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TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

PROPOSED SHARE CONSOLIDATION; PROPOSED CHANGE IN BOARD LOT SIZE AND PROPOSED CAPITAL REDUCTION AND SUB-DIVISION

PROPOSED SHARE CONSOLIDATION

The Board proposes to effect the Share Consolidation pursuant to which every 50 issued and unissued Shares will be consolidated into one Consolidated Share.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 10,000 Shares to 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION

Subject to the Share Consolidation becoming effective, the Board proposes to effect the Capital Reduction pursuant to which the par value of each of the issued Consolidated Shares will be reduced from HK\$0.50 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.49 per issued Consolidated Share.

Immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Share will also be sub-divided into 50 New Shares with a par value of HK\$0.01 each.

GENERAL

A circular containing, among other things, further information on the Share Consolidation, the Capital Reduction and the Sub-division and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED SHARE CONSOLIDATION

The Board proposes to effect the Share Consolidation pursuant to which every 50 issued and unissued Shares will be consolidated into one Consolidated Share.

As at the date of this announcement, the authorised share capital of the Company was HK\$1,800,000,000 comprising 180,000,000,000 Shares with a par value of HK\$0.01 each, of which 5,991,615,000 Shares are in issue. Every 50 issued and unissued Shares will be consolidated into one Consolidated Share with a par value of HK\$0.50 each. Fractions of Consolidated Shares that arise from the Share Consolidation will be aggregated and sold for the benefit of the Company.

Upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$1,800,000,000 divided into 3,600,000,000 Consolidated Shares with a par value of HK\$0.50 each, of which 119,832,300 Consolidated Shares will be in issue.

All Consolidated Shares will rank *pari passu* in all respects with each other.

Conditions of the Share Consolidation

The Share Consolidation is conditional on:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the EGM; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Adjustment to the Share Options

As at the date of this announcement, there are outstanding Share Options entitling the holders thereof to subscribe for up to an aggregate of 6,281,957 Shares.

The Share Consolidation may cause adjustments to the subscription price and the number of Consolidated Shares to be issued under the Share Options. The Company will notify the holders of the Share Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and in compliance with the GEM Listing Rules. Such adjustments will be reviewed and certified by auditors or financial advisers to be appointed by the Company and the Company will announce the adjustments accordingly.

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the Consolidated Shares and the Consolidated Shares which fall to be issued upon conversion of the Share Options.

Save for the Share Options, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convertible or exchange into Shares as at the date of this announcement.

Reasons for the Share Consolidation

The Share Consolidation will increase the par value of the Shares and it is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on GEM. As at 7 July 2008, being the last trading day immediately before the date of this announcement, the market value for each existing board lot of the Shares was HK\$280. In view of the relatively low market value for each existing board lot of the Shares, the Board believes that it may attract more investors and extend the shareholder base of the Company. Any trading costs or handling charges which are calculated based on each board lot will therefore be lower. The Board therefore believes that the Share Consolidation is in the interests of the Company and its Shareholders as a whole.

Free exchange of the share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, during the period from 14 August 2008 to 23 September 2008, submit share certificates for existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange, at the expense of the Company, for new share certificates for Consolidated Shares. Thereafter, share certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate issued or cancelled, whichever is higher. Nevertheless, share certificates for existing Shares will not be acceptable for trading purposes but will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at any time.

PROPOSED CHANGE IN BOARD LOT SIZE

Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading in the Shares from 10,000 Shares to 2,000 Consolidated Shares.

Based on the last closing price of HK\$0.028 per Share as quoted on the Stock Exchange on 7 July 2008, being the last trading day immediately before the date of this announcement, the theoretical market value of each new board lot of Consolidated Shares shall be HK\$2,800 while the value of one board lot of Consolidated Shares before effecting the change in board lot size is HK\$14,000. Such change in the board lot size shall allow the public to have a reasonable entry level to invest in the Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a licensed securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of such arrangements and the colour of the new share certificates for Consolidated Shares will be disclosed in an announcement and the circular of the Company to be despatched to the Shareholders.

