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If you have sold or transferred all your shares in Tradelink Electronic Commerce Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Tradelink Electronic Commerce Limited

貿易通電子貿易有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 536)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 43.43% EQUITY INTEREST IN DIGITAL TRADE AND TRANSPORTATION NETWORK LTD.

Financial Adviser to Tradelink Electronic Commerce Limited



CIMB-GK Securities (HK) Limited

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Optima Capital Limited

A letter from the Board is set out on pages 4 to 13 of this circular. A letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on page 14 of this circular. A letter of advice from Optima Capital Limited to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 26 of this circular.

A notice convening the EGM to be held at Meeting Room 5, 7/F, Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong, on Wednesday, 21 January 2009 at 2:30 p.m. is set out on pages 33 to 34 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy attached to the notice of the EGM in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

5 January 2009

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the sale and purchase agreement which the Company shall procure the Vendors to enter into, pursuant to which the Company shall purchase, and the Vendors shall sell the Sale Shares
“Announcement”	the Announcement of the Company dated 19 December 2008 in relation to, among other things, the Proposed Acquisition
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Business Day”	a day (other than Saturday, Sunday or gazetted public holiday and a day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for business in Hong Kong
“Company”	Tradelink Electronic Commerce Limited, a company incorporated in Hong Kong under the Companies Ordinance with limited liabilities and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreement
“Consideration Shares”	Shares to be issued by the Company in accordance with the Agreement to satisfy part of the consideration for the purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“DTTN Shares”	ordinary share of HK\$1.00 each in the capital of DTTNCo
“DTTNCo”	Digital Trade and Transportation Network Ltd., a company incorporated in Hong Kong with limited liability
“EGM”	the extraordinary general meeting of the Company to be convened and held on 21 January 2009 to consider and, if thought appropriate, to approve, among other matters (if any), the Agreement and all transactions contemplated thereunder
“Group”	the Company and its subsidiaries

DEFINITIONS

“Government”	the Government of the Hong Kong Special Administrative Region of the People’s Republic of China
“HKGCC”	Hong Kong General Chamber of Commerce
“Independent Board Committee”	the independent board committee, comprising three independent non-executive Directors, being Mr Yuen Kam Ho, George, Mr Chung Wai Kwok, Jimmy and Mr Wu Wai Chung, Michael, to advise the Independent Shareholders in respect of the Proposed Acquisition
“Independent Shareholders”	Shareholders other than the Vendors and their respective associates
“Latest Practicable Date”	30 December 2008, being the latest practicable date prior to the printing of the circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operating Agreement”	the operating agreement of DTTNCo dated 31 August 2005 between DTTNCo and the Government
“Proposed Acquisition”	the proposed acquisition of 43.43% equity interest in DTTNCo pursuant to the Agreement
“Sale Shares”	58,740,000 shares of DTTNCo, representing 43.43% of the issued share capital of DTTNCo held by the Vendors
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement of DTTNCo dated 31 August 2005 between the Financial Secretary Incorporated, the Company and DTTNCo and as supplemented by the supplemental agreement dated 22 May 2006
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Vendors”	(i) the Financial Secretary Incorporated; (ii) the Federation of Hong Kong Industries; (iii) Hong Kong Association of Freight Forwarding and Logistics Ltd; (iv) the Hong Kong Shippers’ Council; (v) the Hong Kong General Chamber of Commerce; (vi) the Indian Chamber of Commerce Hong Kong; and (vii) the Hong Kong Exporters’ Association
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

Certain English translation of Chinese names or words in this circular are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.



Tradelink Electronic Commerce Limited

貿易通電子貿易有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 536)

Directors

Executive Directors:

Mr. YUE Kwok Hung, Justin

Ms. CHUNG Shun Kwan

Non-executive Directors:

Dr. LEE Nai Shee, Harry, S.B.S., J.P. (*Chairman*)

Mr. CHAK Hubert

Mr. LO Sze Wai, Albert

Mr. WEBB Lawrence

Mr. KIHM Lutz Hans Michael

Mr. IP Sing Chi

Ms. CHAN Wai Yan, Ann

**Registered office and Principal place
of business:**

11th and 12th Floors,
Tower B, Regent Centre,
63 Wo Yi Hop Road, Kwai Chung,
Hong Kong

Independent Non-executive Directors:

Mr. HO Lap Kee, Sunny

Mr. YUEN Kam Ho, George

Mr. CHUNG Wai Kwok, Jimmy

Mr. WU Wai Chung, Michael

5 January 2009

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
43.43% EQUITY INTEREST IN
DIGITAL TRADE AND TRANSPORTATION NETWORK LTD.**

INTRODUCTION

The Company announced on 19 December 2008 that the Company proposed to procure the Vendors to enter into the Agreement within four weeks after obtaining Independent Shareholders' approval on the Agreement, pursuant to which the Company will purchase, and the Vendors will sell the Sale Shares.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with further details on, among other things, the Agreement, the Proposed Acquisition, the letter from the Independent Board Committee, the letter of advice from the Independent Financial Adviser, together with the notice convening the EGM, and information complying with other disclosure requirements under the Listing Rules.

AGREEMENT

The Intended Parties

- (a) the Vendors
- (b) the Company as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors (except for the Financial Secretary Incorporated and HKGCC) are third parties independent of the Company and connected persons of the Company.

Terms

Pursuant to the Agreement, the Vendors shall sell as beneficial owners of the Sale Shares, and the Company shall purchase the Sale Shares free from all liens, charges, encumbrances, equities and adverse interests and with all rights attached or accruing thereto at Completion (including the right to receive all dividends and other distributions declared, made or paid on or after Completion).

Consideration

A total consideration of HK\$18,796,800, representing HK\$0.32 per Sale Share, if payment in cash for the Sale Shares is elected; or HK\$19,971,600, representing HK\$0.34 per Sale Share, if payment in Consideration Shares is elected. The consideration payable by the Company under the share alternative is higher than the cash alternative to provide incentives to the Vendors for choosing the share alternative so as to lower the financial burden of the Group for the acquisition.

The consideration shall be satisfied at Completion by the Company in either of the following manners at the election of the Vendors by giving a written notice to the Company upon execution of the Agreement:

- (a) in cash; or

LETTER FROM THE BOARD

- (b) by the issue of the Consideration Shares, which shall be determined in accordance with the following formula:

Number of Consideration Shares to be issued = HK\$0.34 x NP/IP

Where:

NP = number of shares held by the Vendors in DTTNCo; and

IP = issue price of the Consideration Shares which shall equal to the 5-day average closing price of the Shares of the Company prior to the date of EGM but shall not be lower than HK\$0.42 per Share.

