



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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This announcement, for which the directors (the “Directors”) of TRASY GOLD EX LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

The board of directors (the “Board”) of Trasy Gold Ex Limited (the “Company”) is pleased to announce the audited results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2008, together with the comparative figures for the year ended 31 December 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Revenue	4	8,007	5,398
Cost of sales		<u>(7,924)</u>	<u>—</u>
Gross profit		83	5,398
Other income		6,931	5,426
Net (loss) gain on investments held for trading	3	(22,335)	4,809
Administrative expenses		(10,717)	(13,978)
Finance costs	6	<u>(48)</u>	<u>(2,548)</u>
Loss for the year	8	<u>(26,086)</u>	<u>(893)</u>
Loss attributable to equity holders of the Company		<u>(26,086)</u>	<u>(893)</u>
Loss per share (HK cents)	10		
Basic		<u>(22.61)</u>	<u>(1.31)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET

At 31 December 2008

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		114	540
Available-for-sale investments		136	136
Other non-current assets		<u>250</u>	<u>250</u>
		<u>500</u>	<u>926</u>
Current assets			
Trade and other receivables	11	5,616	10,561
Investments held for trading	12	17,842	41,919
Bank balances and cash		<u>333,170</u>	<u>224,987</u>
		<u>356,628</u>	<u>277,467</u>
Current liabilities			
Trade and other payables	13	<u>5,938</u>	<u>8,169</u>
Net current assets			
		<u>350,690</u>	<u>269,298</u>
Total assets less current liabilities			
		<u><u>351,190</u></u>	<u><u>270,224</u></u>
Capital and reserves			
Share capital	14	1,198	39,944
Share premium and reserves		<u>349,992</u>	<u>230,280</u>
Total equity			
		<u><u>351,190</u></u>	<u><u>270,224</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

	Attributable to equity holders of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000 (note 1)	Merger reserve HK\$'000 (note 2)	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2007	27,790	47,629	—	5,000	—	(31,838)	48,581
Loss for the year and total recognised expense for the year	—	—	—	—	—	(893)	(893)
Recognition of equity-settled share based payment	—	—	—	—	3,222	—	3,222
Issue of shares upon exercise of share options	4	97	—	—	(7)	—	94
Issue of shares	12,150	214,820	—	—	—	—	226,970
Transaction costs attributable to issue of shares	—	(7,750)	—	—	—	—	(7,750)
At 31 December 2007	39,944	254,796	—	5,000	3,215	(32,731)	270,224
Loss for the year and total recognised expense for the year	—	—	—	—	—	(26,086)	(26,086)
Transfer to accumulated losses upon lapse of share options	—	—	—	—	(2,852)	2,852	—
Recognition of equity-settled share based payments	—	—	—	—	18	—	18
Issue of rights share	19,972	89,874	—	—	—	—	109,846
Transaction costs attributable to issue of rights share	—	(2,812)	—	—	—	—	(2,812)
Capital reduction (note 14)	(58,718)	—	32,589	—	—	26,129	—
At 31 December 2008	<u>1,198</u>	<u>341,858</u>	<u>32,589</u>	<u>5,000</u>	<u>381</u>	<u>(29,836)</u>	<u>351,190</u>

Notes:

- (1) The distributable reserve represented the credit arising from the capital reduction (as detailed in note 14) effected by the Company during the year ended 31 December 2008.
- (2) The merger reserve represented the difference between the net worth of the subsidiaries acquired over the value of the consideration shares in exchange pursuant to the Group reorganisation completed on 31 March 2000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business in Hong Kong of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit 1201, 12th Floor, 88 Gloucester Road, Wanchai, Hong Kong, respectively.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the “Group”) are the provision and operation of an internet-based electronic trading system, securities investments and precious metals trading.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

In the current year, the Group has applied the following amendments and interpretations (“new HKFRSS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) - Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSSs (Amendments)	Improvements to HKFRSSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³

HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁴
HK(IFRIC) - Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation ⁶
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) - Int 18	Transfers of Assets from Customers ⁷

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to

HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods ending on or after 30 June 2009

⁵ Effective for annual periods beginning on or after 1 July 2008

⁶ Effective for annual periods beginning on or after 1 October 2008

⁷ Effective for transfers on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary. The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact effect on the results and the financial position of the Group.

3. COMPARATIVE INFORMATION

In the current year, certain comparative figures of the consolidated income statement have been reclassified to conform with current year's presentation. The Directors consider the current year presentation is able to provide more relevant financial information.

