
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited ("Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this prospectus.

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the consent letter of the Company's auditors, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong takes no responsibility as to the contents of the Prospectus Documents.

Dealings in the securities of the Company and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS Operational Procedures in effect from time to time.



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

RIGHTS ISSUE OF 1,997,205,000 RIGHTS SHARES AT HK\$0.055 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Financial adviser to Trasy Gold Ex Limited



KINGSTON CORPORATE FINANCE LIMITED

Underwriter to the Rights Issue



KINGSTON SECURITIES LIMITED

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.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

The Shares have been dealt in on an ex-rights basis since Monday, 7 January 2008. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 16 January 2008 to Thursday, 24 January 2008 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived at or before 4:00 p.m. on Monday, 4 February 2008 (or such later date as the Underwriter may agree), the Underwriting Agreement shall terminate and the Rights Issue will lapse. Any persons contemplating buying or selling Shares up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived, and any dealing in the Rights Shares in their nil-paid form between Wednesday, 16 January 2008 and Thursday, 24 January 2008 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Tuesday, 29 January 2008. The procedures for acceptance and payment or transfer are set out on page 8 of this prospectus.

This prospectus 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.

14 January 2008

CHARACTERISTICS OF GEM

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

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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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 of 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 Rights Shares expected to be posted on or before	Tuesday, 12 February
Certificates for the fully-paid 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 and dates in this Prospectus refer to Hong Kong local times and dates.

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

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above; or
 - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day on which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “Expected timetable” in the Prospectus may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 18 December 2007 in relation to the Rights Issue
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (other than Saturday), on which banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“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
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Excess Application Form(s) or “EAF(s)”	the form(s) of application for excess Rights Shares
“Excluded Shareholder(s)”	the Shareholder(s) 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”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties who are independent of and not connected with the Company and its connected persons
“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 SFO
“Last Trading Date”	Friday, 14 December 2007, being the last trading date for the Shares on the Stock Exchange before the date of the Announcement
“Latest Acceptance Date”	Tuesday, 29 January 2008

DEFINITIONS

“Latest Practicable Date”	Friday, 11 January 2008, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on the Latest Acceptance Date or such later time as may be agreed between the Company and Kingston Securities, being the latest time for acceptance of the offer of and payment for the Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day at any time (i) before 12:00 noon and no longer in force after 12:00 noon on such day, such latest time for acceptance will be extended to 5:00 p.m. on the same Business Day; or (ii) between 12:00 noon and 4:00 p.m., such latest time for acceptance will be postponed to 4:00 p.m. on the next Business Day on which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong
“Latest Time for Termination”	4:00 p.m. on Monday, 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 Shareholder(s)”	the Shareholder(s) whose name(s) appeared on the register of members of the Company on the Record Date and whose registered address(es) on that date was/were outside Hong Kong
“Posting Date”	Monday, 14 January 2008, being the date of despatch of the Prospectus Documents
“Prospectus”	this prospectus issued by the Company in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Provisional Allotment Letter(s)” or “PAL(s)”	the provisional allotment letter(s)
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than those Excluded Shareholders
“Record Date”	Friday, 11 January 2008, being the date by reference to which entitlements to the Rights Issue were 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 share registrar and transfer office
“Rights Issue”	the issue of the Rights Shares by way of rights issue to the Qualifying Shareholders on the terms set out in the Prospectus Documents
“Rights Share(s)”	the 1,997,205,000 Shares 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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Option(s)”	the 25,690,000 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
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Underwriter”	Kingston Securities, being the underwriter to the Rights Issue
“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 1,597,764,000 Rights Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

TERMINATION OF 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.

LETTER FROM THE BOARD



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

Non-executive Chairman:
Mr. Yu Kam Kee, Lawrence

Executive Directors:
Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors:
Mr. Chung Koon Yan
Mr. Wong Kai Tat
Ms. Chan Ling, Eva

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*
Rooms 301-302, 3/F
United Chinese Bank Building
Nos. 31-37 Des Voeux Road Central
Hong Kong

14 January 2008

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF 1,997,205,000 RIGHTS SHARES
AT HK\$0.055 EACH ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY
TWO SHARES HELD ON THE RECORD DATE**

INTRODUCTION

On 18 December 2007, the Company announced that the Board proposed to raise not less than approximately HK\$109.8 million, before expenses, by issuing not less than 1,997,205,000 Rights Shares but not more than approximately HK\$111.1 million, before expenses, by issuing not more than 2,020,050,000 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 Record Date. From the date of the Announcement up to the Record Date, no new Shares have been issued. Accordingly, as at the Record Date, the number of Shares in issue remained to be 3,994,410,000 Shares. 1,997,205,000 Rights Shares have therefore been provisionally allotted to the Qualifying Shareholders for subscription under the Rights Issue.

The primary purpose of this Prospectus is to provide you with further details regarding the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

LETTER FROM THE BOARD

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 in issue as at the Record Date	:	3,994,410,000 Shares
Number of Rights Shares	:	1,997,205,000 Rights Shares
Number of Shares in issue upon completion of the Rights Issue	:	5,991,615,000 Shares

The Rights Shares 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 Latest Practicable Date and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

As at the Latest Practicable Date, there is an aggregate of 25,690,000 outstanding Share Options eligible for exercise to subscribe for up to an aggregate of 25,690,000 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, the Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

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.

Rights of Excluded Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. The Company will send the Prospectus (without the Provisional Allotment Letters and Excess Application Forms) to the Excluded Shareholders for their information only.

Based on the register of members of the Company as at the Record Date, there were 1 Shareholder with registered address in Spain, 1 Shareholder with registered address in Singapore, 1 Shareholder with registered address in the United States of America, 1 Shareholder with registered address in Macau, and 1 Shareholder with registered address in the People's Republic of China. Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Board has made enquiries as to whether there is any legal restriction under the applicable securities legislation of the relevant jurisdiction or requirement of any relevant regulatory body or stock exchange with respect to the offer of Rights Shares to such Overseas Shareholders.

The Directors, after making enquiries pursuant to Rule 17.41(1) of the GEM Listing Rules, are of the view that (i) the Rights Issue will be extended to the Overseas Shareholders with registered address in Singapore, the People's Republic of China and Macau as no local legal or regulatory compliance is required to be made in these jurisdictions and (ii) it would be necessary or expedient to exclude the Overseas Shareholders with registered address in the United States of America and Spain from the Rights Issue due to the time and costs involved in complying with the relevant local legal or regulatory requirements. As such, the Overseas Shareholders with registered address in the United States of America and Spain are Excluded Shareholders. The Company has therefore arranged for this Prospectus, and not the PALs and the EAFs, to be sent to the Excluded Shareholders for information only.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, of more than HK\$100 will be paid to the Excluded Shareholders in Hong Kong dollars pro rata to their respective shareholding. The Company will retain individual amounts of HK\$100 or less for its own benefit.