The consideration has been determined by the Directors taking into consideration of the financial performance, business prospect of DTTNCo after the Proposed Acquisition and the unaudited net assets of DTTNCo of approximately HK\$42.5 million as at 31 October 2008.

On the basis that all the Vendors elect option (b) above and assuming the issue price of the Consideration Shares is at its minimum (calculated based on 20% discount to the last closing price before the date of this announcement, or 5 days average closing price before the date of this announcement, whichever is lower, which is equal to HK\$0.42 per Share), a total of 47,551,431 Consideration Shares will be issued to satisfy the consideration of the Proposed Acquisition, representing approximately 6.11% of the existing issued share capital of the Company and approximately 5.76% of the enlarged share capital of the Company upon issue of the Consideration Shares. The Consideration Shares will be issued under a specific mandate to be sought at the EGM. The issue of the Consideration Shares by the Company will not result in a change in control of the Company.

Application has been made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares. There will not be any restriction on the subsequent sale of the Consideration Shares upon completion of the Proposed Acquisition.

Completion and conditions precedent

Completion is subject to the satisfaction of the below conditions:

- (i) the approval of the Independent Shareholders in respect of the purchase by the Company of the Sale Shares shall remain valid and not having been revoked;
- (ii) the receipt by the Company of the waiver of pre-emptive right by each of the Vendors in respect of the other Vendors' sale interest in DTTNCo;
- (iii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares;
- (iv) the amendment in such form and substance to the satisfaction of the Company of the Operating Agreement, or the cancellation of such agreement;

LETTER FROM THE BOARD

- (v) the execution by all the Vendors, the Company and DTTNCo of an instrument to cancel the Shareholders' Agreement and the relevant deeds of adherence whereby the parties, inter-alia, mutually waive the rights and discharge and release each other from further obligations and liabilities under the Shareholders' Agreement and the deeds of adherence; and
- (vi) all third party's consents required to give effect to the transactions contemplated under the Agreement having been obtained to the satisfaction of DTTNCo.

The Company may waive conditions (iv), (v) and (vi) above at its discretion.

If the conditions specified above is are not fulfilled or waived within seven days from the date of execution of the Agreement (or such other date as may be agreed by the parties thereto), the Agreement shall forthwith become null and void and cease to have any effect whatsoever and none of the parties thereto shall have any claims against the other parties thereto for costs, damages, compensations or otherwise (save for any antecedent breach).

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company to the best knowledge of the Directors as at the Latest Practicable Date and immediately following Completion:

	Shareholding as at the Latest Practicable Date		Shareholding immediately following the Completion (Note)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vendor				
The Financial Secretary Incorporated	95,673,000	12.29	121,173,000	14.67
Directors	1,860,000	0.24	1,860,000	0.23
Public:				
– Vendors				
The Federation of Hong Kong Industries	25,000,000	3.21	31,071,429	3.76
The Hong Kong Association of Freight Forwarding and Logistics Ltd	1,562,500	0.20	1,829,643	0.22
The Hong Kong Shippers' Council	–	–	267,143	0.03
The Hong Kong General Chamber of Commerce	29,375,000	3.78	41,517,858	5.03
The Indian Chamber of Commerce Hong Kong	–	–	3,035,715	0.37
The Hong Kong Exporters' Association	–	–	267,143	0.03
– Other Public	<u>624,835,555</u>	<u>80.28</u>	<u>624,835,555</u>	<u>75.66</u>
	<u><u>778,306,055</u></u>	<u><u>100.00</u></u>	<u><u>825,857,486</u></u>	<u><u>100.00</u></u>

Note: On the basis that all the Vendors elect for payment in Consideration Shares and assuming the issue price of the Consideration Shares is at its minimum (i.e. HK\$0.42 per Share).

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY

The Company is principally engaged in the provision of trade-related electronic services for both Hong Kong and international business communities. As at the Latest Practicable Date, the Company has an authorized share capital of HK\$250,000,000 divided into 1,250,000,000 Shares of HK\$0.2 each.

INFORMATION ON DTTNCO

DTTNCo was established in April 2004 as a result of a key initiative by the E-logistics Project Group of the Hong Kong Logistics Development Council to implement an electronic architecture in the form of a Digital Trade and Transportation Network (“DTTN”) in order to maintain and enhance Hong Kong’s position as the preferred international and regional transportation and logistics hub. The Company submitted a proposal at that time and on the recommendation of the Hong Kong Logistics Development Council, entered into discussion with the Government for the development and operation of the DTTN. The Operating Agreement was subsequently entered into between DTTNCo and the Government to define the service parameters, service levels, price model and implementation programme of the DTTN.

For the two years ended 31 December 2006 and 2007, DTTNCo recorded an audited net loss of approximately HK\$13.70 million and HK\$43.20 million respectively. The Directors believe that the dissatisfactory results of DTTNCo for the past two years were mainly due to the slower than expected rate of customers recruitment and activation, which was due to the constraints as imposed under the Operating Agreement which has limited the development potential of DTTN. For instance, under the Operating Agreement, DTTNCo’s operation is subject to a set of guiding principles which include the restrictions on DTTNCo on the provision of value-adding applications and the setting of a cap on the charges payable by users of the DTTN in the first five years and such charges can only be increased above this level in consultation with the Government. During the past few years, DTTNCo has experienced customers who are reluctant and/or declining to sign up with DTTN due to the limited benefits they could achieve by just using DTTN for simple document exchanges and no value-adding applications can be provided by DTTN.

DTTNCo had audited net assets of approximately HK\$75.85 million as at 31 December 2007. As at 31 October 2008, DTTNCo had unaudited net assets of approximately HK\$42.5 million based on the unaudited management account prepared by DTTNCo. The net cash position of DTTNCo also decreased from approximately HK\$28.9 million as at 31 December 2007 to approximately HK\$ 11.5 million as at 31 October 2008 mainly as a result of operating losses incurred during the period. The Directors consider that if the loss making position of DTTNCo continues under its current mode of operation as restricted by the Operating Agreement, DTTNCo’s cash position will be used up and it will be difficult to maintain DTTNCo as a going concern without new capital injection by its shareholders.

