

Management Discussion and Analysis

管理層討論及分析

Business Review

Highlights of the Group's business performance during the review period include:

Tradelink

- The Group's core business in providing Government-related electronic trade services in the first half of 2006 remained very stable, despite a price-cut programme in the market launched by its competitor during the review period.
- The use of the electronic cargo manifest service has become mandatory for river and ocean carriers from 16 June 2006. Therefore, the volume of cargo manifest submitted to using Tradelink's Electronic Cargo Manifest ("EMAN") service is expected to grow significantly in the second half of 2006 with corresponding contribution to the Company's bottom line.
- The Company is also working closely with relevant departments of the Government to introduce a new charging scheme for the Government's Textiles Trader Registration Scheme ("TTRS"), the electronic service for which is operated by Tradelink. The Company is hopeful that the new charging arrangements will encourage greater use of Tradelink's electronic TTRS service.
- Tradelink completed the second phase of system upgrades in June 2006 as scheduled. With this, Tradelink computer platform is fully aligned with that of the Government. The Company does not anticipate that there will be significant Government-mandated computer platform changes in the foreseeable future.

業務回顧

於回顧期內，本集團的業務發展概要包括：

貿易通

- 於回顧期內，儘管本集團的競爭對手於市場推出減價計劃，本集團提供政府相關電子貿易服務的核心業務，於二零零六年上半年仍然相當穩定。
- 由二零零六年六月十六日起，河道及海洋的貨物運輸全面實行以電子方式提交貨物艙單。因此，我們預期於二零零六年下半年，透過貿易通「電子貨物艙單」(Electronic Cargo Manifest, 「EMAN」)服務而提交的貨物艙單數量，將會大幅增長，並會相應為本公司帶來進賬。
- 本公司現正就旗下另一政府電子服務「紡織商登記方案」(Textiles Trader Registration Scheme, 「TTRS」)與政府有關部門密切磋商，為該方案推出全新收費計劃。本公司希望有關全新收費安排，將有助鼓勵更多紡織商使用貿易通的TTRS電子服務。
- 貿易通已於二零零六年六月，如期完成第二期的系統升級工程。工程完成後，貿易通的電腦平台已全面符合政府的系統升級要求。本公司並不預期於可見的未來，政府會進行另一次重大的強制性電腦平台升級工程。

DTNCo

- The Government's HK\$31.5 million investment in DTNCo was completed in February 2006. Since then, DTNCo has issued and allotted new shares to three trade associations, namely the Federation of Hong Kong Industries (7.5 million shares), the Hongkong Association of Freight Forwarding and Logistics Limited (330,000 shares) and the Hong Kong Shippers' Council (330,000 shares). DTNCo has also completed its allocation of 15 million shares to the Hong Kong General Chamber of Commerce before the end of August 2006.
- With the successful launch of the DTTN at the beginning of 2006, DTNCo expects to wrap up its pilot phase some time in the second half of 2006. DTTN customers now cover a wide spectrum of freight forwarders, shippers, carriers and banks. We are continuing with our intensive marketing and promotion programmes with associations to vamp up DTTN usage.
- Another interesting development with DTNCo is that we are engaged with a number of overseas organizations to explore possible cooperation including possibly DTNCo rendering assistance in the construction of similar platforms overseas (and connected to Hong Kong) via straight forward franchising arrangements where the overseas organizations could start offering DTTN-like services in their respective areas through direct connections to the DTTN platform in Hong Kong. We are cautiously optimistic that some of these discussions will lead to positive results.

Digi-Sign

- Subsequent to the announcement that Hongkong Post sought to outsource its Certification Authority operation, a tender for the operation's outsourcing was issued on 16 June 2006. Tradelink's wholly-owned subsidiary Digi-Sign Certification Services Limited ("Digi-Sign") submitted a bid for the project with a joint venture partner on 2 August 2006. Results are expected to be announced by October 2006. If successful, Digi-Sign believes its vast experience in operating a Certification Authority will help the Government achieve significant cost saving for the Hongkong Post operation. At the same time, Digi-Sign will seek to identify possible usage for the extensive number of certificates that the Hongkong Post had embedded in the smart identification cards of Hong Kong citizens.

數碼貿易運輸網絡有限公司 (Digital Trade and Transportation Network Limited, [DTNCo])

- 政府於DTNCo投放港幣31,500,000元的投資，已於二零零六年二月完成。隨後，DTNCo已向三間商會發行及配發新股份。該三間商會包括香港工業總會(7,500,000股)、香港貨運物流業協會有限公司(330,000股)以及香港付貨人委員會(330,000股)。DTNCo亦已於二零零六年八月底以前，完成向香港總商會配發15,000,000股股份。
- DTNCo於二零零六年年初成功推出DTTN後，預期於二零零六年下半年內，完成該系統的試用。DTTN客戶層面廣闊，包括承運商、付貨人、運輸商及銀行。我們現正密鑼緊鼓，與商會攜手推出密集式的市場營銷及推廣活動，增加DTTN的使用量。
- DTNCo的另一發展重點，是我們正與若干海外組織接觸，共同研究可能合作的機會，包括DTNCo協助於海外建設類似的平台（並與香港連結）。此等直接特許安排，將有助海外組織透過與香港DTTN平台的直接連繫，於相關地區開始提供類似DTTN的服務。我們審慎樂觀地認為，該等討論會有成果。