LETTER FROM THE BOARD

Closure of register of members

The register of members of the Company has been closed from Wednesday, 9 January 2008 to Friday, 11 January 2008, both dates inclusive. No transfer of Shares has been 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 renounee 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 27.92% to the theoretical ex-rights price of HK\$0.0763 based on the closing price of HK\$0.0870 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (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; and
- (vi) a discount of approximately 5.17% to the closing price of HK\$0.0580 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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 that 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 allotment

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.

LETTER FROM THE BOARD

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 retain the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the purchase, holding or disposal of, or dealing in the Rights Shares and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

Procedures for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a Provisional Allotment Letter which entitles Qualifying Shareholders to subscribe for the number of Rights Shares shown therein. **If you wish to exercise your rights to subscribe for all the Rights Shares specified in the Provisional Allotment Letter, you will need to lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:00 p.m. on Tuesday, 29 January 2008. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "TRASYS GOLD EX LIMITED – RIGHTS ISSUE" and crossed "ACCOUNT PAYEE ONLY".**

It should be noted that unless the duly completed Provisional Allotment Letter, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Tuesday, 29 January 2008, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application on Excess Application Forms by Qualifying Shareholders.

If you wish to accept only part of your provisional allotment and/or to transfer a part of your rights to subscribe for the Rights Shares provisionally allotted or to transfer your rights to more than one person, the original Provisional Allotment Letter must be surrendered and lodged with by no later than 4:00 p.m. on Monday, 21 January 2008, to the Registrar which will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after your surrender of the original Provisional Allotment Letter.

The Provisional Allotment Letter contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or a part of your provisional allotment.

All cheques and cashier's orders accompanying completed Provisional Allotment Letters will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of a Provisional Allotment Letter with a cheque or a cashier's order, whether by you or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Provisional Allotment Letter in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlement given will be deemed to have been declined and will be cancelled.

If the Underwriter terminates the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of acceptances of Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred without interest by means of cheques despatched by ordinary post to the respective addresses on the register of members at their own risk as soon as practicable thereafter.

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Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted.

Applications may be made by completing the Excess Application Form in accordance with the instructions printed thereon and lodging the same with a separate remittance for the excess Rights Shares applied for with the Registrar by no later than 4:00 p.m. on Tuesday, 29 January 2008. **All remittances accompanying the Excess Application Forms must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "TRASY GOLD EX LIMITED – EXCESS APPLICATION" and crossed "ACCOUNT PAYEE ONLY".** The Directors will determine the allotment of the excess Rights Shares on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares).

Investors 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, investors 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. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

The Qualifying Shareholder(s) will be notified of any allotment of excess Rights Shares made to him/her/it/them on or about Wednesday, 6 February 2008 by way of announcement. If no excess Rights Shares are allotted to the Qualifying Shareholder(s) who has/have applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to the Qualifying Shareholder's address on the register of members of the Company by ordinary post at his/her/its/their own risk on or before Tuesday, 12 February 2008. If the number of excess Rights Shares allotted to the Qualifying Shareholder(s) is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder's address on the register of members of the Company without interest at the Qualifying Shareholder's own risk on or before Tuesday, 12 February 2008.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the Excess Application Form together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed Excess Application Form is dishonoured on first presentation, without prejudice to the other rights of the Company, such Excess Application Form is liable to be rejected.

An Excess Application Form is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including cheques, will be despatched by ordinary post at the risk of the recipients to their addresses which appear on the Company's register of members.

If the Underwriter terminates the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of applications for excess Rights Shares will be returned to the applicants without interest by means of cheques despatched by ordinary post to their addresses on the register of members of the Company at the risk of such applicants as soon as practicable thereafter.

Application for listing of the Rights Shares on the Stock Exchange

Application has been made 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.

Provisional allotments of the Rights Shares made to Qualifying Shareholders will be transferable and there will be trading in the nil-paid entitlements on the Stock Exchange from Wednesday, 16 January 2008 to Thursday, 24 January 2008 (both dates inclusive). It is expected that dealings in the Rights Shares (in their

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fully-paid forms) on the Stock Exchange will commence on Thursday, 14 February 2008. However, it should be noted that if the Underwriter exercises its right to terminate its obligations under the Underwriting Agreement, the Rights Issue will not proceed. Dealings in nil-paid and fully-paid Rights Shares (in board lots of 10,000 Rights Shares) will be subject to the payment of stamp duty in Hong Kong.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in is being or is proposed to be sought.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully paid forms respectively on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter and are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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 in the Shares on the Stock Exchange not having been suspended for more than 10 consecutive Business Days at any time prior to the Latest Time for Acceptance (excluding any suspension in connection with the clearance of the Announcement or the 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.

Undertaking

As at the Latest Practicable Date, 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 (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.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is an investment holding company, and the Group is principally engaged in the provision and operation of an internet-based precious metals trading platform, namely the TRASY system, precious metals contract trading and treasury management.

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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 approximately HK\$109.8 million. The estimated net proceeds from the Rights Issue will be approximately HK\$106.2 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 Latest Practicable Date and/or general working capital of the Company.

Despite the funds raised in the last twelve months have not been fully 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. In view of the above, the Board is of the view that the Rights Issue is fair and reasonable and in the interest of the Company and Shareholders as a whole.

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 owners are third parties independent of and not connected with the Company and its connected persons.
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 in accordance with Mr. Tse's shareholding in the Company as at 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, being 1,597,764,000 Rights Shares, 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 the 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,

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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.

WARNING OF THE RISK OF DEALING IN THE SHARES AND 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 subparagraph 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 have been dealt in on an ex-rights basis 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.

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 Latest Practicable Date		Immediately after the completion of the Rights Issue (assuming all the Rights Shares are fully subscribed for by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (assuming no Rights Shares are subscribed for by the Qualifying Shareholders except those undertaken by Mr. Tse pursuant to the Irrevocable Undertaking)	
	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	20.00%
Underwriter: Kingston Securities (Note 2)	0	0.00%	0	0.00%	1,597,764,000	26.67%
Public Shareholders	3,195,528,000	80.00%	4,793,292,000	80.00%	3,195,528,000	53.33%
Total	<u>3,994,410,000</u>	<u>100.00%</u>	<u>5,991,615,000</u>	<u>100.00%</u>	<u>5,991,615,000</u>	<u>100.00%</u>

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Notes:

- 1) Mr. Tse, an existing substantial Shareholder of the Company, is interested in an aggregate of 798,882,000 Shares as at the Latest Practicable Date. Pursuant to the Irrevocable Undertaking, Mr. Tse has irrevocably undertaken to the Company that, (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 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 Qualifying Shareholders on a fully underwritten basis, being 1,597,764,000 Rights Shares, subject to the terms and conditions of the Underwriting Agreement.

