



TRADEeasy
易 貿 通

TRADEEASY HOLDINGS LIMITED
(易 貿 通 集 團 有 限 公 司 *)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2007

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This announcement, for which the directors of Tradeeasy Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Tradeeasy Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* For identification purpose only

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Tradeeasy Holdings Limited (the "Company"), I am pleased to present this announcement to our valuable shareholders.

The year under review is a challenging year for the Company and its subsidiaries (collectively the "Group"). Through the placing of 550,000,000 new shares of the Company to CCT Telecom Holdings Limited ("CCT Telecom") on 25 April 2006, it provided the net proceeds of approximately HK\$21 million, enabling the Group to carrying on further initiatives to capture the growing demand for Business-to-Business ("B2B") services and to increase its market share in Mainland China.

During the year, the Group has taken a moderate pace in its business expansion. The total revenue increases 16.4% as compared to last year, which represents a consistent and steady growth. Mainland China has become the major market of the Group's business expansion and development. Accordingly, substantial portion of the resources were devoted into this market. I am pleased to report that the revenue generated from Mainland China this year grows significantly by 32.3% as compared to last year.

There was a new research center and a training center in Mainland China set up, and a new company incorporated in Xiamen which further strengthen the distribution channel capability to promote our products and services in the areas not covered by any of our existing branches. In addition, the Group has recruited more salespersons so that more comprehensive services were provided to our customers.

Despite the fact that there is a revenue growth for the year under review, the Group incurred a net loss. However, we are confident that the revenue and the results of the Group will be improved, when all of those initiatives are fully executed.

Looking forward, the Group will keep expanding the sales and marketing networks in Mainland China, focusing on the implementation of state-of-art and creative technologies into our B2B platform, and providing quality off-line support to both the sellers and buyers. It is expected that these measures will further enhance the Group's competitiveness and its performance.

The forthcoming year will not be easy for the Group as the competition in the market will still be keen. We will well position ourselves to sustain the growth and continue with the strategy, which is proved to be on the right track for the success. On behalf of the Board, I would like to take this opportunity to thank the management team and the staff of the Group for their valuable contribution and our shareholders for their continuing support.

FINANCIAL HIGHLIGHTS

- For the financial year ended 31 March 2007, the Group recorded a revenue of approximately HK\$46.1 million in comparison to approximately HK\$39.6 million in last year.
- The Group recorded a gross profit of approximately HK\$16 million this year as compared to approximately HK\$16.2 million for the year ended 31 March 2006.
- The loss for the year was approximately HK\$10.3 million this year, in comparison to approximately HK\$1.7 million loss in last year mainly due to a one-time expense of approximately HK\$2.3 million arising from the issue of share options to directors and eligible participants, an impairment of deferred development expenditure of approximately HK\$2.4 million for the software programs being obsolete and the additional costs incurred to strengthen the competitiveness of the Group.
- Loss per share was approximately HK1.1 cent for the year ended 31 March 2007 as compared to a loss per share of approximately HK0.4 cent recorded in last year.
- The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: Nil).

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2007

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000
REVENUE	4	46,099	39,595
Cost of sales		(30,106)	(23,373)
Gross profit		15,993	16,222
Other income and gains	4	949	101
Selling and distribution costs		(2,927)	(2,516)
General and administrative expenses		(17,564)	(11,820)
Advertising and promotion expenses		(3,831)	(2,943)
Other expenses		(2,946)	(1,019)
Gain on deemed disposal of associates		–	445
Share of profits and losses of associates		–	(24)
LOSS BEFORE TAX	5	(10,326)	(1,554)
Tax	6	–	(149)
LOSS FOR THE YEAR		<u>(10,326)</u>	<u>(1,703)</u>
Attributable to:			
Equity holders of the parent		(10,222)	(1,703)
Minority interests		(104)	–
		<u>(10,326)</u>	<u>(1,703)</u>
DIVIDEND	8	<u>–</u>	<u>–</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		<u>HK(1.1) cent</u>	<u>HK(0.4) cent</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