電子核證服務有限公司 (Digi-Sign Certification Services Limited, [Digi-Sign])

- 香港郵政繼較早前宣布擬外判旗下核證機關的運作後，已於二零零六年六月十六日發出有關外判的招標書。貿易通全資附屬公司電子核證服務有限公司 (Digi-Sign Certification Services Limited, [Digi-Sign]) 與一名聯營夥伴，已於二零零六年八月二日就該項目提交標書。我們預期有關結果將於二零零六年十月公布。倘若成功中標，Digi-Sign相信憑藉其豐富的核證機關業務經營經驗，將有助政府大大節省香港郵政的營運成本。與此同時，Digi-Sign會就香港郵政廣泛地在香港市民的智能身份證上內嵌的電子證書，探究可行的用途。

Management Discussion and Analysis (continued)

管理層討論及分析 (續)

Financial Review

Turnover for the six months ended 30 June 2006 was HK\$120.7 million, an increase of 2.7% over the same period in 2005. Operating expenses (excluding depreciation) stayed at HK\$60.9 million for the first half of 2006 as compared to HK\$60.2 million for the same period in 2005.

Depreciation charges for the first six months of 2006 amounted to HK\$7.7 million, higher than the amount charged for the same period in 2005 at HK\$7.2 million by HK\$0.5 million.

Our profit from operations for the six months ended 30 June 2006 was HK\$55.7 million, representing an increase of 2.0%.

For the six months ended 30 June 2006, the amount of loss shared from DTTNCo was HK\$1.2 million. There was no corresponding amount of loss shared from DTTNCo in the first half of 2005.

Profit attributable to equity shareholders of the Company for the six months ended 30 June 2006 was HK\$45.2 million, slightly lower than the net profit for the same period in 2005 by HK\$0.6 million. The drop was mainly due to the share of loss from DTTNCo at the amount of HK\$1.2 million. Excluding the share of loss from DTTNCo, the profit attributable to equity shareholders of the Company for the six months ended 30 June 2006 was adjusted to HK\$46.4 million, representing a profit increase of 1.3%.

Basic earnings per ordinary share of HK\$0.20 each for the first six months of 2006 decreased by 8.6% to HK cents 5.81 as compared to HK cents 6.36 for the same period in 2005.

Liquidity and Financial Position

As at 30 June 2006, the Group had a total cash and bank balances of HK\$377.0 million (31 December 2005: HK\$317.2 million). The total assets and the net assets of the Group amounted to HK\$560.6 million (31 December 2005: HK\$535.0 million) and HK\$327.3 million (31 December 2005: HK\$303.6 million) respectively.

As at 30 June 2006, the Group had no borrowings.

財務回顧

截至二零零六年六月三十日止六個月，本公司的營業額為港幣120,700,000元，較二零零五年同期增加2.7%。二零零六年上半年經營開支（不包括折舊）為港幣60,900,000元，與二零零五年同期的港幣60,200,000元相若。

二零零六年首六個月的折舊開支為港幣7,700,000元，較二零零五年同期的港幣7,200,000元，增加港幣500,000元。

截至二零零六年六月三十日止六個月的經營溢利為港幣55,700,000元，增加2.0%。

截至二零零六年六月三十日止六個月，本集團分佔了DTTNCo的虧損為港幣1,200,000元。於二零零五年上半年，本公司並沒有相應的DTTNCo虧損。

截至二零零六年六月三十日止六個月，本公司股權持有人應佔溢利為港幣45,200,000元，較二零零五年同期的淨溢利輕微減少港幣600,000元。減幅主要來自所佔DTTNCo虧損的港幣1,200,000元。撇除所佔DTTNCo的虧損外，截至二零零六年六月三十日止六個月，本公司股權持有人應佔溢利調整至港幣46,400,000元，增加1.3%。

二零零六年首六個月的每股港幣0.20元普通股的基本盈利減少8.6%至5.81港仙，而二零零五年同期則為6.36港仙。

流動資金與財務狀況

於二零零六年六月三十日，本集團的現金及銀行結餘總額為港幣377,000,000元（二零零五年十二月三十一日：港幣317,200,000元）。本集團的資產總額及資產淨值分別為港幣560,600,000元（二零零五年十二月三十一日：港幣535,000,000元）及港幣327,300,000元（二零零五年十二月三十一日：港幣303,600,000元）。

於二零零六年六月三十日，本集團並無借貸。

Capital and Reserves

As at 30 June 2006, the capital and reserves attributable to equity shareholders were HK\$327.3 million, which had increased from the amount of HK\$303.6 million at the end of 2005 by HK\$23.7 million.