If, at the date of completion of the Rights Issue, less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading in the Shares; or
- there are too few Shares in public hands to maintain an orderly market,

then the Stock Exchange may consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

Should the Company be aware of a possibility that the Shares held by the public will fall below 25%, the Company will make necessary placing arrangements to ensure that not less than 25% of the Shares are held by the public at all times in order to comply with the minimum public float requirement under Rule 11.23 of the GEM Listing Rules.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any fund raising activities in the past twelve months before the date of the Announcement and up to the Latest Practicable Date.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
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	Partial of the proceeds has been utilized as general working capital

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BUSINESS REVIEW AND PROSPECTS

Business review

Trasy System Business

The Group's Trasy system business achieved growth during the year. The price volatility in precious metals has revived investors' interest in gold as an alternative investment and substantial inflow of funds into precious metals trading has been seen. Gold, reacting to geo-political tensions in the Middle East, a declining US dollar and stagnant mine supply, was traded to its highest level in 28 years in October 2007. The global economic uncertainties and price volatilities will challenge the patience and nerve of investors in the last quarter of 2007.

Precious Metals Contract Trading

As a vertically-integrated business development, the Group's precious metals contract trading complements the Trasy system business in providing additional liquidity for the Trasy system. The Group will continue to adopt prudent risk management and credit control policies to monitor and minimize the Group's risk exposures on precious metals contract trading.

Treasury Management

The Hong Kong stock market has been buoyant during the year of 2007. The Group will continue to adopt a pro-active treasury management policy with a view to enhancing shareholder return through more effective deployment of its financial resources.

Future plans and prospects

As stated in the quarterly report for the nine months ended 30 September 2007, the Group's operating performance continued to improve and there was a dramatic turn-around in the Group's performance arising mainly from active treasury investments taking advantage of the positive stock market sentiment to enhance shareholder return.

Apart from the existing business activities of the Company, the Group is well placed to act swiftly to capitalize on suitable investment opportunities in property or natural resources business to diversify the Group's business activities and broaden its earnings base as and when they arise. The Directors believe that the world's economy will keep on the growing track of 2007 and are of the view that the property market will be bullish given the signal of decreasing interest rate and the market demand for natural resources will remain robust as supported by the booming economic development in the emerging markets. Accordingly, the Group will continue to identify possible strategic investments or projects in property or natural resources business which is expected to diversify the income sources thereby improving the profitability and earning strength of the Group.

ADJUSTMENTS TO THE SHARE OPTIONS

As at the Latest Practicable Date, there is an aggregate of 25,690,000 outstanding Share Options eligible for exercise to subscribe for up to an aggregate of 25,690,000 Shares. Adjustments which has been certified by Hercules Capital Limited will be made to the exercise price and the number of Shares subject to the Share Options in accordance with the terms of the Share Option Scheme as a result of the Rights Issue become effective from the day the Rights Issue becomes unconditional. The adjustments to the exercise price of the Share Options are in accordance with the Supplementary Guidance issued by the Stock Exchange on 5 September 2005. Save as follows, there will be no alteration to the rights of the holders of the Share Options.

Category of participant	Date of grant	Before adjustment		After adjustment	
		Exercise price per Share (HK\$)	Number of Shares subject to the Share Options	Adjusted exercise price per Share (HK\$)	Number of Shares subject to the Share Options
Eligible employees	1 June 2007	0.2194	2,350,000	0.2144	2,404,335
Eligible participants	1 June 2007	0.2194	1,040,000	0.2144	1,064,046
Eligible participant	6 June 2007	0.2014	900,000	0.1968	920,809
Eligible employees	9 July 2007	0.3300	17,000,000	0.3225	17,393,063
Eligible participants	9 July 2007	0.3300	4,400,000	0.3225	4,501,734

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Hercules Capital Limited, an independent financial adviser, has confirmed to the Directors in writings that the adjustments above satisfy the requirements set out in Rule 23.03(13) of the GEM Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. SUMMARY OF AUDITED FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited consolidated results and the assets and liabilities of the Group for the three years ended 31 December 2004, 2005 and 2006 as extracted from the annual report 2006 and 2005 of the Company:

Financial Summary*Audited consolidated results**For the three years ended 31 December*

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Turnover	74,817	32,765	1,920
Cost of sales	(69,395)	(31,854)	–
Gross profit	5,422	911	1,920
Other revenue	3,794	6,855	3,393
Staff costs	(6,600)	(4,547)	(1,575)
Depreciation	(174)	(139)	(201)
Other administrative and operating expenses	(4,977)	(5,028)	(4,499)
Realized loss on precious metals contract – net	–	(6,707)	–
Other expenses	(15)	(61)	–
Loss from operating activities	(2,550)	(8,716)	(962)
Finance costs	(1,053)	(139)	–
Loss before taxation	(3,603)	(8,855)	(962)
Taxation	–	–	–
Loss attributable to equity holders of the Company	<u>(3,603)</u>	<u>(8,855)</u>	<u>(962)</u>
Loss per share	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>
Basic	<u>(0.130)</u>	<u>(0.319)</u>	<u>(0.035)</u>
Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

APPENDIX I**FINANCIAL INFORMATION OF THE GROUP**

*Assets and liabilities
As at 31 December*

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	612	716	138
Available-for-sale investments	136	–	–
Other assets	250	250	250
	<u>998</u>	<u>966</u>	<u>388</u>
Current assets			
Accounts receivable and other receivables	9,418	2,802	1,146
Investments held for trading	2,570	5,224	–
Gold bullion	–	–	66,118
Time deposits	45,148	47,354	–
Cash and bank balances	820	686	3
	<u>57,956</u>	<u>56,066</u>	<u>67,267</u>
Current liabilities			
Amount due to ultimate holding company	–	–	876
Accounts payable and other payables	10,373	4,848	5,739
	<u>10,373</u>	<u>4,848</u>	<u>6,615</u>
Net current assets	<u>47,583</u>	<u>51,218</u>	<u>60,652</u>
	<u><u>48,581</u></u>	<u><u>52,184</u></u>	<u><u>61,040</u></u>
Capital and reserves			
Share capital	27,790	27,790	27,790
Reserves	20,791	24,394	33,250
	<u>48,581</u>	<u>52,184</u>	<u>61,040</u>
	<u><u>48,581</u></u>	<u><u>52,184</u></u>	<u><u>61,040</u></u>

None of the audited reports on the financial statements of the Group for each of the three years ended 31 December 2004, 2005 and 2006 contained qualified opinion.