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION

Subject to the Share Consolidation becoming effective, the Board proposes to effect the Capital Reduction pursuant to which the par value of each of the issued Consolidated Shares will be reduced from HK\$0.50 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.49 per issued Consolidated Share. Part of the credit arising from such reduction will be applied towards cancelling the accumulated loss of the Company, while the balance will be transferred to the distributable reserve account of the Company.

The following table shows the amounts of issued share capital of the Company, distributable reserve account and accumulated loss of the Company immediately before and after the Capital Reduction:

	Before Capital Reduction	After Capital Reduction
Issued share capital of the Company	HK\$59,916,150	HK\$1,198,323
Distributable reserve account	—	approximately HK\$34,304,390
Accumulated loss as at 31 December 2007	approximately HK\$25,611,760	—

Immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Share will also be sub-divided into 50 New Shares with a par value of HK\$0.01 each.

On the basis of the existing issued share capital of the Company and assuming no further issue of new Shares from the date of this announcement up to the date on which the Share Consolidation becoming effective and assuming no further issue of Consolidated Shares after the Share Consolidation and up to the date on which the Capital Reduction and the Sub-division becoming effective, the authorised share capital of the Company will be HK\$1,800,000,000 divided into 180,000,000,000 New Shares with a par value of HK\$0.01 each, of which 119,832,300 New Shares will be in issue.

All New Shares will rank *pari passu* in all respects with each other.

Conditions of the Capital Reduction and Sub-division

The Capital Reduction and the Sub-division are conditional on:

- (i) the Share Consolidation becoming effective;
- (ii) the passing by the Shareholders of a special resolution to approve the Capital Reduction and the Sub-division at the EGM;
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reduction and the Sub-division becoming effective;

- (iv) approval of the Capital Reduction to the extent required by the Court; and
- (v) compliance with any conditions imposed by the Court.

The Capital Reduction shall become effective upon registration of the Court order and other relevant documents with the Registrar of Companies of the Cayman Islands.

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for granting the listing of and permission to deal in the New Shares and the New Shares which fall to be issued upon conversion of the Share Options.

Reasons for the Capital Reduction and the Sub-division

As at 31 December 2007, the Company had accumulated loss of approximately HK\$25,611,760. It is expected that the accumulated loss of the Company will be eliminated after the Capital Reduction. It will therefore facilitate any dividend payment by the Company as and when appropriate in the future. The Sub-division is necessary to sub-divide the par value of each of the authorised but unissued New Share from HK\$0.50 to HK\$0.01 so that the par value of all issued and unissued New Shares will be HK\$0.01 each.

Therefore the Directors consider that the Capital Reduction and the Sub-division are in the interests of the Company and the Shareholders as a whole.

Free exchange of share certificates

Subject to the Capital Reduction becoming effective, Shareholders may, during the period from 14 January 2009 to 13 February 2009, submit share certificates for the then Consolidated Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange, at the expense of the Company, for new share certificates for New Shares. Thereafter, share certificates for the then Consolidated Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate issued or cancelled, whichever is higher. Nevertheless, share certificates for the then Consolidated Shares will not be acceptable for trading purposes but will continue to be good evidence of legal title and may be exchanged for new share certificates for New Shares at any time.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY

The following table shows the effects on the share capital of the Company under the Share Consolidation, the Capital Reduction and the Sub-division on the basis of the existing issued share capital of the Company and assuming no further issue of new Shares from the date of this announcement up to the date on which the Share Consolidation becoming effective and assuming no further issue of Consolidated Shares after the Share Consolidation up to the date on which the Capital Reduction and the Sub-division becoming effective:

Authorised share capital:

180,000,000,000	Shares with a par value of HK\$0.01 each as at the date of this announcement	HK\$1,800,000,000
3,600,000,000	Consolidated Shares with a par value of HK\$0.50 each after the Share Consolidation becoming effective	HK\$1,800,000,000
180,000,000,000	New Shares with a par value of HK\$0.01 each after the Capital Reduction and the Sub-division becoming effective	HK\$1,800,000,000

Issued share capital (paid up or credited as fully paid):