In the current year, the following items have been included in a new line item "net (loss) gain on investments held for trading":

	2007 HK\$'000
Proceeds from sales of investments held for trading (previously included in turnover)	182,212
Cost of sales of investments held for trading (previously included in cost of sales)	(170,148)
Unrealised loss on investments held for trading (previously shown as a separate line item)	<u>(7,255)</u>
	<u>4,809</u>

4. REVENUE

Revenue represents revenue arising on provision and operation of an internet-based electronic trading system and precious metals trading for the year. An analysis of the Group's revenue for the year, is as follows:

	2008 HK\$'000	2007 HK\$'000
Provision and operation of an internet-based electronic trading system	—	5,398
Precious metals trading	<u>8,007</u>	<u>—</u>
	<u>8,007</u>	<u>5,398</u>

5. SEGMENT INFORMATION

Business segments

For management purpose, the Group is currently organised into three operating divisions and their principal activities are as follows:

- (i) Provision and operation of an internet-based electronic trading system - provision of online gold trading services;
- (ii) Securities investments - securities trading and investments; and
- (iii) Precious metals trading - trading of gold.

These divisions are the basis on which the Group reports its primary segment information.

Segment information about these business segments is presented below:

2008

	Provision and operation of an internet-based electronic trading system <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Precious metals trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross proceeds	—	337,147	8,007	345,154
Revenue	<u>—</u>	<u>—</u>	<u>8,007</u>	<u>8,007</u>
Segment results	<u>—</u>	<u>(22,153)</u>	<u>126</u>	(22,027)
Unallocated income				6,684
Unallocated expenses				(10,695)
Finance costs				<u>(48)</u>
Loss for the year				<u>(26,086)</u>
ASSETS				
Segment assets	—	17,955	4,868	22,823
Unallocated corporate assets				<u>334,305</u>
Consolidated total assets				<u>357,128</u>
LIABILITIES				
Segment liabilities	—	4,515	14	4,529
Unallocated corporate liabilities				<u>1,409</u>
Consolidated total liabilities				<u>5,938</u>

	Provision and operation of an internet-based electronic trading system <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Precious metals trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital additions	—	—	—	2	2
Depreciation of property, plant and equipment	—	—	—	157	157
Net loss on investments held for trading	<u>—</u>	<u>22,335</u>	<u>—</u>	<u>—</u>	<u>22,335</u>

2007

	Provision and operation of an internet-based electronic trading system <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Precious metals trading <i>HK\$'000</i>	Total <i>HK\$'000</i>
Gross proceeds	5,398	182,212	—	187,610
Revenue	<u>5,398</u>	<u>—</u>	<u>—</u>	<u>5,398</u>
Segment results	<u>3,736</u>	<u>989</u>	<u>—</u>	4,725
Unallocated income				4,445
Unallocated expenses				(7,515)
Finance costs				<u>(2,548)</u>
Loss for the year				<u>(893)</u>
ASSETS				
Segment assets	1,125	42,157	9,254	52,536
Unallocated corporate assets				<u>225,857</u>
Consolidated total assets				<u>278,393</u>
LIABILITIES				
Segment liabilities	—	6,756	22	6,778
Unallocated corporate liabilities				<u>1,391</u>
Consolidated total liabilities				<u>8,169</u>

	Provision and operation of an internet-based electronic trading system <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Precious metals trading <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital additions	—	—	—	123	123
Depreciation of property, plant and equipment	—	—	—	195	195
Net gain on investments held for trading	<u>—</u>	<u>4,809</u>	<u>—</u>	<u>—</u>	<u>4,809</u>

Geographical segments

Over 90% of the Group's revenue, segment results and the location of assets are derived from or located in Hong Kong, and accordingly, no geographical segment analysis is presented for the year.

6. FINANCE COSTS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Interest on borrowings wholly repayable within five years:		
Securities margin accounts	48	1,614
Precious metals trading margin accounts	<u>—</u>	<u>934</u>
Total borrowing costs	<u><u>48</u></u>	<u><u>2,548</u></u>

7. INCOME TAX EXPENSE

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries either incurred tax losses or the assessable profit is wholly absorbed by tax losses brought forward for both years.