2. AUDITED FINANCIAL STATEMENTS

The following is an extract of the financial statements of the Group from the latest annual report of the Company for the year ended 31 December 2006:

Consolidated Income Statement

For the year ended 31 December 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Turnover	4	74,817	32,765
Cost of sales		(69,395)	(31,854)
Gross profit		5,422	911
Other revenue	4	3,794	6,855
Staff costs		(6,600)	(4,547)
Depreciation		(174)	(139)
Other administrative and operating expenses		(4,977)	(5,028)
Realized loss on precious metals contract – net		–	(6,707)
Other expenses		(15)	(61)
Loss from operating activities	5	(2,550)	(8,716)
Finance costs	8	(1,053)	(139)
Loss before taxation		(3,603)	(8,855)
Taxation	9	–	–
Loss attributable to equity holders of the Company	10	<u>(3,603)</u>	<u>(8,855)</u>
Loss per share	12	<i>HK cent</i>	<i>HK cent</i>
Basic		<u>(0.130)</u>	<u>(0.319)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

Consolidated Balance Sheet*As at 31 December 2006*

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	13	612	716
Available-for-sale investments	15	136	–
Other assets	16	250	250
		<u>998</u>	<u>966</u>
Current assets			
Accounts receivable and other receivables	18	9,418	2,802
Investments held for trading	19	2,570	5,224
Time deposits	20	45,148	47,354
Cash and bank balances	20	820	686
		<u>57,956</u>	<u>56,066</u>
Current liabilities			
Accounts payable and other payables	21	10,373	4,848
Net current assets			
		<u>47,583</u>	<u>51,218</u>
		<u><u>48,581</u></u>	<u><u>52,184</u></u>
Capital and reserves			
Share capital	22	27,790	27,790
Reserves	23	20,791	24,394
		<u>48,581</u>	<u>52,184</u>

Company Balance Sheet
As at 31 December 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Non-current assets			
Interests in subsidiaries	14	50,732	52,353
Current assets			
Prepayments	18	42	–
Cash and bank balances	20	4	1
		46	1
Current liabilities			
Other payables	21	491	546
Net current liabilities			
		(445)	(545)
		<u>50,287</u>	<u>51,808</u>
Capital and reserves			
Share capital	22	27,790	27,790
Reserves	23	22,497	24,018
		<u>50,287</u>	<u>51,808</u>

Consolidated Statement of Changes in Equity
For the year ended 31 December 2006

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 December 2004	27,790	47,629	5,000	(19,380)	61,039
Loss for the year	–	–	–	(8,855)	(8,855)
31 December 2005	27,790	47,629	5,000	(28,235)	52,184
Loss for the year	–	–	–	(3,603)	(3,603)
31 December 2006	<u>27,790</u>	<u>47,629</u>	<u>5,000</u>	<u>(31,838)</u>	<u>48,581</u>

The merger reserve represents the difference between the net worth of the subsidiaries acquired over the value of the consideration shares in exchange pursuant to the Group reorganization completed on 31 March 2000.

Consolidated Cash Flow Statement
For the year ended 31 December 2006

	<i>Note</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Cash flows from operating activities			
Loss before taxation		(3,603)	(8,855)
Adjustments for:			
Depreciation		174	139
Interest income		(3,309)	(1,018)
Finance costs		1,053	139
Loss on disposal of property, plant and equipment		3	60
Realized gain on disposal of gold bullion – net		–	(5,641)
Dividend income from investments held for trading		(65)	(21)
Unrealized loss on precious metals contract trading – net		11	9
Operating loss before working capital changes		(5,736)	(15,188)
Increase in accounts receivable and other receivables		(6,782)	(1,503)
Decrease/(increase) in investments held for trading		2,654	(5,224)
Decrease in amount due to ultimate holding company		–	(876)
Increase/(decrease) in accounts payable and other payables		5,679	(1,018)
Net cash used in operating activities		(4,185)	(23,809)
Cash flows from investing activities			
Purchase of property, plant and equipment		(81)	(777)
Proceeds from disposal of property, plant and equipment		8	–
Proceeds from disposal of gold bullion		–	71,759
Purchase of available-for-sale investments		(136)	–
Interest received		3,310	982
Dividend received from investments held for trading		65	21
Net cash generated from investing activities		3,166	71,985
Cash flows from financing activities			
Unsecured loan from immediate holding company		–	1,114
Repayment of unsecured loan to immediate holding company		–	(1,114)
Interest paid		(1,053)	(139)
Net cash used in financing activities		(1,053)	(139)
Net (decrease)/increase in cash and cash equivalents		(2,072)	48,037
Cash and cash equivalents at beginning of year		48,040	3
Cash and cash equivalents at end of year	20	45,968	48,040

Notes to the Financial Statements*For the year ended 31 December 2006***1. CORPORATE INFORMATION**

The Company was incorporated in the Cayman Islands on 23 March 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The shares of the Company have been listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 7 December 2000, but the Company’s shares have been suspended from trading since 10 June 2003.

During the year, the Group was principally engaged in the provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention (except for investments held for trading which have been measured at fair value) and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2006 are consistent with those adopted in the preparation of financial statements for the year ended 31 December 2005, except for the adoption of the new and revised HKFRSs as explained below.

a) Adoption of new and revised HKFRSs

During the current year, the Group has adopted the amendments to HKFRSs and Interpretations which are effective for accounting periods commencing on or after 1 January 2006. The amendments to HKFRSs and Interpretations which are relevant to the Group’s operations are:

HKAS 39 (Amendment)	The Fair Value Option
HKFRS – Int 4	Determining whether an Arrangement contains a Lease

The adoption of these amendments to HKFRSs and Interpretations has had no material impact on the accounting policies of the Group and the methods of computation in the Group’s financial statements.

b) Judgment and estimates

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the development, selection and disclosure of the Group’s critical accounting policies and estimates. There are no critical accounting judgments in applying the Group’s accounting policies.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.

d) Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at costs less any impairment losses.

e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less provisions for depreciation and impairment loss, if any. Details are set out in note 13. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the income statement in the year in which they are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the item, the expenditure is capitalized as an additional cost of that item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the item, is included in the income statement.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets.

