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This announcement, for which the directors of Trasy Gold Ex Limited (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.



TRASY GOLD EX LIMITED
卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8063)

RESUMPTION OF TRADING

Financial advisers to Trasy Gold Ex Limited



Further to the announcement of the Company dated 29 June 2006, the Directors are pleased to announce that trading in the Shares will resume with effect from 9:30 a.m. on 25 May 2007.

Trading in the Shares was suspended on 10 June 2003. Pursuant to Rule 9.14 of the GEM Listing Rules, the Exchange served a notice dated 19 May 2006 on the Company giving the Company a period of six months for the submission of a viable resumption proposal to the Exchange, failing which the Exchange may give notice to cancel the listing of the Company on the expiry of the six months from the date of the notice, i.e. on 18 November 2006.

As stated in the 2006 Annual Report, a resumption proposal dated 3 November 2006 was submitted to the Exchange in response to its notice dated 19 May 2006.

After considering the resumption proposal and subsequent submissions, the Exchange issued a letter to the Company approving the resumption of trading in the Shares subject to the publication of an appropriate announcement of the Company for resumption of trading.

BACKGROUND

Trading in the shares (the “**Shares**”) of Trasy Gold Ex Limited (the “**Company**”) on the Stock Exchange of Hong Kong Limited (the “**Exchange**”) was suspended with effect from 9:30 a.m. on 10 June 2003 pending the release of an announcement on the progress of a major transaction entered into by the Company in April 2003. This major transaction was subsequently terminated in August 2003.

Pursuant to Rule 9.14 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange (the “**GEM Listing Rules**”), the Exchange served a notice dated 19 May 2006 to the Company giving the Company a period of six months for the submission of a viable resumption proposal to the Exchange, failing which the Exchange may give notice to cancel the listing of the Company on the expiry of the six months from the date of the notice, i.e. on 18 November 2006.

As stated in the annual report of the Company for the year ended 31 December 2006 (the “**2006 Annual Report**”), a resumption proposal dated 3 November 2006 (the “**Proposal**”) was submitted to the Exchange in response to its notice dated 19 May 2006, providing the Exchange with updated information about the Company and its subsidiaries (together the “**Group**”) in terms of its operation, financial position and performance, and corporate governance and internal controls. Subsequent to the Proposal the Company provided the Exchange with further information in relation to, among other things, the Company’s latest financial information and the adequacy and effectiveness of the Group’s internal control system. After considering the Proposal and subsequent submissions, the Exchange issued a letter to the Company approving the resumption of trading in the Shares (the “**Resumption**”) subject to the publication of an appropriate announcement of the Company for resumption of trading.

UPDATES ON THE GROUP’S BUSINESS DEVELOPMENTS SINCE SUSPENSION IN JUNE 2003

General

After suspension in June 2003, the Group’s business suffered a period of difficulty prior to the takeover by ITC Corporation Limited (“**ITC**”) in March 2005 and the Directors believe that this was mainly attributable to the financial difficulty of, and negative news surrounding, RNA Holdings Limited (“**RNA**”), the Company’s former controlling shareholder.

*New marketing initiatives and reformation of the board of Directors (the “**Board**”) following the completion of the takeover by ITC*

Since the acquisition of a controlling interest in the Company by ITC, the Group has devoted considerable effort to enlarging the user base of the Company’s internet-based precious metals trading platform, namely the TRASY System, and following a thorough review of the Group’s business and with the assistance of ITC, it launched new marketing initiatives and procured a portfolio of new institutional and private clients as users of the TRASY System. Since the second half of 2005, the Group has achieved a significant improvement in business and the Directors believe that this is mainly attributable to the launch of new marketing initiatives by the management of the Group following the completion of the general offer made by ITC in May 2005 and after the reformation of the Board in January 2006.

TRASY System business and the user base

Revenue from the TRASY System declined since suspension in June 2003, resulting largely from the fact that the business flow from its major customer, RNA, which ceased completely in mid 2005. Following the change in the controlling shareholder, the Group launched new business development initiatives with a view to broadening the TRASY System user base, hence diversifying its reliance on a single customer. The Group has attracted new institutional users such as regional market principals, local bullion houses and high net-worth clients.

As stated in the annual report of the Company for the year ended 31 December 2005 (the “**2005 Annual Report**”), the new users of the TRASY System commenced trading activities on the TRASY System following the relocation of the Company’s principal office in August 2005. Since then, the TRASY System business has demonstrated positive growth. The user base of the TRASY System has expanded to 20 at the date of this announcement. As a result of the expanded user base of the TRASY System, the Group achieved an approximately 166% growth in turnover attributable to the TRASY System for the first quarter of 2007 (to approximately HK\$1.6 million) as compared to the corresponding period in 2006 (approximately HK\$0.6 million). Whereas, the turnover attributable to the TRASY System for the year ended 31 December 2006 was approximately HK\$4.2 million, representing an increase of approximately 264% as compared to that of 2005. The Group is continuing to solicit new institutional clients to be TRASY System users. In line with its strategy to strengthen the TRASY System business, the Group continues to seek new users. Target customers include banks, brokerage firms, corporate and high net-worth individual clients.

