

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**TRASY GOLD EX LIMITED**

**卓施金網有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8063)

**RIGHTS ISSUE OF NOT LESS THAN 1,997,205,000 RIGHTS SHARES  
BUT NOT MORE THAN  
2,020,050,000 RIGHTS SHARES AT HK\$0.055 EACH  
ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY  
TWO SHARES HELD ON THE RECORD DATE  
AND  
RESUMPTION OF TRADING**

**Financial adviser to Trasy Gold Ex Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

**Underwriter to the Rights Issue**



**KINGSTON SECURITIES LIMITED**

**THE RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$109.8 million before expenses by way of the Rights Issue of not less than 1,997,205,000 Rights Shares but not more than approximately HK\$111.1 million before expenses by way of the Rights Issue of not more than 2,020,050,000 Rights Shares at a price of HK\$0.055 per Rights Share on the basis of one Rights Share for every two Shares held on the Record Date.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one Rights Share in nil-paid form for every two Shares held on the Record Date. As at the date of this announcement, there are 45,690,000 Share Options entitling holders thereof to subscribe for 45,690,000 Shares. The estimated net proceeds raised from the Rights Issue will be not less than approximately HK\$106.2 million (assuming no outstanding Share Options are exercised on or before the Record Date) but not more than approximately HK\$107.4 million (assuming all outstanding Share Options are exercised in full on or before the Record Date).

As at the date of this announcement, Mr. Tse, a substantial Shareholder, is interested in an aggregate of 798,882,000 Shares, representing 20.00% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, (i) he will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by him pursuant to the terms of the Rights Issue; and (ii) he will not dispose of the Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

Pursuant to the Underwriting Agreement, the Underwritten Shares will be fully underwritten by the Underwriter, other than in respect of those Rights Shares undertaken to be accepted by Mr. Tse by way of his rights entitlement, if any, on the terms and subject to the conditions set out in the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement (see sub-section headed “Termination of the Underwriting Agreement” below) or the conditions of the Rights Issue (see sub-section headed “Conditions of the Rights Issue” below) are not satisfied or waived in whole or in part by the Underwriter, the Rights Issue will not proceed. **Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional adviser. Moreover, investors’ attention is drawn to the section headed “Warning of the risks of dealing in the Shares and the nil-paid Rights Shares” below.**

The last day of dealings in the Shares on a cum-rights basis is Friday, 4 January 2008. The Shares will be dealt with on an ex-rights basis from Monday, 7 January 2008. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 16 January 2008 to Thursday, 24 January 2008 (both dates inclusive).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company’s branch share registrars in Hong Kong by 4:00 p.m. (Hong Kong time) on Tuesday, 8 January 2008. In order for the holders of the Share Options to qualify for the Rights Issue, Option Exercise Form together with a remittance in cash for the amount of the exercise price for the respective Shares must be lodged on or before 4:00 p.m. Tuesday, 8 January 2008. The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

The latest time for acceptance and payment for the Rights Shares is expected to be on Tuesday, 29 January 2008. The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both the nil-paid and fully-paid forms.

## **GENERAL**

The Company will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the Provisional Allotment Letters and Excess Application Forms), for information only, to the Excluded Shareholders on Monday, 14 January 2008.

### **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” below). Accordingly, the Rights Issue may or may not proceed.**

**The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they should consult their professional advisers.**

**The Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Monday, 7 January 2008. The Rights Shares will be dealt in their nil-paid form from Wednesday, 16 January 2008 to Thursday, 24 January 2008, both dates inclusive. The Shareholders should note that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be Monday, 4 February 2008), and any dealings in the Rights Shares in their nil-paid form, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or the Rights Shares in their nil-paid form, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

### **RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 December 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 19 December 2007.

