



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8063)

FIRST QUARTERLY RESULTS 2008

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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 (“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.

FINANCIAL REVIEW

For the three months ended 31 March 2008, the consolidated revenue of the Company and its subsidiaries (the “Group”) amounted to HK\$1,062,000 (three months ended 31 March 2007: HK\$2,468,000), which represented trading of precious metals (see below), dividend income from investments held for trading and interest income.

Dividend income from investments held for trading and interest income for the three months ended 31 March 2008 amounted to HK\$120,000 and HK\$69,000 respectively (three months ended 31 March 2007: HK\$nil and HK\$784,000 respectively).

Notwithstanding the downturn of the Hong Kong and global stock market during the first quarter of 2008, the Group still recorded a net gain on investments held for trading amounted to HK\$2,254,000 for the three months ended 31 March 2008 (three months ended 31 March 2007: HK\$120,000). As a result, the Group recorded a profit attributable to equity holders of the Company of HK\$1,287,000 for the three months ended 31 March 2008 (three months ended 31 March 2007: HK\$145,000), representing a basic earnings per share of HK 0.025 cent (three months ended 31 March 2007: HK 0.005 cent).

OPERATIONS REVIEW AND OUTLOOK

Precious Metals and Precious Metals Contract Trading

For the three months ended 31 March 2008, turnover from trading in precious metals amounted to HK\$804,000 (three months ended 31 March 2007: HK\$nil), with profit contribution amounted to HK\$32,000. For the precious metals contract trading, a net realized gain of HK\$5,000 and a net unrealized loss of HK\$45,000 were recorded for the three months ended 31 March 2008 (three months ended 31 March 2007: a net realized loss of HK\$31,000 and a net unrealized loss of HK\$1,000). 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 and precious metals contract trading.

Treasury Management

The Hong Kong stock market has been rather volatile in the first quarter of 2008. For the three months ended 31 March 2008, the Group recorded a net realized gain of HK\$4,957,000 (three months ended 31 March 2007: HK\$108,000) and a net unrealized loss of HK\$2,663,000 (three months ended 31 March 2007: a net realized gain of HK\$44,000). The Group will continue to adopt a pro-active yet prudent treasury management policy with a view to achieving better returns on its financial resources.

The Board is pleased to present the unaudited consolidated results of the Group for the three months ended 31 March 2008 together with the unaudited comparative figures for the corresponding period in 2007. The results have been reviewed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu and the Company's Audit Committee.

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2008

		(Unaudited)	
		Three months ended	
		31 March	
	<i>Notes</i>	2008	2007
		HK\$'000	HK\$'000
Turnover	3	804	1,579
Cost of sales		<u>(772)</u>	<u>–</u>
Gross profit		32	1,579
Other income	4	258	889
Administrative expenses		(1,249)	(2,180)
Finance costs		(8)	(263)
Net gain on investment held for trading		<u>2,254</u>	<u>120</u>
Profit before income tax		1,287	145
Income tax expense	5	<u>–</u>	<u>–</u>
Profit for the period		<u>1,287</u>	<u>145</u>
Earnings per share	6	HK cent	HK cent
Basic		<u>0.025</u>	<u>0.005</u>

Notes:

1. Basis of preparation

The interim financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The amounts included in this interim financial information have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

In current period, the presentation of turnover, cost of sales and net gain on investments held for trading adopted in the consolidated income statement has been changed to reflect the nature of sales of investments held for trading in a more appropriate manner.

In the current period, the following items have been included in a new line item “net gain on investments held for trading”.

	(Unaudited)	
	Three months	
	ended 31 March	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Proceeds from sales of investments held for trading (previously included in turnover)	84,243	9,544
Cost of sales of investments held for trading (previously included in cost of sales)	(79,249)	(9,468)
Unrealised fair value adjustment of investments held for trading (previously shown as a separate line item)	(2,740)	44
	<u>2,254</u>	<u>120</u>

2. Principal accounting policies

The unaudited consolidated financial information has been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value.

The accounting policies adopted in preparing the unaudited consolidated results for the first quarter of 2008 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2007.