Despite the difficulties faced by DTTNCo since its establishment, the Directors still consider that DTTN is a good business concept (which is also being recognized by its stakeholders) and has an important role to play in the long term development of the trade and logistics industry in Hong Kong. Hong Kong is one of the most important

LETTER FROM THE BOARD

financial and trading hubs in the world. According to the figures published by the Hong Kong Census and Statistics Department, total volume of Hong Kong's exports reached approximately HK\$2,688 billion in 2007. Over the last 5 years, the exports volume has been growing at a compound annual growth rate of approximately 11.44%. The Port Cargo Throughput statistics for the full year of 2006 and 2007, and 1st to 3rd quarter of 2007 and 2008 so far indicated a period-to-period increase of approximately 3.02% and approximately 9.79% respectively. The Directors believe that DTTN which offers a common e-platform to facilitate information flow along the supply chain in the trade and logistics industry would benefit from the continuous growth in the trade industry, hence increasing demand for the service of DTTN.

In addition, China market represents a new business opportunities to DTTNCo. China has become one of the most important trading partners of Hong Kong. With the ever increasing trading activities between China and Hong Kong and DTTNCo's ability to provide a common e-platform for electronic business adoption and to facilitate information flow along the supply chain in the trade and logistics industry especially by small and medium-sized enterprises, the Directors believe there are opportunities which DTTNCo can seek to exploit and DTTNCo would benefit from the continuous growth of the Hong Kong trade industry along side with their trading partners outside Hong Kong.

The Directors have therefore been considering different scenarios on how to help DTTNCo turnaround its loss making position to ensure its long term viability and success.

INFORMATION ON THE VENDORS

The Financial Secretary Incorporated is a corporation sole incorporated under the Financial Secretary Incorporation Ordinance, Cap 1015 of the laws of Hong Kong.

The Federation of Hong Kong Industries was established under the Federation of Hong Kong Industries Ordinance, Cap 321 of the laws of Hong Kong, to promote and foster the interests of Hong Kong's industrial and business communities and advise the government on policies and legislation which affect business.

The Hong Kong Association of Freight Forwarding and Logistics Ltd is a non-profit making organization founded in 1966 which promotes, protects and develops the carriage of goods, and the businesses of cargo forwarding agents and logistics service providers in particular.

The Hong Kong Shippers' Council is an independent organisation established in 1967 to protect and promote the interests of Hong Kong exporters and importers, traders and manufacturers in matters relating to the transportation of merchandise.

The Hong Kong General Chamber of Commerce is a self-funding, non-profit business organization founded in 1861 to watch over and protect the general interests of commerce, to collect information on all matters of interest to the mercantile community and to communicate with authorities and other thereupon.

LETTER FROM THE BOARD

The Indian Chamber of Commerce Hong Kong was established in 1952 to promote and protect the commerce of Hong Kong and South China, and to represent and express the views of the Indian community on matters of commercial interest in Hong Kong.

The Hong Kong Exporters' Association was established in 1955 to closely liaise with local and overseas trade associations to safeguard interests of Hong Kong's export trade and expand business opportunities for exporters.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Company is principally engaged in the provision of trade-related electronic services connecting the government and the business parties, whilst DTTNCo provides the platform for interconnection among the trade, logistics and finance industries. DTTNCo is currently owned as to 56.57% by the Company. Upon signing and completion of the Agreement, DTTNCo will become a wholly-owned subsidiary of the Company.

The Directors consider that the Proposed Acquisition serves as part of the Group's long-term business objective and has a strategic value to the Company. As mentioned in the 2008 interim report of the Company, the Company intended to make more significant progress with DTTNCo's development. The Directors believe that the Proposed Acquisition will allow the integration of the businesses of the Company and DTTNCo where improvement can be explored and synergies can be realized. Upon Completion, DTTNCo will become a wholly-owned subsidiary of the company. Cost synergy can be realized as DTTNCo can then be subsumed in the Company's operations where business and operational resources can be shared and costs can be saved. In addition, DTTNCo's business platform can be integrated with the service platform of the Company. Further, upon Completion, the Operating Agreement will be either amended or cancelled such that the constraints on the operation of DTTNCo under the Operating Agreement can be removed. With these constraints removed, DTTNCo can bundle value-adding applications with its basic document exchange services, adding more values and benefits to its customers, whereby DTTNCo can better cater the customers' needs and is expected to enhance its commercial viability and to bring in more business opportunities in the future. The Proposed Acquisition also presents the Group with an alternative approach to build its own electronic platform to exploit the business potential of the logistics industry in the PRC and to participate in the e-commerce business in the PRC market.

The Directors consider that the terms of the Proposed Acquisition have been materially finalized and the terms of the final sale and purchase agreement will not be materially different from the terms of the Agreement which is to be approved by the Independent Shareholders of the Company at the EGM. The Company will seek re-approval from the Independent Shareholders if there is material change to the terms of the sale and purchase agreement approved by the Independent Shareholders of the Company.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Upon completion of the Proposed Acquisition, DTTNCo will become a wholly-owned subsidiary of the Company and its results and assets will be consolidated into the financial statements of the Company accordingly.

LETTER FROM THE BOARD

The Group had an unaudited consolidated net asset value attributable to the equity shareholders of the Company of approximately HK\$329.3 million as at 30 June 2008 which includes an interest in associates of approximately HK\$31.7 million which represents interest of the Company in DTTNCo. Upon completion of the Proposed Acquisition, the Company will no longer has any interest in associates and the total assets and liabilities of DTTNCo will be consolidated into the accounts of the Group. A goodwill representing the difference between the fair value of the consideration and the attributable interest of 43.43% of the net asset value of DTTNCo is expected to be recorded by the Group upon completion of the Proposed Acquisition. If all of the Vendors elect for cash payment, the bank and cash balances will be decreased by the payment amount. Based on the above and the net asset value of DTTNCo as at 31 October 2008 of approximately HK\$42.5 million, it is expected that there would not be any material impact on the net asset value of the Group as a result of Completion in the event all of the Vendors elect for cash payment. In the event that all of the Vendors elect for Consideration Shares, it is expected that the share capital and share premium of the Company would increase as a result of the issue of the Consideration Shares. Accordingly, the net asset value of the Group is expected to increase principally as a result of the issue of the Consideration Shares upon completion of the Proposed Acquisition.

The audited net profit of the Group for the year ended 31 December 2007 was approximately HK\$76.2 million. The unaudited net loss for DTTNCo was HK\$43.20 million for the year ended 31 December 2007. Upon completion of the Proposed Acquisition, it is expected that the net profit of the Group will decrease as a result of 100% absorption of net loss after taxation of DTTNCo into the Group in the short run.

EGM

Based on the relevant consideration of the Proposed Acquisition in the Agreement, the applicable percentage ratios defined in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Proposed Acquisition will be classified as a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules. As (1) one of the Vendors, the Financial Secretary Incorporated, is interested in 95,673,000 Shares, representing approximately 12.29% of the issued share capital of the Company and (2) another Vendor, HKGCC is a 11.09% shareholder in DTTNCo and hence both of them being connected persons of the Company, the Proposed Acquisition constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules and is subject to Independent Shareholders' approval by way of a poll in the EGM.