The principal annual rates used for this purpose are as follows:

Leasehold improvements	15%
Furniture, fixtures and equipment	15%
Computer equipment	30%
Motor vehicle	30%

f) Investments in equity securities

Investments in equity securities, other than investments in subsidiaries, are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognized in the income statement as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognized in the income statement.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized in the balance sheet at cost less impairment losses.

Investments in securities which do not fall into securities held for trading are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognized directly in equity, except foreign exchange gains and losses in respect of monetary items such as debt securities which are recognized directly in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in the income statement. When these investments are derecognized or impaired, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement.

Investments are recognized/derecognized on the date the Group commits to purchase/sell the investments or they expire.

g) Other assets

Other assets are stated at cost less any impairment losses deemed appropriate by the directors.

h) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as expenses immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i) Derivative financial instruments

Derivative financial instruments relating to precious metals contracts are recognized initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to income statement.

j) Accounts receivable and other receivables

Accounts receivable and other receivables are initially recognized at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts.

k) Gold bullion

Gold bullion is stated at the gold price prevailing at the close of business at the balance sheet date. Differences arising from changes in gold prices are dealt with in the income statement.

l) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- i) Transaction fees derived from the provision of an internet-based electronic trading system are recognized when a transaction is duly executed on the trade date basis;
- ii) Sales of trading securities are recognized on a trade date basis;
- iii) Precious metals contract trading is recognized as income or debit to income when the contract is closed;
- iv) Interest income is recognized on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable; and
- v) Dividend income is recognized when the rights to receive payment have been established.

m) Retirement benefit costs

The Group participates an approved defined contribution retirement benefits scheme for employees: a Mandatory Provident Fund (“MPF”) Scheme under the Mandatory Provident Fund Schemes Ordinance. The MPF Scheme requires both the Group and its employees to contribute 5% of the employees’ monthly gross earnings with a ceiling of HK\$1,000 per month. Under the scheme, the unvested benefits of employees terminating employment can be utilized by the Group to reduce its future levels of contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable to the scheme are charged to the income statement as incurred.

n) Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of major capital projects where they are capitalized up to the date that the assets are brought into a working condition for their intended use.

o) Leased assets*i) Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognized in the income statement as an integral part of the aggregate net lease payments made.

p) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

q) Accounts payable and other payables

Accounts payable and other payables are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

r) Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses are recognized in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

s) Related parties

A party is considered to be related to the Group if:

- i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence;
- ii) the party is a member of the key management personnel of the Group;
- iii) the party is a close member of the family of any individual referred to in i) or ii);
- iv) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in ii) or iii); or
- v) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

t) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition, less advances from banks repayable within three months from the date of the advance. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

3. SEGMENTAL INFORMATION

Business segments

For management purpose, the Group's operations are currently organized into three operating divisions, namely provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments. These divisions are the bases on which the Group reports its primary segment information.

	Year ended 31 December 2006			Total HK\$'000
	Provision and operation of an internet-based electronic trading system HK\$'000	Treasury investments HK\$'000	Precious metals contract trading HK\$'000	
Turnover	<u>4,192</u>	<u>70,613</u>	<u>12</u>	<u>74,817</u>
Segment results	<u>3,586</u>	<u>1,300</u>	<u>832</u>	5,718
Unallocated corporate revenue				2,662
Unallocated corporate expenses				<u>(10,930)</u>
				(2,550)
Finance costs				<u>(1,053)</u>
Loss before taxation				<u>(3,603)</u>
ASSETS				
Segment assets	<u>175</u>	<u>4,812</u>	<u>6,955</u>	11,942
Unallocated corporate assets				<u>47,012</u>
Total assets				<u>58,954</u>
LIABILITIES				
Segment liabilities	<u>–</u>	<u>–</u>	<u>8,021</u>	8,021
Unallocated corporate liabilities				<u>2,352</u>
Total liabilities				<u>10,373</u>
Other segment information				
Depreciation				
– Segmental	<u>8</u>	<u>–</u>	<u>44</u>	52
– Unallocated				<u>122</u>
				<u>174</u>
Capital expenditure				
– Segmental	<u>–</u>	<u>–</u>	<u>68</u>	68
– Unallocated				<u>13</u>
				<u>81</u>

	Year ended 31 December 2005			Total HK\$'000
	Provision and operation of an internet-based electronic trading system HK\$'000	Treasury investments HK\$'000	Precious metals contract trading HK\$'000	
Turnover	<u>1,149</u>	<u>32,063</u>	<u>(447)</u>	<u>32,765</u>
Segment results	<u>693</u>	<u>301</u>	<u>(536)</u>	458
Unallocated corporate revenue				6,701
Unallocated corporate expenses				<u>(15,875)</u>
				(8,716)
Finance costs				<u>(139)</u>
Loss before taxation				<u>(8,855)</u>
ASSETS				
Segment assets	<u>82</u>	<u>5,377</u>	<u>2,250</u>	7,709
Unallocated corporate assets				<u>49,323</u>
Total assets				<u>57,032</u>
LIABILITIES				
Segment liabilities	<u>–</u>	<u>756</u>	<u>592</u>	1,348
Unallocated corporate liabilities				<u>3,500</u>
Total liabilities				<u>4,848</u>
Other segment information				
Depreciation				
– Segmental	<u>3</u>	<u>–</u>	<u>13</u>	16
– Unallocated				<u>123</u>
				<u>139</u>
Capital expenditure				
– Segmental	<u>26</u>	<u>–</u>	<u>113</u>	139
– Unallocated				<u>638</u>
				<u>777</u>

Geographical segments

No geographical segment analysis is presented for the years ended 31 December 2006 and 2005 as more than 90% of the Group's turnover, segment results and assets are derived from or located in Hong Kong.

4. TURNOVER AND OTHER REVENUE

Turnover comprises income from the provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments.