31 March 2007

		2007	2006
	Notes	HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,721	2,541
Deferred development expenditure		4,974	6,952
Interests in associates		422	522
Total non-current assets		9,117	10,015
CURRENT ASSETS			
Trade receivables	11	2,153	1,606
Financial assets at fair value through profit or loss	12	13,717	–
Prepayments, deposits and other receivables		1,647	1,900
Due from a related company		25	–
Cash and cash equivalents		5,961	4,964
Total current assets		23,503	8,470
CURRENT LIABILITIES			
Trade payables	13	487	88
Deferred service fees received in advance		3,923	3,761
Due to an associate		392	–
Other payables and accruals		4,578	4,442
Total current liabilities		9,380	8,291
NET CURRENT ASSETS		14,123	179
Net assets		23,240	10,194
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		9,720	4,210
Reserves		13,571	5,984
		23,291	10,194
Minority interests		(51)	–
Total equity		23,240	10,194

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2007

Attributable to equity holders of the parent

	Issued share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 April 2005	4,210	17,125	66,710	–	11	(76,422)	11,634	–	11,634
Exchange realignment	–	–	–	–	(39)	–	(39)	–	(39)
Total income and expense recognised directly in equity	–	–	–	–	(39)	–	(39)	–	(39)
Loss for the year	–	–	–	–	–	(1,703)	(1,703)	–	(1,703)
Total income and expense for the year	–	–	–	–	(39)	(1,703)	(1,742)	–	(1,742)
Equity-settled share option arrangements	–	–	–	302	–	–	302	–	302
At 31 March 2006 and 1 April 2006	4,210	17,125*	66,710*	302*	(28)*	(78,125)*	10,194	–	10,194
Exchange realignment	–	–	–	–	20	–	20	(1)	19
Total income and expense recognised directly in equity	–	–	–	–	20	–	20	(1)	19
Loss for the year	–	–	–	–	–	(10,222)	(10,222)	(104)	(10,326)
Total income and expense for the year	–	–	–	–	20	(10,222)	(10,202)	(105)	(10,307)
Equity-settled share option arrangements	–	–	–	2,280	–	–	2,280	–	2,280
Capital contribution by a minority shareholder	–	–	–	–	–	–	–	54	54
Issue of shares	5,510	16,527	–	–	–	–	22,037	–	22,037
Share issue expenses	–	(1,018)	–	–	–	–	(1,018)	–	(1,018)
At 31 March 2007	9,720	32,634*	66,710*	2,582*	(8)*	(88,347)*	23,291	(51)	23,240

* These reserve accounts comprise the consolidated reserves of HK\$13,571,000 (2006: HK\$5,984,000) in the consolidated balance sheet.

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The principal changes in accounting policies are as follows:

(a) **HKAS 21 *The Effects of Changes in Foreign Exchange Rates***

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 March 2007 or 31 March 2006.

(b) HKAS 39 *Financial Instruments: Recognition and Measurement*

(i) *Amendment for financial guarantee contracts*

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. The adoption of this amendment has had no material impact on these financial statements.

(ii) *Amendment for the fair value option*

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

(iii) *Amendment for cash flow hedge accounting of forecast intragroup transactions*

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(c) HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 April 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This interpretation has had no material impact on these financial statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard requires the disclosure of information about the operating segments of the Group, the services provided by the segments, the geographical areas in which the Group operates, and revenues from the Group's major customers. This standard will supersede HKAS 14 *Segment Reporting*.

HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Integrated marketing solution services	8,864	6,233
Application Service Provider ("ASP") services	22,970	22,581
Technical consultancy services	14,265	10,781
	<u>46,099</u>	<u>39,595</u>
<u>Other income</u>		
Interest income	655	81
Others	27	–
	<u>682</u>	<u>81</u>
<u>Gains</u>		
Fair value gains on financial assets at fair value through profit or loss	267	–
Foreign exchange differences, net	–	20
	<u>267</u>	<u>20</u>
	<u>949</u>	<u>101</u>