The Vendors, including the Financial Secretary Incorporated and HKGCC, and their respective associates will abstain from voting at the EGM on all resolutions in respect of the Proposed Acquisition.

The Company has established the Independent Board Committee, comprising three Independent non-executive Directors, being Mr Yuen Kam Ho, George, Mr Chung Wai Kwok, Jimmy and Mr Wu Wai Chung, Michael, to advise the Independent Shareholders in respect of the Proposed Acquisition. As Mr. Ho Lap Kee, Sunny, an Independent non-executive Director, is a director of the Hong Kong Shippers' Council, a 0.24%

LETTER FROM THE BOARD

shareholder of DTTNCo and one of the Vendors, he is excluded from the Independent Board Committee. Optima Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition.

The Company will convene the EGM at Meeting Room 5, 7/F, Hong Kong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong on Wednesday, 21 January 2009 at 2:30 p.m. to consider, among other matters, the Proposed Acquisition. A notice of the EGM is set out on pages 33 to 34 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 14 of this circular which contains its recommendation to the Independent Shareholders on the Proposed Acquisition. Your attention is also drawn to the letter of advice received from Optima Capital Limited which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Acquisition and the principal factors and reasons considered by it in concluding its advice.

The advice from Optima Capital Limited to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Agreement are on normal commercial terms, fair and reasonable, the business conducted by the DTTNCo and acquired pursuant to the Proposed Acquisition is in the ordinary and usual course of business of the Group, and the entering into of the Agreement is in the interests of the Company and its Shareholders as a whole are set out on pages 15 to 26 of this circular.

Given the benefits and potential synergies that are expecting to be realized upon Completion, despite the loss making history of DTTNCo, the Directors consider that the Proposed Acquisition would bring in business synergy to the Company and is in the interests of the Company and its Shareholders as a whole. The Directors also consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

**Tradelink Electronic Commerce Limited****貿易通電子貿易有限公司***(Incorporated in Hong Kong with limited liability)***(Stock Code: 536)**

5 January 2009

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 5 January 2009 (the "Circular") to the Shareholders, of which this letter forms part. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise requires.

We have been appointed by the Board as the Independent Board Committee to consider the terms of the Agreement and to advise the Independent Shareholders in respect of the terms of the Agreement in relation to the Proposed Acquisition, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular and the letter of advice from Optima Capital Limited as set out on pages 15 to 26 of the Circular.

Having considered, among other matters, the principal factors and reasons considered by, and the opinion of Optima Capital Limited as set out in its letter of advice, we consider that the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Proposed Acquisition is on normal commercial terms and the entering into of the Agreement is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee**Mr. YUEN Kam Ho,**
George**Mr. CHUNG Wai Kwok,**
Jimmy**Mr. WU Wai Chung,**
Michael*Independent non-executive Directors*

The following is the letter of advice from Optima Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



OPTIMA CAPITAL LIMITED
Unit 3618, 36th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

5 January 2009

*To: the Independent Board Committee and
the Independent Shareholders of
Tradelink Electronic Commerce Limited*

Dear Sir / Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
43.43% EQUITY INTEREST IN
DIGITAL TRADE AND TRANSPORTATION NETWORK LTD.**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders on the Proposed Acquisition, for which the Independent Shareholders' approval is being sought. Details of the Proposed Acquisition and the Agreement are set out in the letter from the Board (the "**Letter**") contained in the circular of the Company to the Shareholders dated 5 January 2009 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

As referred to in the Letter, the Company as purchaser, proposed to procure the Vendors to enter into the Agreement within four weeks after obtaining Independent Shareholders' approval on the Agreement, pursuant to which the Company will purchase, and the Vendors will sell, the Sale Shares. As at the Latest Practicable Date, DTTNCo is owned as to 56.57% by the Company but since the Company is not able to control the board of DTTNCo pursuant to the Shareholders' Agreement, the results of DTTNCo were not consolidated into the Company's consolidated financial statements. Upon Completion, DTTNCo will become a wholly-owned subsidiary of the Company and the results of DTTNCo will be consolidated into the Company's consolidated financial statements.

The Proposed Acquisition constitutes a discloseable transaction for the Company. As one of the Vendors, the Financial Secretary Incorporated, is interested in 95,673,000 Shares, representing approximately 12.3% of the issued share capital of the Company and another Vendor, HKGCC is a 11.09% shareholder in DTTNCo and therefore both of them are connected persons of the Company, the Proposed Acquisition also constitutes a

connected transaction for the Company under the Listing Rules. The Proposed Acquisition is therefore subject to the approval of the Independent Shareholders at the EGM, at which the Vendors, including the Financial Secretary Incorporated and HKGCC, and their respective associates will abstain from voting on the resolution to approve the Proposed Acquisition at the EGM.

The Independent Board Committee, comprising three of the four Independent non-executive Directors, namely Mr. Yuen Kam Ho, George, Mr. Chung Wai Kwok, Jimmy and Mr. Wu Wai Chung, Michael, has been established to make recommendation to the Independent Shareholders regarding the Proposed Acquisition. We have been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. We have also sought and received confirmation from the Executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Agreement are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the Proposed Acquisition

1.1 Background information of DTTNCo and the Company

The establishment of DTTNCo can be traced back to the Government's Accenture Report which formed the basis for the Hong Kong Logistics Development Council opened invitation to interested parties to submit proposals for the development and implementation of an electronic business to business ("**B to B**") platform in the form of a Digital Trade and Transportation Network ("**DTTN**") in April 2003. In the Government's Accenture Report and as referred to in the Company's prospectus dated 18 October 2005, the development of DTTN was identified as one of the key initiatives to maintain and enhance Hong Kong's position as the preferred international and regional

transportation and logistics hub. The Company considered DTTN was a viable business and taking into account of the Company's resources, capability and experience in electronic trade-related services, the Company submitted a proposal in this regard and on the recommendation of the Hong Kong Logistics Development Council, the Government entered into discussion with the Company for the development and operation of the DTTN. As a result, DTTNCo was established in April 2004 and the Operating Agreement was subsequently entered into between DTTNCo and the Government to define the service parameters, service levels, price model and implementation programme of the DTTN.

The Group is principally engaged in the provision of trade-related electronic services connecting the government and the business parties, whilst DTTNCo provides the platform for interconnection among the trade, logistics and finance industries. DTTNCo is currently 56.57% owned by the Company. At present, the Company's interest in DTTNCo is recorded as interest in associates since the Company does not have control of the board of DTTNCo.