5,991,615,000	Shares issued with a par value of HK\$0.01 each as at the date of this announcement	HK\$59,916,150
119,832,300	Consolidated Shares issued with a par value of HK\$0.50 each after the Share Consolidation becoming effective	HK\$59,916,150
119,832,300	New Shares issued with a par value of HK\$0.01 each after the Capital Reduction and the Sub-division becoming effective	HK\$1,198,323

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation, change in board lot size, the Capital Reduction and the Sub-division:

Despatch of circular with notice of EGM Monday, 21 July 2008

Latest time for lodging forms of proxy for EGM 10:00 a.m. on Monday,
11 August 2008

Date of EGM 10:00 a.m. on Wednesday,
13 August 2008

Announcement of results of EGM..... Wednesday,
13 August 2008

The following events are conditional on the results of the EGM. The dates are therefore tentative.

Effective date for the Share ConsolidationThursday, 14 August 2008

Original counter for trading in Shares

in board lots of 10,000 Shares temporarily closes9:30 a.m. on Thursday,
14 August 2008

Temporary counter for trading in Consolidated Shares

in board lots of 200 Consolidated Shares in the
form of existing share certificates opens 9:30 a.m. on Thursday,
14 August 2008

First day for free exchange of existing share

certificates for new share certificates

for the Consolidated Shares commences.....Thursday, 14 August 2008

Original counter for trading in Consolidated Shares

in board lots of 2,000 Consolidated Shares in
the form of new share certificates for

Consolidated Shares reopens9:30 a.m. on Thursday,
28 August 2008

Parallel trading in Consolidated Shares in the form
of new share certificates and existing share
certificates commences9:30 a.m. on Thursday,
28 August 2008

Designated broker starts to stand in the market
to provide matching services for the sale and
purchase of odd lots of Consolidated SharesThursday, 28 August 2008

Parallel trading in Consolidated Shares in the form
of new and existing share certificates ends4:10 p.m. on Thursday,
18 September 2008

Temporary counter for trading in board lots
of 200 Consolidated Shares in the form
of existing share certificates closes.....4:10 p.m. on Thursday,
18 September 2008

Designated broker ceases to stand in the
market to purchase and sell odd lots of
Consolidated Shares4:10 p.m. on Thursday,
18 September 2008

Last day for free exchange of existing
share certificates for new share certificates
for Consolidated SharesTuesday,
23 September 2008

The following events are conditional on the results of the EGM and the approval from the Court. The dates are therefore tentative.

Effective date for the Capital Reduction
and the Sub-divisionTuesday, 13 January 2009

First day for free exchange of then share
certificates for new share certificates for New Shares
(one day after the effective date due to time
difference between Hong Kong and the Cayman Islands)Wednesday,
14 January 2009

Last day for free exchange of the then share
certificates for new share certificates for New SharesFriday,
13 February 2009

GENERAL

A circular containing, among other things, further information on the Share Consolidation, the Capital Reduction and the Sub-division and a notice to convene the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Consolidated Share from HK\$0.50 to HK\$0.01 by cancelling the paid up capital to the extent of HK\$0.49 on each issued Consolidated Share
“Company”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.50 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation, the Capital Reduction and the Sub-division
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“New Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company after the Capital Reduction and the Sub-division becoming effective
“Shareholder(s)”	the holder(s) of the shares of the Company
“Share(s)”	existing ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company as at the date of this announcement
“Share Consolidation”	the consolidation of every 50 unissued and issued Shares into one Consolidated Share
“Share Options”	the outstanding share options of the Company entitling the holder(s) thereof to subscribe for up to an aggregate of 6,281,957 Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company at its annual general meeting held on 30 April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the sub-division of each authorised but unissued Consolidated Share into 50 New Shares

By Order of the Board of
TRASY GOLD EX LIMITED
Tse Kam Fai
Company Secretary

Hong Kong, 8 July 2008

As at the date of this announcement, the Board comprises Mr. Yu Kam Kee, Lawrence as non-executive Chairman, Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Mr. Wong Kai Tat and Ms. Chan Ling, Eva as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at <http://www.trasy.com>.