Charge on Assets and Contingent Liabilities

As at 30 June 2006, the Group had obtained two performance bonds from The Hongkong & Shanghai Banking Corporation Limited with an aggregate amount of HK\$2.1 million as the guarantee to the Government for the due performance of the GETS Agreements. The performance bond line facility is secured by a charge over deposit in the amount of HK\$2.1 million. The facility is subject to review on an annual basis.

The Group did not have any other charges on assets.

The Group has provided a bank guarantee amounted to HK\$1.2 million in respect of a revolving credit facility granted to KAZ Computer Services Hongkong Limited, an associated company of the Group. The guarantee is a continuing security and shall not be released or discharged until the expiration of six months after payment, discharge or satisfaction in full of the guaranteed liability.

Capital Commitments

Capital commitments outstanding as at 30 June 2006 not provided for in the financial statements amounted to HK\$0.1 million (31 December 2005: HK\$0.2 million). They are in respect of computer equipment.

Employees and Remuneration Policy

As at 30 June 2006, the Group employed a work force of 286 (2005: 323). All of these employees were working in Hong Kong. The related staff costs for the six months ended 30 June 2006 totaled HK\$38.4 million (2005: HK\$36.5 million).

The Group's remuneration policy is that all employees are rewarded on the basis of the market salary levels. In addition to salaries, the Group provides staff benefits including medical insurance and contribution to staff's mandatory provident fund. To motivate and reward all levels of employees to achieve the Group's profit target, the Group has established a discretionary performance bonus scheme. Payment of discretionary performance bonus depends on the actual financial performance of the Group. The Group also operates two employee share option schemes to motivate employees' performance.

資本與儲備

於二零零六年六月三十日，本公司股權持有人應佔資本及儲備為港幣327,300,000元，較二零零五年年底的港幣303,600,000元，上升港幣23,700,000元。

資產抵押及或有負債

於二零零六年六月三十日，本集團獲香港上海滙豐銀行有限公司提供兩份履約保證，總額為港幣2,100,000元，作為履行向政府就GETS服務協議提供的擔保。履約保證額度須以港幣2,100,000元存款的押記作為擔保。額度須每年檢討。

本集團並無任何其他資產抵押。

本集團就旗下聯營公司KAZ Computer Services Hongkong Limited獲授的循環信貸額度擔保，提供港幣1,200,000元的銀行擔保。該擔保屬持續性擔保，於擔保責任獲全數付款、解除或履行後足六個月前，本公司不得放棄或解除擔保。

資本承擔

於二零零六年六月三十日，尚待履行而未於財務報表撥備的資本承擔為港幣100,000元（二零零五年十二月三十一日：港幣200,000元）。該等資本承擔與電腦設備有關。

僱員及薪酬政策

截至二零零六年六月三十日，本集團的僱員總數為286人（二零零五年：323人）。所有僱員皆於香港工作。截至二零零六年六月三十日止六個月，有關僱員成本合共港幣38,400,000元（二零零五年：港幣36,500,000元）。

本集團的薪酬政策下所有僱員薪酬，均以市場薪酬水平釐定。除薪酬以外，本集團亦提供僱員福利，包括醫療保險及強制性公積金供款。為鼓勵及獎勵所有級別的僱員達到本集團的溢利目標，本集團已制定酌情績效花紅計劃。酌情績效花紅按本集團的實際財務表現派發。本集團亦提供兩項僱員購股權計劃，鼓勵員工爭取表現。

Management Discussion and Analysis *(continued)*

管理層討論及分析 *(續)*

Exposure to Fluctuation in Exchange Rates and Related Hedges

As at 30 June 2006, the Group had no foreign exchange exposure and related hedges.

Audit Committee

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the interim consolidated financial statements for the six months ended 30 June 2006.

The interim consolidated financial statements for the six months of 2006 have not been audited but have been reviewed by the Company's external auditor, KPMG.

Interim Dividend

The Board has resolved to declare an interim dividend of HK cents 4.80 per share for the six months ended 30 June 2006 to shareholders whose names appear on the Register of Members of the Company on 25 September 2006. The interim dividend payout ratio is approximately 83% of the Group's distributable profit attributable to shareholders.

匯率波動及相關對沖工具風險

於二零零六年六月三十日，本集團並無任何外匯及相關對沖工具風險。

審核委員會

本公司審核委員會已審閱本集團採納的會計政策，以及截至二零零六年六月三十日止六個月的中期綜合財務報表。

二零零六年六個月的中期綜合財務報表未經審核，但已由本公司的外聘核數師畢馬威會計師事務所審閱。

中期股息

董事會已議決宣派截至二零零六年六月三十日止六個月的中期股息，每股4.80港仙，予於二零零六年九月二十五日名列於本公司股東名冊的股東。中期股息派息比率佔本集團可分發股東應佔溢利約83%。