satisfying, with turnover improved by 8.6% year-on-year to HK\$111.8 million
- Despite a softer contribution from our GETS and trade-related services, the robust growth in Digi-Sign and activities from DTTN and China helped sustain a strong growth
- Diversification efforts we started three years ago were therefore timely

# Tradelink

- The operating environment remained weak during the first six months of 2013. Revenue from GETS slipped by 1.6% despite a 0.22% increase in transactions handled, and revenue from other trade-related services reported a 4.0% decline
- As the declining trend will continue and inevitably affect our GETS and trade-related services, we introduced two new value-added services to supplement revenue whilst better serve our customers:
  - Cloud-based Document Filing service, and
  - Freight Forwarder Invoice module



# DTTN

- DTTN recorded an increase in revenue of around 50.0% from HK\$2.0 million to HK\$3.0 million
- The Community Platform, jointly developed with Cathay and GLSHK, commenced pilot run in the second quarter of 2013; a review of the results is underway to identify ways for improvement

# Digi-Sign

- Revenue more than doubled from HK\$8.5 million to HK\$18.0 million
- Development work for mobile wallet in Hong Kong as the first phase of our mobile banking application is underway:
  - solution received initial clearance from HKMA and is hugely popular with our bank and other clients
  - Taiwan and Macau partners agreed to adopt the solution for their markets
- Successful delivery of the Smart Warrant Card System to the Police opened further e-Government business opportunities, including endorsement from authorities of our solution for the HKMA's E-cheque initiative scheduled to be launched in 2015 Q1



# China

- China activities recovered nicely with two key projects completed
- Net of the re-statement of Guofurui's accounts of HK\$6.0 million due to a different accounting method on the order of the State Auditors, our share of its profits for the first half amounted to HK\$3.8 million
- Other projects were progressing well:
  - Shanghai 4PL JV launched its first phase “Matching Platform” at Shanghai, Shenzhen and Chengdu in June
  - Beijing B2C platform JV launched its “Teachers’ Union” platform in July
- The approach to acquire part of our stake in the Beijing Data Center fell through, though another approach received and the necessary due diligence work now underway





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# Financial Review

Compared to the first six months in 2012:

- Turnover improved 8.6% to HK\$111.8 million
- Profit from operations increased by 28.9% to HK\$51.3 million
- Profit attributable to equity shareholders increased by 23.1% to HK\$41.5 million
- Basic earnings per share increased by 23.0% to HK 5.41 cents

# Interim Dividend

- Declared interim dividend HK 4.0 cents per share
- Increased by 21.2% over same period last year
- Dividend payout ratio maintained at approx. 75.0% of distribution profit

# Financial Highlights

Six months ended 30 June (HK\$M)	1H 2013 (unaudited)	1H 2012 (unaudited)	Change
Turnover	111.8	102.9	8.6%
Profit from operations	51.3	39.8	28.9%
Profit before taxation	47.2	39.8	18.6%
Attributable to:			
Equity shareholders of the Company	41.5	33.7	23.1%
Non-controlling interest	(0.046)	-	-
Profit for the Period	41.4	33.7	22.8%
Earnings per share (HK cents)			
- Basic	5.41	4.40	23.0%
- Diluted	5.27	4.31	22.3%

# Key Financial Ratios

Six months ended 30 June	1H 2013 (unaudited)	1H 2012 (unaudited)
Operating profit margin	45.9%	38.7%
Net profit margin	37.0%	32.8%
Effective tax rate	12.2%	15.3%
Current ratio	1.8	1.7
Debtors' turnover days	10	7

# Key Balance Sheet Items

(HK\$M)	As at 30 June 2013 (unaudited)	As at 31 December 2012 (audited)
Fixed assets	40.3	41.4
Trade receivables	25.4	24.1
Other financial assets	224.6	265.2
Cash and bank deposits	159.0	127.3
Net assets	343.1	359.0

# Strong and Healthy Financials

- Net cash flow from operating activities totaled HK\$38.7 million
- Trade receivables at HK\$25.4 million
- Debtors' turnover day at about 10 days
- HK\$159.0 million of cash and bank deposits as at 30 June 2013
- Zero bad debt
- Zero gearing

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# Prospects

## Tradelink

- Further explore new services to arrest the fall in GETS and GETS-related services, whilst better serving our extensive SME client base

## DTTN/ China

- In addition to completing development of the next two phases of “Matching Platform”, the immediate task will be to extend the JV’s geographical presence in the top 30 cities
- JV of the “Teachers’ Union” platform will devote the second half of this year to recruit more members through charity and life-style events before official launch in 2014



# Prospects (cont')

## Digi-Sign

- We expect strong growth at Digi-Sign to be sustained, with a number of projects coming on stream:
  - discussions with Taiwan and Macau partners are at an advanced stage to turn the mobile wallet solution, to be launched jointly with JETCO in November, into a cross-border one; if successful, we will explore possibilities to extend the solution to China
  - discussions with banks for adopting our proposed solutions for HKMA's E-cheque initiative are underway



# Prospects (cont')

## Digi-Sign

- Given the amount and extent of activities currently underway, a new subsidiary, Tradelink E-Biz Secure Solutions Limited (“TESS”), will be established to take over non-CA related activities from Digi-Sign, leaving Digi-Sign to concentrate on its regulated core CA businesses

*“The business diversification strategy we have been pursuing in recent years helped us stay resilient.”*



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