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
Salaries and related staff costs	24,456	20,589
Equity-settled share option expenses	2,233	191
Pension scheme contributions	1,123	996
	<u>27,812</u>	<u>21,776</u>
<i>Less: Amounts capitalised in deferred development expenditure</i>	<i>(1,161)</i>	<i>(2,165)</i>
	<u>26,651</u>	<u>19,611</u>
Auditors' remuneration	700	700
Depreciation	1,289	1,294
Amortisation of deferred development expenditure *	914	895
Impairment of deferred development expenditure **	2,351	–
Minimum lease payments under operating leases:		
Land and buildings	2,044	1,840
Office equipment	158	33
	<u>2,202</u>	<u>1,873</u>
Loss on disposal and write-off of items of property, plant and equipment	8	5
Impairment of trade receivables **	557	616
Impairment of other receivables **	30	398
Foreign exchange differences, net	60	(20)
Fair value gains on financial assets at fair value through profit or loss	(267)	–
Interest income	<u>(655)</u>	<u>(81)</u>

* *The amortisation of deferred development expenditure is included in "Cost of sales" on the face of the consolidated income statement.*

** *The impairment of deferred development expenditure, impairment of trade receivables and impairment of other receivables are included in "Other expenses" on the face of the consolidated income statement.*

6. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2006: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2007	2006
	HK\$'000	HK\$'000
Group:		
Current – Hong Kong	–	–
Current – Mainland China		
Charge for the year	–	–
Underprovision in prior years	–	149
	<hr/>	<hr/>
Tax charge for the year	<u>–</u>	<u>149</u>

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"), which will become effective from 1 January 2008. The Group is in the process of making an assessment of the impact of the New CIT Law. So far, it has concluded that the New CIT Law is unlikely to have any significant impact on the results and financial position of the Group for the year ended 31 March 2007. At the date of approval of these financial statements, detailed implementation and administrative requirements relating to the New CIT Law have yet to be announced. These detailed requirements include regulations concerning the computation of taxable income, as well as specific preferential tax treatments and their related transitional provisions. The Group will further evaluate the impact on its operating results and financial positions of future periods as more detailed requirements are issued.

7. DEFERRED TAX

The Group has tax losses arising in Hong Kong of HK\$42,947,000 (2006: HK\$41,068,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 March 2007, there was no significant unrecognised deferred tax liability (2006: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries and associates as the Group has no liability to additional tax should such amounts be remitted.

8. DIVIDEND

No dividend has been paid or declared by the Company or any of its subsidiaries during the year (2006: Nil).

9. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the integrated marketing solution services segment provides an internet platform to allow international buyers to identify suppliers and products and to enable suppliers to market their products to buyers;
- (b) the ASP services segment provides international traders with an integrated management automation system for carrying out the maintenance of their existing customer base, the management of customer relationships, order processing and the enhancement of potential trade enquiries; and
- (c) the technical consultancy services segment provides the development and production of electronic versions of marketing materials and product descriptions, and the provision of related technology services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

(a) **Business segments**

The following table presents revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2007 and 2006.

	Integrated marketing solution services		ASP services		Technical consultancy services		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>8,864</u>	<u>6,233</u>	<u>22,970</u>	<u>22,581</u>	<u>14,265</u>	<u>10,781</u>	<u>46,099</u>	<u>39,595</u>
Segment results	<u>(2,755)</u>	<u>624</u>	<u>(1,046)</u>	<u>2,259</u>	<u>(3,803)</u>	<u>(3,018)</u>	<u>(7,604)</u>	<u>(135)</u>
Interest income							655	81
Gain on deemed disposal of associates							-	445
Share of profits and losses of associates							-	(24)
Unallocated revenue							294	20
Unallocated expenses							(3,671)	(1,941)
Loss before tax							(10,326)	(1,554)
Tax							-	(149)
Loss for the year							<u>(10,326)</u>	<u>(1,703)</u>
Assets and liabilities								
Segment assets	5,052	5,963	2,467	2,315	3,330	2,821	10,849	11,099
Interests in associates							422	522
Unallocated assets							21,349	6,864
Total assets							<u>32,620</u>	<u>18,485</u>
Segment liabilities	1,550	1,608	1,299	1,220	1,074	933	3,923	3,761
Unallocated liabilities							5,457	4,530
Total liabilities							<u>9,380</u>	<u>8,291</u>
Other segment information:								
Capital expenditure	1,578	2,607	857	167	1,218	853	3,653	3,627
Depreciation	164	98	425	354	700	842	1,289	1,294
Amortisation of deferred development expenditure	173	171	326	328	415	396	914	895
Impairment of deferred development expenditure	2,351	-	-	-	-	-	2,351	-
Other non-cash expenses	<u>79</u>	<u>120</u>	<u>206</u>	<u>433</u>	<u>310</u>	<u>466</u>	<u>595</u>	<u>1,019</u>

(b) **Geographical segments**

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2007 and 2006.