The tax charge for the year is reconciled to the loss before taxation per the consolidated income statement as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Loss before taxation	<u>(26,086)</u>	<u>(893)</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	(4,304)	(156)
Tax effect of expenses not deductible for tax purpose	1,004	620
Tax effect of income not taxable for tax purpose	(1,132)	(233)
Tax effect of tax losses not recognised	4,432	312
Utilisation of tax losses previously not recognised	<u>—</u>	<u>(543)</u>
Tax charge for the year	<u><u>—</u></u>	<u><u>—</u></u>

At the balance sheet date, the Group has unutilised tax losses of approximately HK\$48,191,000 (2007: HK\$21,328,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profits stream. Such tax losses can be carried forward indefinitely.

8. LOSS FOR THE YEAR

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	157	195
Auditors' remuneration	550	562
Loss on disposal of property, plant and equipment	271	—
Directors' emoluments	1,123	3,599
Salaries and allowances (excluding directors)	2,352	3,668
Retirement benefits scheme contribution (excluding directors)	135	95
Share-based payments (excluding directors)	<u>18</u>	<u>1,484</u>
	<u>3,628</u>	<u>8,846</u>
and after crediting:		
Interest income	6,680	4,877
Dividend income from investments held for trading	<u>180</u>	<u>129</u>

9. DIVIDEND

No dividend was paid or proposed for the years ended 31 December 2008 and 2007, nor has any dividend been proposed since the balance sheet date for both years.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Loss		
Loss for the purposes of basic loss per share	<u>(26,086)</u>	<u>(893)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>115,355,000</u>	<u>68,280,000</u>

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 December 2007 and 2008 have been retrospectively adjusted for the Rights Issue and Capital Reorganisation (as detailed in note 14 to the financial statements).

No diluted loss per share has been presented because the exercise price of the Company's options was higher than the average market price for shares for both 2008 and 2007.

11. TRADE AND OTHER RECEIVABLES

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Trade receivables	—	1,090
Brokers receivables	4,576	9,073
Deposits and prepayments	<u>1,040</u>	<u>398</u>
Total trade and other receivables	<u><u>5,616</u></u>	<u><u>10,561</u></u>

12. INVESTMENTS HELD FOR TRADING

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Equity securities listed in Hong Kong	17,842	35,819
Unlisted equity funds	<u>—</u>	<u>6,100</u>
	<u><u>17,842</u></u>	<u><u>41,919</u></u>

At 31 December 2008, the carrying amount of investments held for trading which have been pledged is approximately HK\$12,495,000 (2007: HK\$Nil). The carrying amount of the associated liability is approximately HK\$4,515,000 (2007: HK\$Nil).

As at 31 December, 2007, the unlisted equity funds represented funds managed by financial institutions and was measured at fair values based on a valuation using market inputs provided by the financial institutions at the balance sheet date.

13. TRADE AND OTHER PAYABLES

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Trade payables	12	12
Brokers payables	4,515	6,767
Accruals and other payables	<u>1,411</u>	<u>1,390</u>
	<u><u>5,938</u></u>	<u><u>8,169</u></u>

14. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Authorised:		
At 1 January 2007 and 31 December 2007, ordinary shares of HK\$0.01 each	180,000,000,000	1,800,000
Share consolidation (note ii)	(176,400,000,000)	—
Share sub-division (note ii)	<u>176,400,000,000</u>	<u>—</u>
At 31 December 2008, ordinary shares of HK\$0.01 each	<u>180,000,000,000</u>	<u>1,800,000</u>
Issued and fully paid:		
At 1 January 2007, ordinary shares of HK\$0.01 each	2,779,000,000	27,790
Issue of shares	1,215,000,000	12,150
Exercise of share options	<u>410,000</u>	<u>4</u>
At 31 December 2007, ordinary shares of HK\$0.01 each	3,994,410,000	39,944
Issue of rights shares (note i)	1,997,205,000	19,972
Share consolidation (note ii)	(5,871,782,700)	—
Capital reduction (note ii)	<u>—</u>	<u>(58,718)</u>
At 31 December 2008, ordinary shares of HK\$0.01 each	<u>119,832,300</u>	<u>1,198</u>

Notes:

- (i) On 14 February 2008, 1,997,205,000 ordinary shares of HK\$0.01 each was issued and allotted by way of the rights issue, on the basis of one rights share for every two shares held on the 11 January 2008, at a subscription price of HK\$0.055 per rights share (“Rights Issue”). The net proceeds of approximately HK\$107,034,000 from the Rights Issue were intended to be used for possible diversified investments or projects in property or natural resources businesses or general working capital of the Company. The new shares rank *pari passu* with the existing shares in all respects.