1.2 Business of DTTN and its prospect

DTTN is an electronic infrastructure offering a common e-platform to facilitate information flow along the supply chain in the trade and logistics service, principally for the exchange of various business B to B documents. It is expected that if it was to be widely used, DTTN should act as a catalyst to promote electronic business adoption especially by small and medium-sized enterprises.

As set out in the Letter, the Directors consider that DTTN is a good business concept (which is also being recognised by its stakeholders) and it should play an important role to support the long term development of the trade and logistics industry in Hong Kong. Given the increasing trading volume between Hong Kong and the PRC, the China market represents new business opportunities for DTTNCo.

According to the statistics from the Hong Kong Census & Statistics Department, the Hong Kong's total export has increased from approximately HK\$1,742.4 billion in 2003 to approximately HK\$2,687.5 billion in 2007, representing a compound annual growth rate of approximately 11.4% and the Hong Kong's total import has increased from approximately HK\$1,805.8 billion in 2003 to approximately HK\$2,868.0 billion in 2007, representing a compound annual growth rate of approximately 12.3%. In addition, according to statistics by Ministry of Commerce of the People's Republic of China ("MOFCOM"), for the eight months ended 31 August 2008, Hong Kong has ranked the fifth largest trading partner of the PRC with trading volume amounted to approximately US\$134.5 billion and accounted for approximately 7.8% of the PRC's total trade. Moreover, according to statistics by MOFCOM, the trading volume between the PRC and Hong Kong was approximately US\$197.2 billion in 2007, which represented a compound annual growth rate of approximately 22.6% from the total trading amount of approximately US\$87.4 billion in 2003. From the above, it is demonstrated that Hong Kong should continue to be an

important trading partner of China, and we concur with the Directors that DTTN which offers a common e-platform to facilitate information flow along the supply chain in the trade and logistics industry would benefit from the continuous growth of the Hong Kong trade industry.

At the same time, according to a 2007-2008 China Internet Survey Report issued by the Data Centre of China Internet issued in August 2008, the market of B to B e-commerce in the PRC is expected to continue to grow at a fast pace. The total B to B transaction values were approximately RMB995.7 billion in 2006, and approximately RMB1250.0 billion in 2007, represented a growth rate of approximately 25.5%. Moreover, according to a statistical survey report on the internet development in China issued by China Internet Network Information Center in July 2008, the internet penetration rate in China has continued to grow in the past few years from June 2005 of approximately 7.9% to June 2008 of approximately 19.1%. Based on the above, we expect that the electronic commercial transactions conducted by the business community would continue to increase due to popularity in the use of internet and electronic data interchange service in the PRC and this development is beneficial to the business of DTTNCo.

1.3 Business performance of DTTNCo

As stated in the Letter, DTTNCo recorded an audited net loss of approximately HK\$13.7 million and HK\$43.2 million for the two years ended 31 December 2006 and 2007 respectively, and DTTNCo had audited net asset value of approximately HK\$75.9 million as at 31 December 2007 and unaudited net asset value of approximately HK\$42.5 million as at 30 October 2008. We also understand that the net asset value of DTTNCo will be further decreased as a result of its loss making position.

As advised by the management of the Company, the net loss recorded by DTTNCo for the year of 31 December 2006 was principally due to the fact that the bulk of the DTTN technical development was only completed in October 2006 when the full commercial phase commenced and thus turnover recorded for the year was minimal while staff costs and operating expenses was recorded for the entire year. For the year of 2007, since the marketing process of customers recruitment and activation of DTTNCo's services was slower than expected, turnover recorded for the year was only approximately HK\$186,624 and therefore the financial results of DTTNCo has further weakened and recorded a net loss of approximately HK\$43.2 million mainly due to staff cost, depreciation charges and operating expenses recorded for the year. For the ten months ended 31 October 2008, the unaudited turnover of DTTNCo reached approximately HK\$1.0 million and it was still making a net loss.

As at 31 December 2007 and 31 October 2008, DTTNCo had a cash and cash equivalent balance of approximately HK\$28.9 million and HK\$11.5 million respectively. Based on the current working capital position and the loss making track record of DTTNCo, the Directors consider that under the current mode of operation and without further new capital injection by its shareholders, it will be difficult to maintain DTTNCo as a going concern.

While the business potential of DTTN as discussed above exists, the financial performance of DTTNCo for the past two years was unsatisfactory. Based on our discussions with the Directors, we understand that the unsatisfactory results of DTTNCo for the past two years were mainly due to the constraints as imposed under the Operating Agreement which has limited the development potential of DTTN. For instance, under the Operating Agreement, DTTNCo's operation is subject to a set of guiding principles which include the restrictions on DTTNCo from the provision of value-adding applications and the setting of a cap on the charges payable by users of the DTTN in the first five years and such charges can only be increased above this level in consultation with the Government. As advised by the Directors, during the past few years, DTTNCo has come across numerous potential customers who were reluctant to sign up using DTTN due to the limited benefits they could achieve by just using DTTN for simple document exchanges and no value-adding applications can be provided by DTTN.

Accordingly, the Directors have set out in the Agreement that, as one of the conditions precedent to the completion of the Acquisition, the Operating Agreement has to be amended in such form and substance to the satisfaction of the Company, or the Operating Agreement has to be cancelled, so as to remove these constraints which limit the development potential of DTTN.

1.4 Strategic integration between DTTN and the business of the Company

If the constraints imposed by the Operating Agreement can be removed upon completion of the Proposed Acquisition, the Directors consider that DTTNCo can bundle value-adding applications with its basic document exchange services, adding more values and benefits to its customers, whereby DTTNCo can better cater the customers' needs and is expected to enhance its commercial viability and to bring in more business opportunities in the future.

Also, as disclosed in the interim report of the Company for the six months ended 30 June 2008, the Group is in discussion of certain projects in the PRC for the provision of electronic document exchange and conversion solutions. Consequent upon the removal of the constraints imposed by the Operating Agreement, the Company would be better poised to taking over the operation of DTTNCo and exploiting the business potential of the expanding logistics industry in the PRC and its interaction with the rest of the world. The Proposed Acquisition would serve as part of the Group's long-term business objective. Given DTTN is an established B to B e-commerce platform, it is possible that the Company could utilise and leverage DTTNCo's existing infrastructure to exploit the PRC market if the Proposed Acquisition becomes materialised, we concur with the Directors that the Proposed Acquisition

presents the Group with an alternative approach to building its own electronic platform to exploit the business potential of the logistics industry in the PRC and to participate in the e-commerce business in the PRC market. Moreover, as stated in the Letter, DTTNCo can be subsumed in the Company's operations removing duplication resulting from maintaining DTTNCo as a separate and independent organisation, and DTTNCo's platform could be integrated with the Company's platform achieving saving in technical and manpower resources resulting in a more effective and efficient operations of DTTNCo.

