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TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08063)

**RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

The board of Directors (the “Board”) of Trasy Gold Ex Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the three months ended 31 March 2011. This announcement, containing the full text of the 2011 First Quarterly Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of quarterly results. Printed version of the Company’s 2011 First Quarterly Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company’s website at www.trasy.com on 12 May 2011.



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A photograph of two hands shaking in a firm grip, symbolizing a business agreement. The hands are positioned in the center of the frame. The background is a light blue color with a large, semi-transparent globe and a network of white lines representing a global network or data flow. The text 'First Quarterly Report 2011' is overlaid on the right side of the image.

First Quarterly Report 2011

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MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 31 March 2011, the consolidated revenue of Trasy Gold Ex Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) increased by 24.5% to HK\$2,225,000 from HK\$1,787,000 for the corresponding period last year. After deduction of the cost of sales of HK\$2,131,000, the gross profit increased to HK\$94,000 compared to HK\$24,000 for the corresponding period in preceding year.

Other income for the period amounted to HK\$1,666,000, representing 0.7% increase from HK\$1,654,000 for the corresponding period last year, which mainly represented interest income for bank deposits.

The Group recorded a net loss on investments held for trading, which were investment in securities listed in Hong Kong, of HK\$144,000 this period compared to net gain of HK\$2,049,000 last corresponding period.

The administrative expenses and finance costs for the period amounted to HK\$2,907,000 and HK\$1,000 respectively (for the three months ended 31 March 2010: HK\$2,882,000 and HK\$69,000 respectively). Besides, other expenses approximately HK\$3,343,000 were recorded which represented legal and professional fee incurred for the acquisition of Harvest Well International Limited, which was completed on 31 March 2011.

The Group recorded a loss attributable to owners of the Company of HK\$4,635,000 for the three months ended 31 March 2011 (for the three months ended 31 March 2010: profit of HK\$776,000), representing a basic loss per share of HK3.868 cents (for the three months ended 31 March 2010: a basic earnings per share of HK0.648 cents).

BUSINESS REVIEW AND OUTLOOK

Precious Metals Trading

For the three months ended 31 March 2011, revenue from trading in precious metals and precious metals contracts amounted to HK\$2,225,000 (for the three months ended 31 March 2010: HK\$1,787,000), with a profit contribution amounted to HK\$94,000 (for the three months ended 31 March 2010: HK\$24,000). 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.


Securities Management

Under the turmoil in global financial markets, for the three months ended 31 March 2011, the Group recorded a net loss on investments held for trading of HK\$144,000 (for the three months ended 31 March 2010: net gain of HK\$2,049,000), which mainly represented net gain or loss on investments in securities listed in Hong Kong.

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.

FUTURE PLAN AND PROSPECTS

The Board announced that after trading hours of the Stock Exchange on 17 September 2010, Durable Gold Investments Limited (“**Durable Gold**”), a direct wholly-owned subsidiary of the Company, and the Company entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and Durable Gold has conditionally agreed to acquire, the Sale Share and the Sale Loan at a total cash consideration of HK\$240 million (subject to downward adjustment as described in the Company's announcement dated 22 September 2010 and circular dated 25 February 2011). The Sale Share represents the entire issued share capital of Harvest Well. The Harvest Well Group is engaged in the business of licensed travel agent in Singapore.



The Acquisition was approved on the EGM held on 15 March 2011 and completed on 31 March 2011.

Terms used herein shall have the same meanings as defined in the Company's announcement dated 22 September 2010 (the "**Announcement**") and further details of the acquisition are set out in the Announcement and the circular dated 25 February 2011.

After completion of the above acquisition, travel business would become a new business segment and the Group has been devoted and will devote itself to actively identify travel business related investment opportunities. At the same time, the Group continues to adopt an open but cautious stance towards any potential synergistic investment opportunities once they arise so as to maximize the shareholders' wealth.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

Save as disclosed above, the Group neither had any other significant acquisition nor disposal of investment during the period ended 31 March 2011.



REPORT ON REVIEW ON INTERIM FINANCIAL INFORMATION

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

Introduction

We have reviewed the interim financial information set out on pages 6 to 10, which comprises the condensed consolidated statement of comprehensive income for the three months period ended 31 March 2011 and certain explanatory notes. The interim financial information has been prepared solely for the purpose and on the basis set out in note 1 to the interim financial information. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with the basis set out in note 1 to the interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 1 to the interim financial information.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11 May 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2011

		Three months ended	
		31 March	
		2011	2010
	NOTES	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue		2,225	1,787
Cost of sales		<u>(2,131)</u>	<u>(1,763)</u>
Gross profit		94	24
Other income	3	1,666	1,654
Net (loss) gain on investments held for trading		(144)	2,049
Administrative expenses		(2,907)	(2,882)
Other expenses	8	(3,343)	—
Finance costs		<u>(1)</u>	<u>(69)</u>
(Loss) profit and total comprehensive (expense) income for the period attributable to equity holders of the Company		<u><u>(4,635)</u></u>	<u><u>776</u></u>
(Loss) earnings per share (HK cent)	5		
Basic and diluted		<u><u>(3.868)</u></u>	<u><u>0.648</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2011

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 Report Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the interim financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied the following new and revised Standard, Amendments and Interpretation (“new and revised HKFRS”) issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HKAS 32 (Amendments)	Classification of Rights Issues
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of these new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new standard and amendments that have been issued but are not yet effective:

HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ²
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ³

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2012.