	Hong Kong		Mainland China		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:						
Sales to external customers	<u>31,834</u>	<u>28,814</u>	<u>14,265</u>	<u>10,781</u>	<u>46,099</u>	<u>39,595</u>
Other segment information:						
Segment assets	27,628	13,760	4,992	4,725	32,620	18,485
Capital expenditure	<u>2,435</u>	<u>2,774</u>	<u>1,218</u>	<u>853</u>	<u>3,653</u>	<u>3,627</u>

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

	2007	2006
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	<u>(HK\$10,222,000)</u>	<u>(HK\$1,703,000)</u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>934,852,000</u>	<u>421,000,000</u>

Diluted loss per share amounts for the years ended 31 March 2007 and 2006 have not been disclosed, as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

11. TRADE RECEIVABLES

The Group normally offers credit terms ranging from 14 to 45 days to its established customers. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date and net of provision is as follows:

	Group	
	2007	2006
	HK\$'000	HK\$'000
Current to 30 days	896	436
31 to 60 days	145	221
61 to 90 days	138	161
Over 90 days and within 1 year	974	788
	<u>2,153</u>	<u>1,606</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2007	2006
	HK\$'000	HK\$'000
Unlisted investments, at fair value	<u>13,717</u>	<u>–</u>

The above financial assets at 31 March 2007 were classified as held for trading.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group	
	2007	2006
	HK\$'000	HK\$'000
Current to 30 days	389	3
31 to 60 days	3	1
61 to 90 days	94	84
Over 90 days	1	–
	<u>487</u>	<u>88</u>

The trade payables are non-interest-bearing and are normally settled on credit terms of 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The financial year 2006/07 has been a year of challenges for the Group. In view of the growing demand for B2B online trade, which generates more servicing needs to be rendered by the SME manufacturers in Mainland China, the Company has implemented an expansion program during the year under review, to broaden its business spectrum and volume in the region so as to capture the business opportunities.

Upon the placing of 550,000,000 new shares of the Company to CCT Telecom on 25 April 2006, the Group has received the net proceeds of approximately HK\$21 million for developing new products, expanding sales and marketing network and devoting more resources into research and development.

The Group recorded a turnover of approximately HK\$46.1 million during the year under review, as compared to the turnover of approximately HK\$39.6 million last year, representing an increase of 16.4%. The Company also recorded a net loss of approximately HK\$10.3 million as compared to approximately HK\$1.7 million loss last year.

The loss incurred was mainly due to certain factors, namely the expenses of HK\$2.3 million in relation to granting of share options during the year under review, written-off of an amount of HK\$2.4 million for the software programs being obsolete and the additional costs incurred to strengthen the competitiveness of the Group.

The revenue generated from Mainland China grows 32.3% from HK\$10.8 million last year to HK\$14.3 million this year, while the revenue generated from Hong Kong market grows slightly from HK\$28.8 million last year to HK\$31.8 million this year.

Operation review

During the year under review, the Company has been taking a number of initiatives to reinforce our core business.

Sales and Marketing

A new company was set up in Mainland China to develop channel sales in the areas that the Group does not have branch offices. Recently, the new company has appointed ten new agents in the middle and northern part of Mainland China. Notwithstanding substantial efforts and resources were required for this program, the management believes that the channel sales model will be the most effective way in expanding the sales network.

A central training center was established in Guangzhou to conduct central training for the business units in Mainland China. The Group will continue to expand both direct and channel sales and recruit more staff and salesperson in our direct branches to promote our products and services.