## **THE RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue : One Rights Share for every two Shares held on the Record Date

Subscription Price : HK\$0.055 per Rights Share

Number of Shares assuming none of the Share Options have been exercised	:	3,994,410,000 Shares
Number of Shares which may be issued upon the exercise of outstanding Share Options as at the date of this announcement in full	:	45,690,000 Shares
Number of Rights Shares	:	Not less than 1,997,205,000 Rights Shares (assuming none of the Share Options have been exercised) but not more than 2,020,050,000 Rights Shares (assuming all the Share Options have been exercised).
Number of Rights Shares undertaken by Mr. Tse pursuant to the Irrevocable Undertaking	:	Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to take up all his entitlements under the Rights Issue, being 399,441,000 Rights Shares assuming Mr. Tse's shareholding in the Company remains unchange up to the Record Date.
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the balance of the Rights Shares (excluding the number of the Rights Shares agreed to be taken up by Mr. Tse pursuant to the Irrevocable Undertaking) not subscribed by the Shareholders on a fully underwritten basis, (i) being 1,597,764,000 Rights Shares in the event none of the Share Option has been exercised before the Record Date; or (ii) being 1,620,609,000 Rights Shares in the event that all Share Options have been exercised in full before the Record Date, subject to the terms and conditions of the Underwriting Agreement.
Total Number of Shares in issue upon completion of the Rights Issue	:	Not less than 5,991,615,000 Shares (assuming none of the Share Options have been exercised) but not more than 6,060,150,000 Shares (assuming all the Share Options have been exercised).

The Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's existing issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

As at the date of this announcement, there is an aggregate of 45,690,000 outstanding Share Options eligible for exercise to subscribe for up to an aggregate of 45,690,000 Shares. Save for the Share Options mentioned above, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

## **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company's branch share registrars in Hong Kong by 4:00 p.m. (Hong Kong time) on Tuesday, 8 January 2008. In order for the holders of the Share Options to qualify for the Rights Issue, Option Exercise Form together with a remittance in cash for the amount of the exercise price for the respective Shares must be lodged on or before 4:00 p.m. Tuesday, 8 January 2008. The branch share registrar of the Company in Hong Kong is:

Computershare Hong Kong Investor Services Limited at  
Shops 1712-1716, 17/F, Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

The Company will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the Provisional Allotment Letters and Excess Application Forms), for information only, to the Excluded Shareholders on Monday, 14 January 2008.

As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the register of members of the Company were located outside of Hong Kong. In determining whether there will be Excluded Shareholders, the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Company's offering of the Rights Issue to the Excluded Shareholders in compliance with Rule 17.41(1) of the GEM Listing Rules.

## **Closure of register of members**

The register of members of the Company will be closed from Wednesday, 9 January 2008 to Friday, 11 January 2008, both dates inclusive. No transfer of Shares will be registered during this period.

## **Subscription Price**

HK\$0.055 per Rights Share payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 36.78% to the closing price of HK\$0.0870 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 39.82% to the average closing price of HK\$0.0914 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Date;

- (iii) a discount of approximately 40.28% to the average closing price of HK\$0.0921 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 27.95% to the theoretical ex-right price of HK\$0.0763 based on the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Date; and
- (v) a premium of approximately 214.29% to the audited consolidated net assets value per Share of approximately HK\$0.0175 based on 2,779,000,000 Shares in the issued share capital of the Company as at 31 December 2006.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. In view of the loss-making track record in the past two years, as to approximately HK\$8.86 million and HK\$3.60 million for the financial years ended 31 December 2005 and 2006 respectively, the Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue (including the rate of commission) to be fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

#### **Basis of Provisional Allotments**

One Rights Share (in nil-paid form) for every two Shares held by Qualifying Shareholders as at the close of business on the Record Date.

#### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the Shares in issue on the date of issue of the fully-paid Rights Shares in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the fully-paid Rights Shares.

#### **Certificates for the Rights Shares**

Subject to the fulfillment or the waiver in whole or in part by the Underwriter of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before Tuesday, 12 February 2008 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Tuesday, 12 February 2008 at such Shareholders' own risk.

#### **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the Excess Application Form and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares, at their discretion, but on a fair and reasonable basis. Further announcement with the details of the allocation method of the excess Rights Shares will be made by the Company.