	The Group	
	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Turnover		
Provision and operation of an internet-based electronic trading system	4,192	1,149
Precious metals contract trading	12	(447)
Treasury investments	70,613	32,063
	<u>74,817</u>	<u>32,765</u>
Other revenue		
Dividend income	65	21
Realized gain on disposal of gold bullion – net	–	5,641
Interest income	3,309	1,018
Miscellaneous income	420	175
	<u>3,794</u>	<u>6,855</u>
Total revenue	<u><u>78,611</u></u>	<u><u>39,620</u></u>

5. LOSS FROM OPERATING ACTIVITIES

Loss from operating activities is arrived at after charging/(crediting) the following:

	The Group	
	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Auditors' remuneration		
– current year	800	465
– prior year underprovision	128	–
Depreciation	174	139
Operating lease rentals in respect of land and buildings	624	824
Retirement benefit scheme contributions		
– directors	13	9
– others	119	108
Staff costs (excluding retirement benefit scheme contributions)		
– directors' emoluments	2,529	1,704
– others	3,939	2,726
Loss on disposal of property, plant and equipment	3	60
Legal and professional fees		
– current year	2,570	4,382
– waiver/discount in respect of prior year	(113)	(1,228)
Realized loss on precious metals contract – net	–	6,707
Unrealized loss on precious metals contract trading – net	11	9
Unrealized loss on investments held for trading – net	<u>4</u>	<u>52</u>

6. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments paid/payable to the Directors of the Company are as follows:

	Francis J. Chang Chu Fai HK\$'000	Leung Man Pok, John HK\$'000	Cheung Wing Chi, Winnie HK\$'000	Chung Koon Yan HK\$'000	Wong Kai Tat HK\$'000	Yue Wai Keung HK\$'000	Chan Kee Chee, Keith HK\$'000	Total HK\$'000
2006								
Fees	683	-	228	114	114	114	-	1,253
Salaries and other allowances	-	592	-	-	-	-	684	1,276
Retirement benefit scheme contributions	-	12	-	-	-	-	1	13
	<u>683</u>	<u>604</u>	<u>228</u>	<u>114</u>	<u>114</u>	<u>114</u>	<u>685</u>	<u>2,542</u>
2005								
Fees	-	-	-	-	-	-	1,560	1,560
Salaries and other allowances	-	-	-	-	-	-	144	144
Retirement benefit scheme contributions	-	-	-	-	-	-	9	9
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,713</u>	<u>1,713</u>

Chan Kee Chee, Keith was an executive Director of the Company. He resigned on 20 January 2006.

Chan Choi Ling, a non-executive Director of the Company, resigned on 20 January 2006 and did not receive any fees or other emoluments during the two years ended 31 December 2006.

No share option was granted to the Directors of the Company during the two years ended 31 December 2006. Further details are set out in note 22 to the financial statements.

There were no arrangements under which the directors waived or agreed to waive any emoluments during the two years ended 31 December 2006.

(b) Five highest paid individuals

Details of the five highest paid individuals, including three directors and two employees (2005: one director and four employees), and information regarding their emoluments are set out below:

	The Group	
	2006 HK\$'000	2005 HK\$'000
Fees	683	1,560
Salaries and other allowances	2,476	988
Inducement fees	-	79
Discretionary bonus	160	-
Retirement benefit scheme contributions	37	36
	<u>3,356</u>	<u>2,663</u>

Their emoluments were within the following bands:

	The Group	
	2006	2005
HK\$Nil – HK\$1,000,000	5	4
HK\$1,500,001 to HK\$2,000,000	–	1
	<u>5</u>	<u>5</u>

No share option was granted to the two (2005: four) highest paid employees during the current year.

7. RETIREMENT BENEFIT SCHEME

The costs of retirement benefit scheme charged to the consolidated income statement represent contributions by the Group of approximately HK\$132,000 (2005: approximately HK\$117,000) to an approved defined contribution retirement benefit scheme for employees: a Mandatory Provident Fund Scheme under the Mandatory Provident Fund Schemes Ordinance. The amount is net of forfeited contributions of HK\$Nil (2005: HK\$Nil) relating to unvested benefits for employers who resigned from the Group during the year. The employer and employees respectively contribute 5% of the employees' monthly gross earnings with a ceiling of HK\$1,000 per month.

Contributions totalling approximately HK\$18,000 (2005: approximately HK\$21,000) were payable to the scheme at the year end and are included in other payables.

8. FINANCE COSTS

	The Group	
	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on unsecured loan from immediate holding company	–	3
Interest on precious metals contract trading	1,053	136
	<u>1,053</u>	<u>139</u>

9. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries incurred tax losses or utilized tax losses brought forward from prior years to offset against the estimated assessable profit for the year.

A reconciliation of taxation to the loss before taxation is as follows:

	The Group	
	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	<u>(3,603)</u>	<u>(8,855)</u>
Tax at statutory rate of 17.5% (2005: 17.5%)	(631)	(1,550)
Tax effect of income that is not taxable in determining taxable profits	(414)	(101)
Tax effect of expenses that are not deductible in determining taxable profits	270	58
Tax effect of prior years' tax losses utilized	(278)	–
Tax effect of tax allowances over depreciation	(61)	–
Tax effect of unused tax losses not recognized	1,114	1,593
Taxation	<u>–</u>	<u>–</u>

10. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The net loss attributable to equity holders of the Company dealt with in the financial statements of the Company amounted to approximately HK\$1,521,000 (2005: approximately HK\$150,000). Details are set out in note 23 to the financial statements.

11. DIVIDEND

No dividend has been declared or paid by the Company in respect of the current year (2005: Nil).

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of approximately HK\$3,603,000 (2005: approximately HK\$8,855,000) and the weighted average of 2,779,000,000 (2005: 2,779,000,000) ordinary shares in issue during the year.

Diluted loss per share is not presented for the year ended 31 December 2006 and 2005 as there were no dilutive potential ordinary shares.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Computer equipment <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
The Group					
Cost					
1 January 2005	572	130	1,420	–	2,122
Additions	252	239	273	13	777
Disposals	(572)	(81)	(603)	–	(1,256)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2005 and 1 January 2006	252	288	1,090	13	1,643
Additions	–	1	80	–	81
Disposals	–	–	(19)	(13)	(32)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2006	252	289	1,151	–	1,692
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation					
1 January 2005	478	94	1,412	–	1,984
Charge for the year	66	30	41	2	139
On disposals	(529)	(66)	(601)	–	(1,196)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2005 and 1 January 2006	15	58	852	2	927
Charge for the year	38	41	95	–	174
On disposals	–	–	(19)	(2)	(21)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December 2006	53	99	928	–	1,080
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
31 December 2006	<u> </u> <u> </u> 199	<u> </u> <u> </u> 190	<u> </u> <u> </u> 223	<u> </u> <u> </u> –	<u> </u> <u> </u> 612
31 December 2005	<u> </u> <u> </u> 237	<u> </u> <u> </u> 230	<u> </u> <u> </u> 238	<u> </u> <u> </u> 11	<u> </u> <u> </u> 716

14. INTERESTS IN SUBSIDIARIES

	The Company	
	2006 HK\$'000	2005 HK\$'000
Unlisted shares, at cost	–	–
Amounts due from subsidiaries	73,321	74,758
Amount due to a subsidiary	(236)	(52)
Less: impairment loss	(22,353)	(22,353)
	<u>50,732</u>	<u>52,353</u>

The amounts due from and to subsidiaries are unsecured, interest-free and they are not repayable within the next twelve months from the balance sheet date.