In the current period, the Group has applied, for the first time, a number of new Interpretations issued by the HKICPA (hereinafter collectively referred to as the “new Interpretations”), which are effective for the Group’s financial year beginning 1 January 2008. The adoption of the new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new, revised or amended Standards and Interpretations that have been issued but not yet effective. The adoption 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 that do not result in a loss of control, which will be accounted for as equity transactions. The Directors anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. Turnover

	(Unaudited)	
	Three months ended	
	31 March	
	2008	2007
	HK\$'000	HK\$'000
Turnover		
Precious metals trading	804	–
Provision and operation of an internet-based electronic trading system	–	1,579
	804	1,579

4. Other income

	(Unaudited)	
	Three months ended	
	31 March	
	2008	2007
	HK\$'000	HK\$'000
Dividend income from investments held for trading	120	–
Interest income	69	784
Miscellaneous income	69	105
	258	889

5. Income tax expense

No provision for Hong Kong Profits Tax was made in the consolidated financial information as the Company and its subsidiaries incurred tax losses or utilized tax losses brought forward from prior years with tax effect of HK\$427,000 to offset against the estimated assessable profit for the first quarter of 2008.

6. Earnings per share

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

	(Unaudited)	
	Three months ended	
	31 March	
	2008	2007
	HK\$'000	HK\$'000
Earnings		
Profit for the period attributable to equity holders of the Company	1,287	145

(Unaudited)
Three months ended
31 March
2008 2007
'000 '000

Number of shares

Weighted average number of ordinary shares for
the purposes of basic earnings per share

5,111,298 **2,901,832**

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the rights issue on 14 February 2008.

No diluted earnings per share has been presented because the exercise price of the Company's options was higher than the average market price for shares for the three months ended 31 March 2008.

7. Interim dividend

The Board resolved not to declare the payment of an interim dividend for the period (2007: Nil).

8. Share capital, share premium and reserves

For the three months ended 31 March 2008 are as follows:

	(Unaudited)					
	Share capital	Share premium	Merger reserve	Share option reserve	Accumulated losses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2008	39,944	254,796	5,000	3,215	(32,731)	270,224
Profit for the period and total recognised income for the period	–	–	–	–	1,287	1,287
Shares issued (<i>Note 1</i>)	19,972	89,874	–	–	–	109,846
Transaction costs attributable to issue of shares	–	(2,812)	–	–	–	(2,812)
Transfer to accumulated losses upon lapsed of share options (<i>Note 2</i>)	–	–	–	(2,845)	2,845	–
At 31 March 2008	<u>59,916</u>	<u>341,858</u>	<u>5,000</u>	<u>370</u>	<u>(28,599)</u>	<u>378,545</u>

For the three months ended 31 March 2007 are as follows:

	(Unaudited)					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2007	27,790	47,629	5,000	-	(31,838)	48,581
Profit for the period and total recognised income for the period	-	-	-	-	145	145
At 31 March 2007	<u>27,790</u>	<u>47,629</u>	<u>5,000</u>	<u>-</u>	<u>(31,693)</u>	<u>48,726</u>

Note 1

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. Upon the issue of the Rights Shares, the resulting shares issued were recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the proceeds per share over the nominal value of the shares was recorded by the Company in the share premium account.

Note 2

The Company adopted a share option scheme (the "Scheme") at the annual general meeting of the Company held on 30 April 2002. Details of the Scheme are set out in the circular of the Company dated 28 March 2002. During the period, certain share options granted in prior years were lapsed and the share option reserve recognised was transferred to accumulated losses.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2008, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests in underlying shares of the Company

Under the share option scheme of the Company adopted on 30 April 2002 (the "Scheme"), the Board may, at its discretion, grant options to the Directors and eligible participants (as defined in the Scheme) pursuant to the Scheme to enable them to subscribe for shares of the Company as incentives or rewards for their contribution to the Group.

Name of Directors	Nature of interest	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of share options	Approximate percentage of the issued ordinary share capital of the Company
Mr. Chung Koon Yan	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.3225	1,534,681	0.026%
Mr. Wong Kai Tat	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.3225	1,534,681	0.026%

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the required standard of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 March 2008.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

At 31 March 2008, so far as is known to the Directors and chief executives of the Company, the interests or short positions of substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Interests and short positions of substantial shareholders in shares and underlying shares of the Company

Name	Capacity	Long position/ Short position	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tse Young Lai	Beneficial owner	Long position	1,198,323,000	20.00%

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 March 2008.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Messrs. Chung Koon Yan (as Chairman), Wong Kai Tat and Chan Ling, Eva, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 31 March 2008.

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

The Company has not redeemed any of its shares during the three months ended 31 March 2008. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

On behalf of the Board
Tse Ke Li
Executive Director

Hong Kong, 13 May 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.