The Qualifying Shareholders whose Shares are held by a nominee company should note that for the purposes of the principles above, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Qualifying Shareholders whose Shares are registered in the name of the nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

### **Application for listing**

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Nil-paid Rights Shares are expected to be traded in board lots of 10,000 (as the Shares are currently traded on the Stock Exchange in board lots of 10,000). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### **Undertaking**

As at the date of this announcement, Mr. Tse, a substantial Shareholder, is interested in an aggregate of 798,882,000 Shares, representing 20.00% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, (i) he will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by him pursuant to the terms of the Rights Issue; and (ii) he will not dispose of the Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following:

- (a) the GEM Listing Committee having granted or having agreed to grant in principle (subject to such conditions as imposed by the Stock Exchange) the listing of and permission to deal in all the Rights Shares (in both nil-paid and fully-paid forms), and such listing and permission not subsequently being revoked or withdrawn prior to the Latest Time for Termination;

- (b) the filing and registration of all documents relating to the Rights Issue, which are required by law to be filed or registered with the Registrar of Companies in Hong Kong and/or the Registrar of Companies in the Cayman Islands on or before the Posting Date or on such day and in such manner as required or allowed by the relevant Registrar of Companies;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders on the Posting Date;
- (d) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (e) the trading of the Shares on the Stock Exchange not having been suspended for more than ten (10) consecutive Business Days at any time prior to the Latest Time for Acceptance (excluding any suspension in connection with the clearance of this announcement or Prospectus Documents or other announcements in connection with the Rights Issue).

In the event that the above conditions (other than conditions (a) to (d) which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Latest Time for Termination or the respective time stipulated therein (or in each case, such later date as the Underwriter may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by the Company be borne by the Company.

## **UNDERWRITING ARRANGEMENT**

### **The Underwriting Agreement**

Date	:	17 December 2007
Underwriter	:	Kingston Securities. To the best of the Directors' knowledge and information, Kingston Securities and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
Number of Rights Shares undertaken by Mr. Tse pursuant to the Irrevocable Undertaking	:	Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to take up all his entitlements under the Rights Issue being 399,441,000 Rights Shares assuming Mr. Tse's shareholding in the Company remains unchange up to the Record Date.



- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the balance of the Rights Shares (excluding the number of the Rights Shares agreed to be taken up by Mr. Tse pursuant to the Irrevocable Undertaking) not subscribed by the Shareholders on a fully underwritten basis, (i) being 1,597,764,000 Rights Shares in the event none of the Share Option has been exercised before the Record Date; or (ii) being 1,620,609,000 Rights Shares in the event that all Share Options have been exercised in full before the Record Date, subject to the terms and conditions of the Underwriting Agreement.
- Commission : 2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

### **Termination of the Underwriting Agreement**

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may in its absolute discretion terminate the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination, if at or prior to such time:

- (A) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:
- i. any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or
  - ii. any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
  - iii. any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
  - iv. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

- (B) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under the Underwriting Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospect of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	As at the date of this announcement		Immediately after the completion of the Rights Issue (assuming no Share Options are exercised and all the Rights Shares are fully subscribed for by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (assuming all Share Options are exercised in full and all the Rights Shares are fully subscribed for by the Qualifying Shareholders)	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Mr. Tse (Note 1)	798,882,000	20.00%	1,198,323,000	20.00%	1,198,323,000	19.77%
<i>Underwriter:</i>						
Kingston Securities (Note 2)	0	0.00%	0	0.00%	0	0.00%
<i>Public:</i>						
Public Shareholders	3,195,528,000	80.00%	4,793,292,000	80.00%	4,793,292,000	79.10%
Share Option holders	0	0.00%	0	0.00%	68,535,000	1.13%
Sub-total	<u>3,195,528,000</u>	<u>80.00%</u>	<u>4,793,292,000</u>	<u>80.00%</u>	<u>4,861,827,000</u>	<u>80.23%</u>
Total	<u>3,994,410,000</u>	<u>100.00%</u>	<u>5,991,615,000</u>	<u>100.00%</u>	<u>6,060,150,000</u>	<u>100.00%</u>

	Immediately after the completion of the Rights Issue (assuming no Share Options are exercised and no Rights Shares subscribed for by the Qualifying Shareholders except those undertaken by Mr. Tse pursuant to the Irrevocable Undertaking)		Immediately after the completion of the Rights Issue (assuming all Share Options are exercised in full and no Rights Shares subscribed for by the Qualifying Shareholders except those undertaken by Mr. Tse pursuant to the Irrevocable Undertaking)	
	Shares	Approximate %	Shares	Approximate %
Mr. Tse (Note 1)	1,198,323,000	20.00%	1,198,323,000	19.77%
<i>Underwriter:</i>				
Kingston Securities (Note 2)	1,597,764,000	26.67%	1,620,609,000	26.74%
<i>Public:</i>				
Public Shareholders	3,195,528,000	53.33%	3,195,528,000	52.73%
Share Option holders	0	0.00%	45,690,000	0.76%
Sub-Total	<u>3,195,528,000</u>	<u>53.33%</u>	<u>3,241,218,000</u>	<u>53.49%</u>
Total	<u>5,991,615,000</u>	<u>100.00%</u>	<u>6,060,150,000</u>	<u>100.00%</u>