According to the annual report of the Company for the year ended 31 December 2007, the Company has recorded net profit attributable to equity shareholders of the Company of approximately HK\$97.9 million, HK\$63.0 million, HK\$91.4 million, HK\$83.2 million and HK\$76.2 million for each of the five years ended 31 December 2003, 2004, 2005, 2006 and 2007 respectively. In view of the profitable track records of the Group in the past five years and the business potential of DTTN as described in the paragraph headed "Business of DTTN and its prospect" above, we are convinced by the Company that, on the basis of the constraints imposed by the Operating Agreement could be removed such that value-adding applications can be provided to customers to better cater the customers' needs and the improvement and synergies as described in the previous paragraph can be realised, the Group would have the expertise and capability to enhance the value of DTTN, the growth and development of which has been so far restricted by the constraints imposed by the Operation Agreement.

1.5 Our view

Based on the above, as (i) DTTN is considered a good business concept and has good business prospect in view of the trading environment of Hong Kong; (ii) the Group would have the expertise and capability to enhance the value of DTTN in a more cost effective manner by subsuming DTTN into its operation; and (iii) the Group can leverage DTTN's existing infrastructure to exploit the PRC e-commerce business, and it is noted that there might be going concern on DTTNCo's business if the mode of operation of DTTN remain unchanged and no additional funds is injected into DTTNCo by its shareholders, we concur with the view of the Directors that the Proposed Acquisition serves as part of the Group's long-term business objective and has a strategic value to the Company and is in the interest of the Company and its Shareholders as a whole.

2 Principal terms of the Agreement

2.1 Basis of the consideration for the Proposed Acquisition

As set out in the Letter, the consideration has been determined by the Directors taking into consideration of the (i) financial performance of DTTNCo; (ii) business prospect of DTTNCo after the Proposed Acquisition; and (iii) unaudited net asset value of DTTNCo of approximately HK\$42.5 million as at 31 October 2008.

Pursuant to the Agreement, each of the Vendors may elect to receive either cash or Consideration Shares in consideration for their respective interest in DTTNCo. If payment in Consideration Shares is elected, the number of Consideration Shares to be issued will be determined by:

$$\frac{\text{HK\$0.34} \times \text{number of Sale Shares held by the Vendors}}{\text{Issue price of the Consideration Shares}}$$

where the issue price of the Consideration Shares shall equal to the 5-day average closing price of the Shares prior to the date of EGM but shall not be lower than HK\$0.42 per Share. If cash consideration is elected, HK\$0.32 per Sale Share (representing a slight discount to HK\$0.34 per Sale Share if payment in Consideration Shares is elected) will be payable to the relevant Vendors.

The total consideration for the Proposed Acquisition will be within the range of HK\$18,796,800 (if all of the Vendors elect for payment in cash for the Sale Shares) to HK\$19,971,600 (if all of the Vendors elect for payment in Consideration Shares). In evaluating the fairness and reasonableness of the consideration, we will assume all Vendors would elect to receive Consideration Shares as that gives a greater amount of consideration of HK\$19,971,600 (the "Maximum Consideration").

Since DTTNCo has been making a loss in the past, the price to earnings approach is considered not applicable in evaluating the fairness and reasonableness of the consideration. In order to assess the fairness and reasonableness of the consideration for the Proposed Acquisition, we have compared the Maximum Consideration to the net asset value of DTTNCo. Based on the latest unaudited management accounts of DTTNCo and as set out in the Letter, DTTNCo had an unaudited net asset value of approximately HK\$42.5 million as at 31 October 2008. Accordingly, the Maximum Consideration for the Proposed Acquisition represents a slight premium of approximately 8.20% over the attributable 43.43% of the net asset value of DTTNCo as at 31 October 2008 of approximately HK\$18.5 million and represents a price-to-book ratio of approximately 1.08 times.

Considering the fact that (i) DTTNCo will become a wholly-owned subsidiary of the Company and the Company would gain full and entire control over the operation of DTTNCo's business upon completion of the Proposed Acquisition; and (ii) DTTNCo has established technical and

operation infrastructure and facilities in running its business, we are of the view that the slight premium represented by the Maximum Consideration over the net asset value of DTTNCo as at 31 October 2008 as discussed above is fair and reasonable so far as the Independent Shareholders as a whole are concerned.

2.2 *Settlement method of the Consideration*

2.2.1 *Settlement by way of cash*

As mentioned above, if all of the Vendors elect for payment in cash for the Sale Shares, a total cash consideration of HK\$18,796,800 will be payable by the Company upon Completion. As set out in the Letter, the Company will fund the cash consideration by its internal resources. Based on the Company had an unaudited cash and cash equivalents balance of approximately HK\$364.1 million and unaudited net current assets of HK\$251.7 million as at 30 June 2008 as disclosed in its 2008 interim report, we consider that the Company has the necessary financial resources to pay for the consideration and its financial position or operation will not be adversely affected by the Proposed Acquisition in the event all of the Vendors elect for payment in cash.

2.2.2 *Settlement by way of Consideration Shares and possible dilution of Independent Shareholders' shareholdings*

As stated above, the issue price of the Consideration Shares shall equal to the 5-day average closing price of the Shares prior to the date of EGM but shall not be lower than HK\$0.42 per Share (the "**Minimum Issue Price**").

The Minimum Issue Price represents (i) the unaudited net asset value per Share of the Group as at 30 June 2008 of approximately HK\$0.42; (ii) a discount of approximately 22.2% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the date of the announcement, (iii) a discount of approximately 21.9% to the average closing price as quoted on the Stock Exchange for the 5 trading days up to and including the date of the announcement of HK\$0.538; and (iv) a discount of approximately 19.7% to the average closing price as quoted on the Stock Exchange for the 15 trading days up to and including the date of the announcement of approximately HK\$0.523.

Taking into consideration that the issue price of the Consideration Shares will be equal to the 5-day average closing price of the Shares prior to the date of EGM and will not be lower than HK\$0.42 which is approximately the unaudited net asset value per Share of the Group as at 30 June 2008, we consider that the mechanism in determining the issue price and the Minimum Issue Price is reasonable.