3. OTHER INCOME

	Three months ended	
	31 March	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income	<u>1,666</u>	<u>1,654</u>

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for both periods as the group entities either incurred tax losses or the estimated assessable profit is wholly absorbed by tax losses brought forward from prior years.

5. (LOSS) EARNINGS PER SHARE

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

	Three months ended	
	31 March	
	2011	2010
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) earnings		
(Loss) profit for the purposes of basic and diluted (loss) earnings per share	<u>(4,635)</u>	<u>776</u>
Number of shares		
Number of ordinary shares for the purposes of basic and diluted (loss) earnings per share (in thousand of shares)	<u>119,832</u>	<u>119,832</u>

5. (LOSS) EARNINGS PER SHARE (Continued)

For the three months ended 31 March 2011, there were no potential ordinary shares outstanding.

Diluted earnings (loss) per share for the three months ended 31 March 2010 did not assume the exercise of the Company's share options because the exercise price of the share options were higher than the average market price of the Company's shares for the relevant period.

6. INTERIM DIVIDEND

The directors of the Company resolved not to declare the payment of an interim dividend for the three months ended 31 March 2011 (three months ended 31 March 2010: Nil).

7. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital HK\$ '000	Share premium HK\$ '000	Distributable reserve HK\$ '000 (note i)	Merger reserve HK\$ '000 (note ii)	Share option reserve HK\$ '000	Accumulated losses HK\$ '000	Total HK\$ '000
At 1 January 2011 (audited)	1,198	341,858	32,589	5,000	—	(40,353)	340,292
Loss and total comprehensive expense for the period	—	—	—	—	—	(4,635)	(4,635)
At 31 March 2011 (unaudited)	<u>1,198</u>	<u>341,858</u>	<u>32,589</u>	<u>5,000</u>	<u>—</u>	<u>(44,988)</u>	<u>335,657</u>
At 1 January 2010 (audited)	1,198	341,858	32,589	5,000	385	(36,954)	344,076
Profit and total comprehensive income for the period	—	—	—	—	—	776	776
At 31 March 2010 (unaudited)	<u>1,198</u>	<u>341,858</u>	<u>32,589</u>	<u>5,000</u>	<u>385</u>	<u>(36,178)</u>	<u>344,852</u>

Notes:

- (i) The distributable reserve represented the credit arising from the capital reduction effected by the Company during the year ended 31 December 2008.
- (ii) The merger reserve represented the difference between the net worth of the subsidiaries acquired and the value of the consideration shares in exchange pursuant to the group reorganisation completed on 31 March 2000.

8. ACQUISITION OF A SUBSIDIARY

During the year ended 31 December 2010, Durable Gold Investments Limited, a directly wholly-owned subsidiary of the Company, entered into an agreement to acquire the entire equity interest in Safe2Travel Pte Ltd (“Safe2Travel”) via the acquisition of the entire share capital of Harvest Well International Limited at a cash consideration of HK\$240,000,000 (“Acquisition”). Safe2Travel is engaged in the business of licensed travel agent in Singapore.

On 15 March 2011, the Company held an extraordinary general meeting in which the shareholders approved the Acquisition. The Acquisition was completed on 31 March 2011.

The Acquisition was accounted for as acquisition of business as the companies acquired constitutes a business under HKFRS 3 “Business Combinations”. The principal assets of Safe2Travel are intangible assets (including goodwill, trade name and customer relationship), trade and other receivables as well as bank and cash balance. At the date of approval for issuance of the interim financial information, the valuation of each component of the identifiable assets acquired and liabilities assumed is still on-going and subject to finalisation, which involve the work by independent valuer.

Acquisition-related costs amounting to approximately HK\$3,343,000 have been recognised as an expense in the current period, within the “other expenses” line item in the condensed consolidated statement of comprehensive income. Other than the acquisition-related costs, the Acquisition does not have any financial effect on the result of the Group for the current period.

OTHER INFORMATION

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

As at 31 March 2011, none of the Directors, chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of shareholders	Capacity	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	23,966,460	20.00
Mr. Li Jinsong	Beneficial owner	7,278,000	6.07

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2011.

COMPETING INTERESTS

None of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

AUDIT COMMITTEE

The Audit Committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham 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 2011.

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 2011. 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, 11 May 2011

As at the date of this report, the board of Directors comprises Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham as independent non-executive Directors.

INTERIM DIVIDEND

The Board resolved not to declare any dividend for the three months ended 31 March 2011 (for the three months ended 31 March 2010: Nil).

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The Audit Committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham 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 2011.

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

Hong Kong, 11 May 2011

As at the date of this announcement, the Board comprises Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, 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.