Details of the Rights Issue are set out in a circular to the shareholders of the Company dated 14 January 2008.

- (ii) Pursuant to a resolution passed in a special general meeting on 13 August 2008, the Company carried out the following capital reorganisation (“Capital Reorganisation”) which involved *inter-alia*:

- Every fifty issued and unissued shares of HK\$0.01 each were consolidated into one share of HK\$0.50 each (“Share Consolidation”).
- The nominal value of each issued and unissued ordinary share after the Share Consolidation was reduced from HK\$0.50 each to HK\$0.01 by cancellation of the HK\$0.49 of the capital paid up thereon (“Capital Reduction”). The credit arising therefrom of HK\$58,718,000 was applied (i) as the HK\$26,129,000 to set off the accumulated losses of the Company outstanding as of 31 December 2008; and (ii) as to the balance of HK\$32,589,000 to credit to the distributable reserve of the Company.
- Every authorized but unissued consolidated shares were sub-divided (“Sub-division”) into 50 unissued shares with a par value of HK\$0.01 each.

Details of the Capital Reorganisation are set out in a circular to the shareholders of the Company dated 21 July 2008. The Share Consolidation became effective on 14 August 2008 while the Capital Reduction and Sub-division became effective on 12 November 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2008, the Group's consolidated revenue increased by 48% to HK\$8.0 million from HK\$5.4 million for the year ended 31 December 2007.

Besides, total revenue increased by 82.3% to HK\$352.1 million for the year ended 31 December 2008 from HK\$193.1 million for the year ended 31 December 2007. This increase was primarily due to the increase in turnover from securities investments by 85.1% to HK\$337.1 million for the year ended 31 December 2008 from HK\$182.2 million for the year ended 31 December 2007.

Dividend income from investments held for trading and interest income for the year ended 31 December 2008 amounted to HK\$180,000 and HK\$6,680,000 respectively (for the year ended 31 December 2007: HK\$129,000 and HK\$4,877,000 respectively).

The Group recorded a loss attributable to equity holders of the Company of HK\$26,086,000 for the year ended 31 December 2008 (for the year ended 31 December 2007: HK\$893,000), representing a basic loss per share of HK 22.61 cents (for the year ended 31 December 2007: HK 1.31 cents).

BUSINESS REVIEW AND OUTLOOK

Precious Metals Trading

For the year ended 31 December 2008, turnover from trading in precious metals amounted to HK\$8,007,000, with a profit contribution amounted to HK\$83,000. The Group will continue to adopt prudent risk management and internal control policies to monitor and minimize the Group's risk exposures in precious metals trading.

Securities Investments

For the year ended 31 December 2008, the proceeds from sales of investments held for trading amounted to HK\$337,147,000 (for the year ended 31 December 2007: HK\$182,212,000), which generated a profit contribution amounted to HK\$4,763,000 (for the year ended 31 December 2007: HK\$12,064,000). However under the continuing turmoil in global financial markets, the Group recorded a net unrealized loss on investments held for trading of HK\$27,098,000 (for the year ended 31 December 2007: HK\$7,255,000) by marking the investments held for trading to open market values. As a part of risk management philosophy, the Group will continue to adopt a prudent and vigilant attitude towards treasury management policy with a view to achieving better returns on its financial resources and maintaining a more balanced and healthy portfolio of investments.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

On 14 February 2008, the Company issued 1,997,205,000 rights shares at a price of HK\$0.055 per rights share by way of the rights issue on the basis of one rights share for every two shares held on the 11 January 2008 (“Rights Issue”), and raised net proceeds of HK\$107,034,000. The new shares rank *pari passu* with the existing shares in all respects. The Board considered that the Rights Issue enabled the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. As at the date of this announcement, the Company applied the entire net proceeds arising therefrom for the general working capital of the Group.

On 14 August 2008, the Company consolidated every 50 issued and unissued shares of HK\$0.01 each into one consolidated shares of HK\$0.50 each (the “Share Consolidation”), and changed the board lot size for trading in the shares from 10,000 to 2,000 consolidated shares. Upon the Grant Court of the Cayman Islands granted the order on 31 October 2008 and fulfillment of other conditions precedent, the par value of each issued consolidated share was reduced 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 and sub-divide every unissued share of HK\$0.50 each into 50 shares of HK\$0.01 each (the “Capital Reduction and Sub-division”) on 12 November 2008. As a result, HK\$58,718,000 paid-up capital was cancelled, HK\$26,129,000 was applied towards cancelling the accumulated loss of the Company, while HK\$32,589,000 was transferred to the distributable reserve of the Company.