Products

Thanks to the hard work of our new research and development team throughout the whole financial year, the new B2B portal www.tradeeasy.com (“Tradeeasy portal”) has been rolled out recently. The new Tradeeasy portal is built with the latest technology which provides various upgraded functionalities, including, more effective search engine and more user-friendly interface. Other new functions and features are also added to enhance the communications among the users of Tradeeasy portal. The management believes that the new portal will attract more users and making more traffic, which should induce more business activities in return.

The full development of the new portal is still on its way and the final version is expected to be released out by the end of 2007.

A new directory for the Household and Consumer Electronics was published during the year under review. The Group has diversified its coverage from the garment and garment related industries to the Household and Consumer Electronic sectors. The new directory is well received in the market.

Buyer Members

The Group has allocated more resources for our Buyer Department in terms of number of headcounts as well as the promotion budget. The Group has organized more trade fairs. We expect the number of registered buyer members has been increased to over 400,000 at the end of the financial year under review.

More Procurement Meetings have been conducted during the year under review, including over 700 face-to-face meetings between buyers and sellers. More well-branded companies have participated in the Group’s sourcing activities, both on-line and off-line.

Research and Development

A portion of the net proceeds obtained from the placing of the shares of the Company was devoted into research and development. Most of our hardware and servers were replaced and updated. The stability and the efficiency of our software platform was also substantially improved.

A new research and development center was established in Guangzhou. Our proprietary developed search engine has been adopted and the new portal has been rolled out. Looking forward, the team will focus on the Search Engine Maximization work, which should increase the popularity of our portal and attract more users.

Segment information

The revenue of the Group comprises the rendering of the integrated marketing solution services, ASP services and the technical consultancy services.

Sales from rendering the integrated marketing solution services increased by approximately 42.2% to HK\$8.9 million and that from provision of ASP services increased by approximately 1.7% to HK\$23.0 million. The sales from provision of technical consultancy services increased by approximately 32.3% to HK\$14.3 million.

As to the geographical segments, sales to Hong Kong market increased by approximately 10.5% to HK\$31.8 million and that to Mainland China market increased by approximately 32.3% to HK\$14.3 million.

An analysis of the Group's revenue and financial results by principal activity and geographical area for the two financial years ended 31 March 2006 and 2007 is set out in note 9 to this results announcement.

Business Outlook

With the injection of new capital, the Group is able to undertake a number of initiatives to strengthen its core business and increase competitiveness. With the establishment of the training center, the efficiency in developing new sales team is increased. The new Research and Development center centralizes the resources which make the Group's program development undergoes successfully and smoothly. Furthermore, the engagement of the channel sales in Mainland China is proven as an effective strategy in expanding the sales force with low overhead cost and risks.

The strategies that have been implemented during the financial year ended 31 March 2007 have been in the right track. More resources will continue to be devoted to above mentioned projects in the coming years. The investment will inevitably affect the profit margin of the Group in the short term and this situation may continue in near future. Nevertheless, the management has full confidence that the Group will benefit from those initiatives in the long run.

While we are undergoing our expansion plan, the management is well aware of the ever changing market situation. Keen competition, the rising level of salary in Mainland China and the impact of new technologies and new products will always be our major challenges. The Company will implement our initiatives cautiously, to sustain a healthy growth in changing operating environment.

Employees

As at 31 March 2007, the Group employed 81 staff in Hong Kong (2006: 83) and 178 staff in Mainland China (2006: 156). Total staff costs (including directors' remuneration) of the Group were approximately HK\$27.8 million (2006: HK\$21.8 million). The increase of headcount during the year ended 31 March 2007 was mainly for research and development of new business opportunities and for the operation carried by the new company set up in Mainland China. Staff are remunerated according to their performance and working experience. In addition to the basic salaries and participation in the mandatory provident fund scheme, staff benefits include Share Option Scheme.

Liquidity and financial resources

The Group is principally financed by cash flows generated internally and by the subscription proceeds from CCT Telecom. Upon completion of subscription on 25 April 2006, net proceeds of approximately HK\$21 million was received. In order to capture higher return, the Company placed part of the net proceeds amount to approximately HK\$14 million as equity-linked deposits. As at 31 March 2007, the Group's cash and bank balance amounted to approximately HK\$6.0 million of which approximately 83.9% was denominated in Hong Kong dollars. It further improves the financial position and the liquidity of the Group.