*Notes:*

- 1) Mr. Tse Young Lai, an existing substantial Shareholder of the Company, is interested in an aggregate of 798,882,000 Shares as at the date of this announcement. Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, (i) he will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by him pursuant to the terms of the Rights Issue; and (ii) he will not dispose of the Shares held by him from the date of the Underwriting Agreement to the close of business on the Record Date.
- 2) Kingston Securities is the Underwriter of the Rights Issue. Pursuant to the Underwriting Agreement, Kingston Securities agreed to underwrite not less than 1,597,764,000 Rights Shares (assuming no Share Options have been exercised) but not more than 1,620,609,000 Rights Shares (assuming all the Share Options have been exercised).

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Company is principally engaged in the provision and operation of an internet-based precious metals trading platform, namely the TRASY system.

The Board considers that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. The Board is of the view that the Rights Issue will allow the Qualifying Shareholders to maintain their shareholding in the Company and considers fund raising through the Rights Issue is in the interest of the Company and the Shareholders as a whole.

The gross proceeds from the Rights Issue will be not less than approximately HK\$109.8 million but not more than approximately HK\$111.1 million. The estimated net proceeds from the Rights Issue will be not less than approximately HK\$106.2 million but not more than approximately HK\$107.4 million and are intended to be used for possible diversified investments or projects in property or natural resources businesses in which no particular target investments have been identified by the Company as at the date of this announcement and/or general working capital of the Company.

Despite the funds raised in the last twelve months have not been utilized yet, the Company would like to raise further funds through the Rights Issue to sufficiently realize the plan for possible diversified investments or projects which is expected to improve the profitability and the earning strength of the Group.

## **ADJUSTMENT TO THE SHARE OPTIONS**

There are 45,690,000 outstanding Share Options under the Share Option Scheme. The exercise price for the Share Options will be adjusted as a result of the Rights Issue. In view that the exact number of the Rights Issue will not be determined until the Record Date, therefore the Company will make a further announcement once the aforesaid adjustments to the Share Option has been determined.

The overriding principle as set out in the Stock Exchange's letter dated 5 September 2005 is that no adjustments to the exercise price or number of shares should be to the advantage of the Share Option Scheme participants without prior shareholders' approval. The adjustment that will be made to the exercise price for the Share Options in general will accord with the overriding principle.

## PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds</b>
12 September 2007	Top-up placing of Shares and subscription of new Shares under the general mandate granted at the extraordinary general meeting on 8 August 2007	HK\$52,300,000	The Company intended to use the net proceeds for general working capital and possible diversified investments or projects	No part of the proceeds has been utilized
27 August 2007	Top-up placing of Shares and subscription of new Shares under the general mandate granted at the extraordinary general meeting on 8 August 2007	HK\$60,400,000	The Company intended to use the net proceeds for general working capital	No part of the proceeds has been utilized
13 June 2007	Top-up placing of Shares and subscription of new Shares under the general mandate granted at the annual general meeting on 23 April 2007	HK\$106,000,000	The Company intended to use the net proceeds for general working capital	No part of the proceeds has been utilized

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” above). Accordingly, the Rights Issue may or may not proceed.**

**The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they should consult their professional advisers.**

**The Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Monday, 7 January 2008. The Rights Shares will be dealt in their nil-paid form from Wednesday, 16 January 2008 to Thursday, 24 January 2008, both dates inclusive. The Shareholders should note that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be Monday, 4 February 2008), and dealing in the Rights Shares in their nil-paid form, will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or the Rights Shares in their nil-paid form, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## EXPECTED TIMETABLE