New marketing plans have been implemented to promote the TRASY System business. The Group has participated in the Financial World Expo in Hong Kong in October 2005, organized seminars and has conducted frequent one-on-one visits. The Group’s precious metals information websites have been merged and revamped so as to enhance that medium’s effectiveness as a marketing channel for the TRASY System. The revamped website – www.trasy.com, continues to enjoy popular audience reach.

Significant improvement in the results of the Group in 2006 as compared to 2005

The results of the Group for the years ended 31 December 2005 and 2006 and the first quarterly results 2007 of the Group attest to the Group’s effort. As revealed in the 2006 Annual Report, the Group achieved a remarkable turnover of approximately HK\$75 million for 2006, representing an increase of approximately 127% as compared to 2005 (approximately HK\$33 million). Gross profit for 2006 (approximately HK\$5.4 million) represented approximately 6 times that of 2005 (approximately HK\$0.9 million). The Group’s effort is further evidenced by the first quarterly results of the Group in 2007, the Group returned to a profitable position and achieved a significant growth in transaction fees of approximately 166% as compared to the corresponding period in 2006.

In view of the robust growth of the transaction fees which is derived from the Group’s key profit driver, the TRASY System, the Directors considered that the Group’s businesses has been making significant progress. Taking into account the expanded user base of the TRASY System and the continuous efforts of the Group’s management to solicit new clients, the Directors consider that the resumption of trading in the Shares is in the interest of the Group and the shareholders of the Company as a whole.

Financial position

The Directors are of the view that the Group is operating on a sound financial basis as the Group is operating almost on a debt-free basis and has net current assets of approximately HK\$48 million (including cash and bank balances of approximately HK\$46 million) and its current ratio was 5.59 based on the audited financial statements of the Group as at 31 December 2006. The Directors believe that such a strong financial position can adequately finance any capital expenditure in the foreseeable future in relation to the enhancement of the TRASY System and the operations of the Group.

Corporate governance and internal controls

The corporate governance and internal controls of the Group have been strengthened since the acquisition of the Group by ITC in March 2005 and the reformation of the Board in January 2006. The Board is committed to maintaining a high-standard of corporate governance and internal control system. Various internal control policies and procedures including financial, operational and compliance controls and risk management functions, have been established.

FUTURE BUSINESS PLAN

The Group does not currently have any intention, and is not in any proposals or discussions which would lead to a change in the principal business activities of the Group. Following the Resumption, the Group will continue to engage in the provision and operation of its internet-based precious metals trading platform. The Group will continue to commit resources to marketing the TRASY System and to expanding its user base so as to enhance the trading dynamics of the TRASY System. To widen the user base of the TRASY System, the Group will continue to target both local and international institutions. In addition, the Group will also seek to expand its private client base by securing new local and overseas high net-worth private clients in Hong Kong and specific Asian markets.

In addition, with a view to broadening the user and revenue bases of the TRASY System and as a means of promoting the TRASY System, the Company has entered into a memorandum of understanding with a well-known investment adviser in Hong Kong who operates a website which provides market commentaries on commodities including gold, foreign exchange and equities regarding (i) a cross-referral and fee-sharing arrangement through the installation of a hyperlink on the websites of the Group and of such investment adviser to provide their respective viewers with ready access to the other party's website; and (ii) a co-marketing arrangement by organizing joint seminars to market the business of both companies. The Directors considered that such arrangements can tap new sources of clients and revenue streams for the Group.

The Directors intend to apply a significant portion of the cash and bank balance of the Group to fulfill the margin deposit requirement for trading facilities by bullion banks/brokers as required by the TRASY System. In addition, approximately HK\$10 million is earmarked for the cooperation with The Chinese Gold & Silver Exchange Society ("CGSE") as detailed below. The remaining balance of cash will be deployed to marketing activities, enhancement cost of the TRASY System and general working capital.

For an effective operation of the TRASY System, the aforesaid margin deposit requirement for trading facilities by bullion banks/brokers is essential as bi-lateral credit limits for trading with each other counterparties have to be established before transactions can be executed.

During the period around August 2006 to February 2007, the Company had various discussions with CGSE for possibility of cooperation including the licensing of an electronic trading platform. However, such discussions have not led to anything concrete and the Company has made no further discussion with CGSE after February 2007. As stated above, HK\$10 million is earmarked by the Company for the aforesaid possible cooperation and if cooperation with CGSE is not materialized, the HK\$10 million will apply as to HK\$5 million for its precious metals trading business for the purpose of enhancing the liquidity of its precious metals trading business, as to HK\$1 million for the marketing expenditures, and as to the balance for general working capitals of the Group.

RESUMPTION OF TRADING

Application has been made by the Company to the Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 25 May 2007.

By Order of the Board
TRASY GOLD EX LIMITED
Francis J. Chang Chu Fai
Chairman

Hong Kong, 23 May 2007

As at the date of this announcement, the Board of Directors comprises Mr. Francis J. Chang Chu Fai as Chairman, Mr. Leung Man Pok, John as Managing Director, Ms. Cheung Wing Chi, Winnie as executive Director, and Mr. Chung Koon Yan, Mr. Wong Kai Tat and Mr. Yue Wai Keung 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.