As stated in the Letter, assuming all of the Vendors elect for payment in Consideration Shares and based on the minimum issue price of HK\$0.42 per Consideration Share, 47,551,431 Consideration Shares will be allotted and issued by the Company to the Vendors. The following table sets out the possible shareholding structure of the Company assuming all of the Vendors elect for payment in Consideration Shares.

	As at the Latest Practicable Date		Upon the issue of the Consideration Shares	
	Shares	%	Shares	%
The Financial Secretary Incorporated Vendors (other than the Financial Secretary Incorporated)	95,673,000	12.29	121,173,000	14.67
Mr. Kihm Lutz Hans Michael (Note)	718,000	0.09	718,000	0.09
Mr. Yue Kwok Hung, Justin (Note)	1,142,000	0.15	1,142,000	0.14
Public Shareholders	<u>624,835,555</u>	<u>80.28</u>	<u>624,835,555</u>	<u>75.66</u>
	<u><u>778,306,055</u></u>	<u><u>100.00</u></u>	<u><u>825,857,486</u></u>	<u><u>100.00</u></u>

Note: Being the Directors of the Company.

As at the Latest Practicable Date, the Shareholders, other than the Financial Secretary Incorporated and three of the remaining Vendors, hold approximately 80.5% of the issued share capital of the Company. Upon the issue of the Consideration Shares, the shareholdings of the Shareholders (other than the Financial Secretary Incorporated and three of the remaining Vendors) will be reduced to approximately 75.9% (representing a dilution effect of approximately 5.8%). Such dilution, in our opinion, is not material taking into account of the issue of Consideration Shares would enhance the shareholder base of the Company.

Having considered the above, we concur with the Directors' view that the consideration for the Proposed Acquisition (including the settlement mechanism and issue price per Consideration Share) is fair and reasonable so far as the Independent Shareholders are concerned.

3. Financial effect of the Proposed Acquisition to the Group

The following illustrates the effect on net asset value, earnings, cash position and gearing of the Group as a result of the Proposed Acquisition assuming (i) all of the Vendors elect cash as payment for consideration; or (ii) all of the Vendors elect for Consideration Shares as settlement for consideration. Shareholders should note that the following analysis is for illustration purpose only and the actual financial effect on the Group depends on, among other things, the actual net asset value of DTTNCo upon Completion.

3.1 *Net asset value*

The Group had an unaudited consolidated net asset value attributable to the equity shareholders of the Company of approximately HK\$329.3 million as at 30 June 2008 which includes an interest in associates of approximately HK\$31.7 million which represents interest of the Company in DTTNCo. As a result of the Completion, the Company will no longer has any interest in associates and the total assets and liabilities of DTTNCo will be consolidated into the accounts of the Group. A goodwill representing the difference between the fair value of the consideration and the attributable interest of 43.43% of the net asset value of DTTNCo upon Completion is expected to be recorded by the Group as a result of Completion. If all of the Vendors elect for cash payment, the bank and cash balances will be decreased by the payment amount. Based on the above and the net asset value of DTTNCo as at 31 October 2008 of approximately HK\$42.5 million, it is expected that there would not be any material impact on the net asset value of the Group as a result of Completion in the event all of the Vendors elect for cash payment.

On the other hand, in the event that all of the Vendors elect for Consideration Shares, it is expected that the share capital and share premium of the Company would increase as a result of the issue of the Consideration Shares. Accordingly, the net asset value of the Group is expected to increase principally as a result of the issue of the Consideration Shares upon Completion.

3.2 *Earnings*

The Group had an audited consolidated net profit after taxation attributable to the equity shareholders of the Company for the year ended 31 December 2007 of approximately HK\$76.2 million. In view of the loss making track record of DTTNCo and that the results of DTTNCo will be fully consolidated into the results of the Group after Completion, it is expected that the Group's earnings will be decreased in the short run as a result of the acquisition of the remaining 43.43% shareholding interest in DTTNCo and 100% of the results of DTTNCo will be consolidated into the Group's earnings in the future. However, as mentioned in the paragraph headed "Strategic integration between DTTN and the business of the Company" above, based on the satisfactory profitable track record of the Group, we are convinced that, on the basis of the constraints imposed by the Operating Agreement could be removed such that value-adding applications can be provided to customers to

better cater the customers' needs and the improvement and synergies can be realised, the Group would have the expertise and capability to enhance the value of DTTN in the long run.

3.3 Cashflow

Based on the Company had unaudited cash and cash equivalents balance of approximately HK\$364.1 million and net current asset of approximately HK\$251.7 million as at 30 June 2008, we consider that the Group would have sufficient working capital to meet its settlement obligation of approximately HK\$18.8 million if all of the Vendors elect for cash payment and there will not be any material impact to the Group's working capital position and the Group as enlarged by the Proposed Acquisition will still have sufficient working capital for its ongoing operations in the absence of unforeseeable circumstances.

If the consideration will be settled by way of issue of Consideration Shares by the Company, completion of the Proposed Acquisition would not have material impact on the cashflow position of the Group except for the payment of professional expenses and other expenses incurred in connection with the Proposed Acquisition which, the Directors consider, is immaterial to the Group in view of its cash position and current net asset position as stated above.

3.4 Gearing

According to the 2008 interim report of the Company, the Company did not have any bank loans and interest bearing borrowings as at 30 June 2008. As the cash consideration payable under the Agreement will be funded by internal resources of the Company and DTTNCo did not have any bank loans and interest bearing borrowings, there would be no effect on the gearing of the Group (if any) as a result of the Proposed Acquisition.

While after Completion, the Group's earnings is expected to decrease as a result of the consolidation of the loss making business of DTTNCo, there will be no material change to the working capital position, net asset value and gearing ratio of the Group. Taking into consideration of the benefits of the Proposed Acquisition as described in the paragraph headed "Background to and reasons for the Proposed Acquisition" above, despite the loss making position of DTTNCo, we concur with the Directors' view that the Proposed Acquisition would bring in business synergy to the Company and is in the interest of the Company and its Shareholders as a whole.