2008

Last day of dealings in the Shares on a cum-rights basis	Friday, 4 January
First day of dealings in the Shares on an ex-rights basis	Monday, 7 January
Latest time for lodging transfers of the Shares in order to be qualified for the Rights Issue	4:00 p.m. Tuesday, 8 January
Latest time for lodging the Option Exercise Form together with a remittance in cash for the amount of the exercise price for the Shares in order to be qualified for the Rights Issue	4:00 p.m. Tuesday, 8 January
Register of members closes	Wednesday, 9 January to Friday, 11 January (both dates inclusive)
Record Date	Friday, 11 January
Register of members re-opens	Monday, 14 January
Despatch of the Prospectus Documents	Monday, 14 January
First day of dealings in nil-paid Rights Shares	Wednesday, 16 January
Latest time for splitting nil-paid Rights Shares	4:00 p.m. Monday, 21 January
Last day of dealing in nil-paid Rights Shares	Thursday, 24 January
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. Tuesday, 29 January
Latest time for termination of the Underwriting Agreement	4:00 p.m. Monday 4 February
Announcement of results of the Rights Issue	Wednesday, 6 February
Refund cheques in respect of wholly or partially unsuccessful applications for excess Right Shares expected to be posted on or before	Tuesday, 12 February
Certificates for the Rights Shares expected to be despatched on or before	Tuesday, 12 February
Dealings in fully-paid Rights Shares commence on	Thursday, 14 February

*Note:* All times in this announcement refer to Hong Kong times.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders appropriately.

## **GENERAL**

The Company will send the Prospectus Documents to the Qualifying Shareholders and will send the Prospectus (without the Provisional Allotment Letters and Excess Application Forms), for information only, to the Excluded Shareholders on Monday, 14 January 2008.

In the view that the trading price of the Shares is approaching the extremity of HK\$0.01, the Company may consider, after the completion of the Rights Issue, the implementation of a consolidation of the Shares or a change in the board lot size of the Shares. Further announcement will be made by the Company as and when appropriate.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 17 December 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 19 December 2007.

## **DEFINITIONS**

“Board”	board of Directors
“Business Day”	a day, other than Saturday, on which banks in Hong Kong are open for business
“Company”	Trasy Gold Ex Limited卓施金網有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Director(s)”	director(s) of the Company
“Excess Application Form(s)”	the form of application for excess Rights Shares or “EAF(s)”
“Excluded Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholders

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking dated 17 December 2007 under which Mr. Tse has irrevocably undertaken, among other things, to subscribe for his full entitlements pursuant to the Rights Issue
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Date”	14 December 2007, being the last trading date for the Shares on the Stock Exchange before the date of this announcement
“Latest Time for Termination”	4:00 p.m. on 4 February 2008, or such other time as may be agreed between the Company and the Underwriter
“Mr. Tse”	Mr. Tse Young Lai, being an existing substantial Shareholder of the Company
“Option Exercise Form”	the form to exercise the Share Options under the Share Option Scheme for his/her respective Shares
“Overseas Shareholders”	the Shareholders whose addresses on the register of member of the Company are outside Hong Kong on the Record Date
“Posting Date”	Monday, 14 January 2008, being the date of despatch of the Prospectus Documents
“Prospectus”	the prospectus to be despatched to the Shareholders on the Posting Date in connection with the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s) for the Rights Shares



“Qualifying Shareholders”	the Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Friday, 11 January 2008, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the Company’s Hong Kong branch share registrar
“Rights Issue”	the proposed issue of the Rights Shares by way of rights issue to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein
“Rights Share(s)”	not less than 1,997,205,000 Shares (assuming no Share Options have been exercised) but not more than 2,020,050,000 Rights Shares (assuming all the Share Options have been exercised) proposed to be offered to the Qualifying Shareholders for subscription on the basis of one Rights Share for every two Shares held on the Record Date pursuant to the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the 45,690,000 share options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 30 April 2002
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.055 per Rights Share
“Underwriter”	Kingston Securities

“Underwriting Agreement”	the underwriting agreement dated 17 December 2007 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	the total number of Rights Shares to which holders of Shares are entitled pursuant to the Rights Issue less such number of Rights Shares agreed to be taken up by Mr. Tse pursuant to the Irrevocable Undertaking, being not less than 1,597,764,000 Right Shares (assuming no Share Options have been exercised) but not more than 1,620,609,000 Rights Shares (assuming all the Share Options have been exercised)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Trasy Gold Ex Limited**  
**Tse Kam Fai**  
*Company Secretary*

Hong Kong, 18 December 2007

*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 on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the website of the Company at [www.trasy.com](http://www.trasy.com).*