As at 31 March 2007, the net assets value of the Group amounted to HK\$23.2 million, representing approximately HK2.4 cent per share. Saved as disclosed, the Group had no other borrowings and seasonality of borrowing requirement, banking facilities or assets pledged. The gearing ratio (i.e. total long-term external borrowings over total equity) of the Group as at 31 March 2007 was nil (2006: nil). As at 31 March 2007, the current ratio of the Group was 251% (2006: 102%). The strong improvement in liquid position was mainly attributable to the net proceeds from subscription of new shares by CCT Telecom.

Capital Structure

There has been no change in the capital structure of the Group during the year ended 31 March 2007.

On 25 April 2006, CCT Telecom subscribed 550,000,000 ordinary shares of the Company for net proceeds of approximately HK\$21 million. As at 31 March 2007, the equity interest of CCT Telecom in the Company has increased to 66.19%.

Foreign currency exposure

The Group's reporting currency is in Hong Kong dollars. Most of the transactions, assets and liabilities of the Group are denominated in Hong Kong dollars and Renminbi. Since the Group has both Renminbi receipts and payments in our Mainland China operation and the net Renminbi exposure is not significant, the Board considers that the Group is not exposed to any significant exchange risk and accordingly, no hedging transaction was made during the year.

Charges on group assets

As at 31 March 2007, the Group did not have any charges on the Group's assets.

Contingent liability

The Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$1.1 million (2006: HK\$1.2 million) as at 31 March 2007. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

During the financial year under review and as at the year end date, a corporate guarantee of HK\$5 million was give by the Company to a bank in connection with banking facilities granted to a subsidiary. As at 31 March 2007, the relevant banking facilities under this guarantee remain unutilized.

Future plans for investment on capital assets

The Group expects its primary capital expenditures to be investments in computer hardware and software required for operations and development of new or value-added services based on the current plan and funding will be financed internally.

Acquisition and disposal of subsidiaries and affiliated companies

During the financial year ended 31 March 2007, the Group had no material acquisition and disposal of subsidiaries and affiliated companies.

Significant investments

As at 31 March 2007, the Group invested in equity-linked deposit with an estimate fair market value of approximately HK\$13.7 million (2006: nil). Save as disclosed above, the Group has not held any significant investments during the financial year ended 31 March 2007.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the shareholders of the Company (the “Shareholder(s)”) transparency and accountability. It is the belief of the Board that the shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

Throughout the financial year ended 31 March 2007, the Board has reviewed the Group’s corporate governance practices and is satisfied that the Company has complied with the code provisions under the Code on Corporate Governance Practices under the GEM Listing Rules (the “Code”) set out in Appendix 15 to the GEM Listing Rules, except with the following deviations from the code provision of the Code:

Code Provision A.2.1

Before 25 April 2006, the positions of the Chairman and the chief executive officer (the “CEO”) were held by separate individuals to maintain an effective segregation of duties with respect to the management of the Board and the day-to-day management of the Group’s business.

Commencing from 25 April 2006, there is no separation of the role of Chairman and CEO as set out in the code provision A.2.1. Mr. Mak Shiu Tong, Clement currently assumes the role of both the Chairman and the CEO of the Company. Mr. Mak has substantial experience that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board is composed of five executive Directors (including the Chairman) and three independent non-executive directors (“INED(s)”) with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the general management of the Company’s operations are performed by other individuals. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. The Board does not believe that the separation of the role of the Chairman and the CEO will improve the corporate performance.

Code Provision A.4.1

The code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the resigned or existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to the retirement by rotation and re-election at every annual general meeting (the “AGM”) of the Company in accordance with the articles of association of the Company.

Code Provision A.4.2

The code provision A.4.2 provides that all the directors appointed to fill a casual vacancy should be subject to the election by the shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company, any director appointed to fill a casual vacancy shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM of the Company is less than one year and considered to be short.

Pursuant to the articles of association of the Company, the Chairman and the managing Director shall not be subject to the retirement by the rotation or also not be taken into account in determining the number of Directors to retire in each year. The Board considers that the continuity of the Chairman and the managing Director and their leadership will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the Directors other than the Chairman and the managing Director will rotate at least once every three years in order to comply with the code provision A.4.2.