RECOMMENDATION

Having taken into account the above principal factors and reasons in respect of the Proposed Acquisition, we consider that the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the Proposed Acquisition is on normal commercial terms, the business to be conducted by DTTNCo is in the ordinary and usual course of business of the Group and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the entering into of the Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
OPTIMA CAPITAL LIMITED
Mei H. Leung **April Chan**
Chairman *Director*

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

The authorized and issued share capital of the Company as at the Latest Practicable Date, and immediately following the Completion will be as follow:

HK\$

Authorized share capital (Shares of HK\$0.20 each):

<u>1,250,000,000</u>	Shares as at the Latest Practicable Date	<u>250,000,000</u>
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Issued and fully paid share capital (Shares of HK\$0.20 each):

778,306,055	Shares in issue as at the Latest Practicable date	155,661,211
47,551,431	Shares to be issued upon Completion, assuming all of the Vendors have elected for payment in Consideration Shares and the issue price of the Consideration Shares is at its minimum of HK\$0.42	9,510,286
<u>825,857,486</u>		<u>165,171,497</u>

3. DISCLOSURE OF INTERESTS

a) Interests and short positions of the Directors in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in Shares and underlying Shares of the Company

Name of Director	Number of Shares/ underlying Shares held and nature of interest		Total
	Personal	Number of underlying Shares	
Mr. YUE Kwok Hung, Justin	1,142,000	9,098,743	10,240,743
Mr. KIHM Lutz Hans, Michael	718,000	–	718,000
Ms. CHUNG Shun Kwan, Emily	0	2,095,848	2,095,848

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Ms. CHAN Wai Yan, Ann is a civil servant employed by the Government (holding 12.29% of the issued share capital of the Company through the Financial Secretary Incorporated) and Mr. WEBB Lawrence is an employee of the Hongkong and Shanghai Banking Corporation Limited (holding 8.11% of the issued share capital of the Company). Save as disclosed above, none of the Directors or proposed Director is a director or employee of a company which has an interest in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

4. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of SFO, the following persons and companies (other than the Directors or chief executive of the Company) had an interest or short position in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

	Ordinary Shares of HK\$0.20 each			Percentage
	Registered	Corporate	Number	of total
	Shareholders	interests	of Shares	issued
				Shares
Substantial Shareholder				
The Financial Secretary Incorporated	95,673,000		95,673,000	12.29
Other Persons				
HSBC Holdings Plc	–	63,125,000	63,125,000	8.11
The Hongkong & Shanghai Banking Corporation Limited	63,125,000		63,125,000	8.11
Dr. Jens Ehrhardt Kapital AG		62,200,000	62,200,000	7.99
DJE Investment S.A.	62,200,000		62,200,000	7.99

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, being the date up to which the latest published audited financial statements of the Group were made up.

8. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or the management shareholders of the Company or their respective associates have any interest in a business which competes or may compete with the business of the Group.

9. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Company.

10. QUALIFICATION AND CONSENT

Name	Qualification
Optima Capital Limited	a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Optima Capital Limited has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Optima Capital Limited was not interested in any Share or share in any member of the Group nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Share or share in any member of the Group.

As at the Latest Practicable Date, Optima Capital Limited did not have any direct or indirect interest in any asset which had been, since 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. MISCELLANEOUS

- (a) So far as is known to the Directors, as at the Latest Practicable Date, there was (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholders, whereby he/ she/it has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of his/her/its Shares to a third party, either generally or on a case by case basis.
- (b) So far as is known to the Directors, as at the Latest Practicable Date, there was no discrepancy between any Shareholder's beneficial shareholding interest in the Company as disclosed in this Circular and the number of Shares in respect of which it will control or will be entitled to exercise control over the voting rights at the EGM.
- (c) The registered office and the principal place of business of the Company is 11th and 12th Floors, Tower B, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong
- (d) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, at 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
- (e) The Company Secretary of the Company is Mr. LI Fuk Kuen, Wilfred, who is responsible for all our financial management activities including financial accounting and reporting, treasury, budgeting, financial planning and control. He has over 30 years' experience in finance and accounting. Prior to joining us in 1997, he held the post of Senior Manager in the Finance Division of Hong Kong Telecommunications Limited. He holds a Master's Degree in Business Administration, a Master of Science degree in Logistics and a Master of Science degree in Finance. He is a member of the Chartered Institute of Management Accountants in the United Kingdom and is also a member of the Hong Kong Institute of Certified Public Accountants.
- (f) The English text of this Circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company, 11th and 12th Floors, Tower B, Regent Centre, 63 Wo Yi Hop Road, Kwai Chung, Hong Kong during normal business hours between the period from 5 January 2009 to 21 January 2009 (both days inclusive):

- (a) the "Letter from the Independent Board Committee" as set out in this circular;
- (b) the "Letter from Optima Capital Limited" as set out in this circular;
- (c) the written consent from Optima Capital Limited as referred to in the section headed "Expert and Consent" above;

- (d) the Agreement; and
- (e) this Circular.

NOTICE OF EGM



Tradelink Electronic Commerce Limited

貿易通電子貿易有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 536)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Tradelink Electronic Commerce Limited (the “**Company**”) will be held at Meeting Room 5, 7/F, Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong, on Wednesday, 21 January 2009, at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the draft conditional agreement and the terms and conditions thereof (the “**Agreement**”) proposed to be entered into between the Financial Secretary Incorporated, the Federation of Hong Kong Industries, the Hongkong Association of Freight Forwarding and Logistics Limited, the Hong Kong Shippers’ Council, the Hong Kong General Chamber of Commerce, the Indian Chamber of Commerce Hong Kong, the Hong Kong Exporters’ Association (collectively, the “**Vendors**”) and the Company, a copy of which is tabled at the meeting and marked “**A**” and initialled by the chairman of the meeting for identification purposes, pursuant to which the Company will acquire from the Vendors (the “**Acquisition**”) an aggregate of 58,740,000 shares in the capital of Digital Trade and Transportation Network Ltd be and is hereby approved and confirmed;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consideration Shares (as defined in the Agreement), the issue of the Consideration Shares to satisfy part/all of the consideration for the Acquisition be and is hereby approved;
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to negotiate and finalise with the Vendors the terms of the Agreement within four weeks from the date of this resolution; and

NOTICE OF EGM

- (d) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute the Agreement and sign all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Acquisition.”

By Order of the Board
Tradelink Electronic Commerce Limited
YUE Kwok Hung
Executive Director and CEO

Hong Kong, 5 January 2009

Registered office:

11 & 12/F, Tower B, Regent Centre
63 Wo Yi Hop Road
Kwai Chung
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

The Executive Directors of the Company are Mr. YUE Kwok Hung, Justin and Ms. CHUNG Shun Kwan, the Non-executive Directors of the Company are Dr. LEE Nai Shee, Harry, Mr. CHAK Hubert, Mr. LO Sze Wai, Albert, Mr. WEBB Lawrence, Mr. KIHM Lutz Hans Michael, Mr. IP Sing Chi and Ms. CHAN Wai Yan, Ann, and the Independent Non-executive Directors of the Company are Mr. HO Lap Kee, Sunny, Mr. YUEN Kam Ho, George, Mr. CHUNG Wai Kwok, Jimmy and Mr. WU Wai Chung, Michael.