As at 31 December 2008, the Group’s current ratio was 60.1 times (as at 31 December 2007: 34.0 times). As the Group has no bank borrowings or banking facilities as at both years ended 31 December 2008 and 2007, the Group’s gearing ratio for both years was zero. Up to the date of this announcement, no debt financing activities are currently in place or proposed.

The Group's assets and liabilities are mainly denominated in Hong Kong Dollar and United States Dollar. The Directors consider that the Group is not exposed to any significant foreign currency risk and thereby no related hedge was made by the Group during the year.

CHANGE OF AUDITOR

Moore Stephens resigned as auditor of the Group with effect from 5 May 2008 and the Board appointed Deloitte Touche Tohmatsu on 6 May 2008 as auditor of the Group to fill the vacancy arising from the resignation of Moore Stephens as the Company wants to obtain better international support and more auxiliary services to the Group to cope with its future business development. Deloitte Touche Tohmatsu holds office until the conclusion of the next annual general meeting of the Company. Moore Stephens confirmed that there were no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders or creditors of the Group.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

The Group did not have any significant acquisition or disposal during the year ended 31 December 2008.

SIGNIFICANT INVESTMENTS

There were no significant investments held by the Group as at 31 December 2008.

PLEDGE ON GROUP ASSETS

At 31 December 2008, the carrying amount of investments held for trading which have been pledged as security for the borrowing of approximately HK\$12,495,000 (2007: HK\$Nil). The carrying amount of the associated liability is approximately HK\$4,515,000 (2007: HK\$Nil).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2008 and 2007.

OUTLOOK AND FUTURE PLANS RELATING TO MATERIAL INVESTMENT

During the year, the Group managed to complete a fund raising exercise enabling it to continue to maintain a strong asset base to seize on and grasp any investment opportunities once they arise. They will either finance by the Group's internal resources or external borrowings.

The Group did not have any significant investment plans as at 31 December 2008.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees was 10 as at 31 December 2008 (31 December 2007: 8 employees). The total staff costs of the Group, including the Directors' emoluments, for the year ended 31 December 2008 amounted to HK\$3,628,000 (for the year ended 31 December 2007: HK\$8,846,000).

The Group fixes and reviews the emoluments of its Directors and staff based on the qualification, experience, performance and the market rates from time to time so as to maintain the remunerations of the Directors and staff at a competitive level. Salary increment is normally approved annually or by special adjustment depending on length of services and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

The Company adopted a share option scheme ("Scheme") at the annual general meeting of the Company held on 30 April 2002. Under the Scheme, the Directors of the Company may, at their discretion, grant options to any eligible participants which enable them to subscribe for shares in aggregate not exceeding 30% of the shares in issue of the Company from time to time (including shares which have been allotted and issued pursuant to any other share option scheme). No share option has been granted or exercised during the year and 39,550,000 share options have been lapsed upon the changes in staff. As at 31 December 2008, 125,635 share options were still outstanding.

The Group maintains a mandatory provident fund (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$20,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules which came into effect on 1 January 2005 as its own code of corporate governance practices.

During the year ended 31 December 2008, the Company was in compliance with the code provisions set out in the CG Code except for the following:

Deviations from the CG Code	Relevant CG Code provisions	Remedial steps have been taken to comply with the CG Code
1. The role and responsibilities between the Chairman and chief executive officer have not been divided.	A.2.1	The roles and functions of Chairman and chief executive officer have been performed by the two executive Directors collectively.
2. The non-executive Directors are not appointed for a specific term but are subject to the provision for retirement and rotation of Directors under the Articles of Association of the Company (the “Articles”).	A.4.1	The non-executive Directors were not appointed for a specific term but they are subject to the retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles.
3. The Chairman of the Board did not attend the 2008 annual general meeting of the Company.	E.1.2	The non-executive Chairman has set aside time to attend the 2009 annual general meeting of the Company to be held on 15 May 2009.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the year ended 31 December 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as Chairman), Mr. Wong Kai Tat and Ms. Chan Ling, Eva, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2008.

ANNUAL GENERAL MEETING

The 2009 Annual General Meeting of the Company will be held on 15 May 2009.

By Order of the Board
Trasy Gold Ex Limited
Tse Ke Li
Executive Director

Hong Kong, 24 March 2009

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 will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its publication and on the Company's website at www.trasy.com.