Code Provision E.1.2

Under the first part of the code provision E.1.2, the Chairman of the Board should attend annual general meetings of the Company.

The Chairman of the Board was not able to attend the annual general meeting of the Company held on 25 July 2006 as he had another important business engagement on that date. The Chairman will make every endeavour to attend all future annual general meetings of the Company as required under the Code.

Under the second part of the code provision E.1.2, the chairman of the independent board committee (if any) should be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval.

The members of the independent board committee had not attended the Company's extraordinary general meeting held on 19 April 2006 as all members of the independent board committee had other business engagements on that date. However, the representative of the independent financial adviser attended such general meeting and was available to answer the questions from the Shareholders. No questions was raised by the independent Shareholders during such general meeting. The general meeting was convened to approve the subscription of 550,000,000 new shares of the Company by CCT Telecom for a consideration of HK\$22 million, a connected transaction and the whitewash waiver. The Company considers that the representative of the independent financial adviser who attended such general meeting was already of sufficient caliber for answering questions at such general meeting. The Company will endeavour the chairman or the member(s) of the independent board committee (if any) to attend future general meetings as required under the Code.

Audit Committee

Before 25 April 2006, the members of the Audit Committee consists of three members including the then three INEDs, Mr. Wu Yao Hua, Terence, Mr. Lau Chi Yiu and Mr. Lau Ho Man, Edward. Upon completion of the subscription of 550,000,000 shares of the Company by CCT Telecom on 25 April 2006, all of the previous INEDs resigned as members of the Audit Committee and the three new INEDs, Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, have been appointed as the members of the Audit Committee with effect from 25 April 2006 to replace the resigning members. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

Remuneration Committee

Before 25 April 2006, the members of the Remuneration Committee consisted of five members including the then three INEDs, Mr. Wu Yao Hua, Terence, Mr. Lau Chi Yiu and Mr. Lau Ho Man, Edward, and the then two executive Directors, namely Mr. Yu Lup Fat, Joseph and Mr. Yip Kwok Cheung, Danny. Upon completion of the subscription of 550,000,000 shares of the Company by CCT Telecom on 25 April 2006, all of the above-named persons resigned as members of the Remuneration Committee. The three new INEDs, Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas and the two new executive Directors, Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry, have been appointed as the members of the Remuneration Committee with effect from 25 April 2006 to replace the resigning members. The Remuneration Committee is chaired by one of the members who must be an INED. The chairman of the Remuneration Committee is elected by the members who are present in the meeting, provided that he/she must be an INED.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed Shares during the year.

PUBLICATION OF THE FINAL RESULTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The results announcement of the Company for the year ended 31 March 2007 is published on the website of each of the Company at www.tradeeasy.com and the GEM of the Stock Exchange at www.hkgem.com as at the date of this announcement. The annual report, corporate governance report and the notice of the annual general meeting of the Company will be despatched to the shareholders of the Company and made available on the website of each of the Company and the GEM of the Stock Exchange on or before 30 June 2007.

ANNUAL GENERAL MEETING

The 2007 annual general meeting of the shareholders of the Company will be held at 2208, 22/F, St. George's Building, 2 Ice House Street, Central, Hong Kong on Wednesday, 25 July 2007 at 10:30 a.m. and the notice of the annual general meeting of the Company will be published and despatched to the shareholders of the Company in the manner as required by the GEM Listing Rules in due course.

By order of the Board of
Tradeeasy Holdings Limited
Mak Shiu Tong, Clement
Chairman

Hong Kong, 22 June 2007

Executive Directors:

Mr. Mak Shiu Tong, Clement (*Chairman & Chief Executive Officer*)

Mr. Tam Ngai Hung, Terry

Mr. Yip Kwok Cheung, Danny

Ms. Cheng Yuk Ching, Flora

Dr. William Donald Putt

Independent Non-Executive Directors:

Mr. Lam Kin Kau, Mark

Mr. Fung Hoi Wing, Henry

Mr. Lau Ho Wai, Lucas

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least seven days from the day of its posting.