The following is a list of the subsidiaries of the Company as at 31 December 2006:

Company	Place of incorporation	Issued and fully paid up capital	Principal activities
* Durable Gold Investments Limited	British Virgin Islands Limited	Ordinary US\$1	Investment holding
The Gold On-Line Trading Limited	Hong Kong	Ordinary HK\$2	Provision and operation of an internet-based precious metals trading system
G9999.Com Limited	Hong Kong	Ordinary HK\$2	Internet content provider
Wing Shing Loong Goldsmith & Refinery Co. Limited	Hong Kong	Ordinary HK\$15,000,000	Gold bullion licence holding and precious metals contract trading
Trasy Technology Limited	British Virgin Islands	Ordinary US\$1	Dormant
Trasy Holdings Limited	Hong Kong	Ordinary HK\$2	Management services
United Goldnet Limited	Hong Kong	Ordinary HK\$2	Treasury management and securities trading

* A wholly-owned subsidiary held directly by the Company

All subsidiaries are 100% held through Durable Gold Investments Limited.

All subsidiaries are limited liabilities companies limited by shares.

15. AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2006 HK\$'000	2005 HK\$'000
Unlisted equity securities, at cost	<u>136</u>	<u>–</u>

The cost of unlisted shares represents the investment cost in the shares of Hong Kong Precious Metals Exchange Limited, a subsidiary of The Chinese Gold & Silver Exchange Society.

16. OTHER ASSETS

	The Group	
	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Membership licences, at cost	1,180	1,180
Less: Impairment loss	(930)	(930)
	<u>250</u>	<u>250</u>

The membership licences represent the costs incurred in the acquisition of a Bullion Group Membership and an Ordinary Membership in The Chinese Gold & Silver Exchange Society.

17. DEFERRED TAX ASSETS AND LIABILITIES

The components of deferred tax (assets)/liabilities recognized in the consolidated balance sheet and the movements during the year are as follows:

The Group

	Property, plant and equipment <i>HK\$'000</i>	Gold bullion <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
1 January 2005	(46)	4,449	(4,403)	–
Charge/(credit) to the income statement	<u>12</u>	<u>(4,449)</u>	<u>4,437</u>	<u>–</u>
31 December 2005	(34)	–	34	–
Charge/(credit) to the income statement	<u>34</u>	<u>–</u>	<u>(34)</u>	<u>–</u>
31 December 2006	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Details of unrecognized deferred tax assets/(liabilities) at the balance sheet date are as follows:

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Excess of tax allowances over depreciation	(61)	–
Unabsorbed tax losses	<u>3,910</u>	<u>3,074</u>
	<u>3,849</u>	<u>3,074</u>

The deferred tax assets have not been recognized in the financial statements due to the unpredictability of future profit streams.

The Company

The Company did not have any unrecognized deferred tax assets and liabilities at the balance sheet date.

18. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	The Group		The Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Accounts receivable	2,616	1,682	–	–
Deposits in principals' accounts	6,368	431	–	–
Prepayments and other deposits	393	479	42	–
Other receivables	41	210	–	–
	<u>9,418</u>	<u>2,802</u>	<u>42</u>	<u>–</u>

An aging analysis of accounts receivable is set out below:

	The Group	
	2006 HK\$'000	2005 HK\$'000
0-30 days	2,616	1,669
31-60 days	–	–
61-90 days	–	–
Over 90 days	–	13
	<u>2,616</u>	<u>1,682</u>

The Group generally grants a credit period of 30 days to customers who have agreed to contribute tradable prices to the Group's trading platform. The management of the Group performs a regular review, on a monthly basis, on the aging of accounts receivable. Appropriate action is taken against those debtors whose account is overdue for more than 30 days.

Accounts receivable and other receivables are denominated in the following currencies:

	The Group		The Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
United States dollars	6,755	1,960	–	–
Hong Kong dollars	2,663	842	42	–
	<u>9,418</u>	<u>2,802</u>	<u>42</u>	<u>–</u>

19. INVESTMENTS HELD FOR TRADING

	The Group	
	2006 HK\$'000	2005 HK\$'000
Equity securities listed in Hong Kong, at market value	<u>2,570</u>	<u>5,224</u>

20. TIME DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Time deposits	45,148	47,354	–	–
Cash and bank balances	820	686	4	1
Cash and cash equivalents in consolidated cash flow statement	<u>45,968</u>	<u>48,040</u>	<u>4</u>	<u>1</u>

Time deposits, cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
United States dollars	32,259	23,755	–	–
Hong Kong dollars	13,709	24,285	4	1
	<u>45,968</u>	<u>48,040</u>	<u>4</u>	<u>1</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Time deposits have an original maturity of three months or less and earn interest at short term time deposit rates. The effective interest rate of time deposits is approximately 4.4% (2005: 4%).

21. ACCOUNTS PAYABLE AND OTHER PAYABLES

	The Group		The Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Accounts payable	26	1,058	–	–
Deposits received from customers	7,995	290	–	–
Accruals	855	400	–	–
Other payables	1,497	3,100	491	546
	<u>10,373</u>	<u>4,848</u>	<u>491</u>	<u>546</u>

An aging analysis of accounts payable is set out below:

	The Group	
	2006 HK\$'000	2005 HK\$'000
0-30 days	–	1,043
31-60 days	2	15
61-90 days	12	–
Over 90 days	12	–
	<u>26</u>	<u>1,058</u>

Accounts payable and other payables are denominated in the following currencies:

	The Group		The Company	
	2006	2005	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
United States dollars	8,032	592	–	–
Hong Kong dollars	2,341	4,256	491	546
	<u>10,373</u>	<u>4,848</u>	<u>491</u>	<u>546</u>

22. SHARE CAPITAL

	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorized:		
180,000,000,000 ordinary shares of HK\$0.01 each	<u>1,800,000</u>	<u>1,800,000</u>
Issued and fully paid:		
2,779,000,000 ordinary shares	<u>27,790</u>	<u>27,790</u>

- (i) The Company adopted a new share option scheme (“New Scheme”) at the annual general meeting of the Company held on 30 April 2002. Under the New Scheme, the Board may, at its discretion, grant options to any eligible participants which enable them to subscribe for shares in aggregate not exceeding 30% of the shares in issue of the Company from time to time (including shares which have been allotted and issued pursuant to any other share option scheme). No share option was granted by the Company under the New Scheme since its adoption. Details of the New Scheme are set out in the circular of the Company dated 28 March 2002.
- (ii) Under the pre-IPO share option plan (the “Plan”) of the Company adopted on 6 November 2000, the Board could, at its discretion, grant options to any full-time employees or executives of the Company and RNA Holdings Limited (“RNA”), the former ultimate holding company of the Company, and their respective subsidiaries on or before 29 November 2000 which would entitle them to subscribe for shares representing up to a maximum of 10% of the shares of the Company in issue on the date of listing on GEM on 7 December 2000. On 29 November 2000, 234,872,000 share options were granted under the Plan. All the share options had a duration of ten years from the date of grant, but were either lapsed or cancelled in 2005 under the conditions set out on page 196 of the Company’s prospectus dated 30 November 2000.

23. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 18 of the annual report.

The Company	Share premium	Accumulated losses	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
31 December 2004	47,629	(23,461)	24,168
Loss for the year	–	(150)	(150)
31 December 2005	47,629	(23,611)	24,018
Loss for the year	–	(1,521)	(1,521)
31 December 2006	<u>47,629</u>	<u>(25,132)</u>	<u>22,497</u>

Pursuant to Section 34 of the Companies Law (Revised) of the Cayman Islands and the Articles of Association of the Company, share premium is available for distribution to shareholders subject to a solvency test on the Company and the provisions of the Articles of Association of the Company. As at 31 December 2006, in the opinion of the Directors, the Company's reserves available for distribution to shareholders, comprising share premium account and accumulated losses, amounted to approximately HK\$22,497,000 (2005: approximately HK\$24,018,000).

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006, the Group had minimum outstanding commitments under non-cancellable operating leases in respect of office facilities which fall due as follows:

	The Group	
	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	140	624
In the second to fifth years, inclusive	–	140
	140	764
	140	764

25. RELATED PARTY TRANSACTIONS

Transactions with related parties during the year not disclosed elsewhere in the financial statements are as follows:

- (a) Transaction fees of HK\$Nil (2005: approximately HK\$301,000) were earned from Hing Fung Goldsmith And Refinery Limited ("HFG&R"), a former fellow subsidiary. HFG&R ceased to be a related company in March 2005;
- (b) Pursuant to tenancy agreements entered into between the Group and RNA Investments Limited ("RNA Investments"), a former fellow subsidiary, in year 2003, the Group made rental payments of HK\$Nil (2005: approximately HK\$108,000) to RNA Investments. RNA Investments ceased to be a related company in March 2005;
- (c) Staff secondment charges paid and payable to:
 - i. PYI Management Limited and Paul Y. Management Limited, both associated companies of the Company's ultimate holding company, were HK\$Nil (2005: approximately HK\$18,000) and approximately HK\$4,000 (2005: approximately HK\$2,000) respectively; and
 - ii. ITC Management Limited, a fellow subsidiary, was approximately HK\$308,000 (2005: approximately HK\$97,000);
- (d) Pursuant to the tenancy agreement entered into between the Group and Central Town Limited ("Central Town"), an associated company of the Company's ultimate holding company, in year 2005, the Group made rental payments of HK\$336,000 (2005: HK\$140,000) to Central Town; and
- (e) On 29 March 2005, Golden Hall Holdings Limited, the immediate holding company, granted a loan facility of up to HK\$2,000,000 to the Group. The loan was unsecured, carried interest at 3% above the Best Lending Rate of Hong Kong dollar per annum. During the year ended 31 December 2005, the Group drew down HK\$1,114,361 and the amount was fully repaid in 2005. The amount of interest paid in 2005 in respect of the loan was approximately HK\$3,000. The loan facility expired on 30 September 2005.

All of the above transactions were entered into with the parties at rates and terms under normal commercial terms.

In respect of the related party transactions stated above, only the transaction under note 25(d) constitutes an exempt continuing connected transaction subject to announcement and reporting requirements under Chapter 20 of the GEM Listing Rules and the Company has complied with the relevant disclosure requirements accordingly.

26. CONTINGENT LIABILITIES

The Company has given an undertaking to provide continuing financial support to enable certain subsidiaries to meet their liabilities and obligations as and when they fall due for at least the next twelve months from the balance sheet date.

27. FINANCIAL RISK MANAGEMENT AND ESTIMATION OF FAIR VALUES**a) Financial risk management**

The Group is exposed to a variety of financial risks which result from its operating and investing activities.

The Directors monitor the financial risk of the Group and take such measures as considered necessary from time to time to minimise such financial risks. The most significant financial risks to which the Group is exposed to are described below:

i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk primarily through trading that is denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States dollar. The Group mitigates this risk by conducting the trading in the same currency, whenever possible.

ii) Credit risk

Credit risk arises from the possibility that customers may not be able to settle obligations within the normal terms of transactions. The Group performs ongoing credit evaluation of the customers' financial condition and maintains an account for allowance for doubtful trade and other accounts receivable based upon the expected collectibles of all trade and other accounts receivable.

At the balance sheet date, there were no major concentrations of credit risk.

The maximum exposure to credit risk is therefore represented by the carrying amount of each financial asset as stated in the balance sheet.

Cash is held with financial institutions of good standing.

iii) Price risk

The Group is exposed to equity security price risk on its available-for-sale and held for trading investments. Management manages this exposure by maintaining a portfolio of investments with different risk profiles.

b) Estimation of fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including accounts receivable and payable, cash at bank, other receivables and payables) are assumed to approximate their fair values.

The fair values of balances due from/to subsidiaries have not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

28. RECENT ACCOUNTING AND FINANCIAL REPORTING PRONOUNCEMENTS

The HKICPA has issued the following amendments, new standards and interpretations which may be/are relevant to the preparation of the Group's financial statements for the accounting period after 31 December 2006:

		Effective for accounting periods beginning on or after
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 “Financial Reporting in Hyperinflationary Economies”	1 March 2006
HK(IFRIC) – Int 8	Scope of HKFRS 2	1 May 2006
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives	1 June 2006
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment	1 November 2006
HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures	1 January 2007
HKFRS 7	Financial Instruments: Disclosures	1 January 2007
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions	1 March 2007

HK(IFRIC) – Interpretations 7, 8, 9 and 10 are not expected to have any material impact on the Group's financial statements.

HKAS 1 (Amendment) will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

The Group is in the process of making an assessment of the impact of HKAS 1 (Amendment) and HKFRS 7 upon initial application. So far, it has concluded that while the adoption of HKAS 1 (Amendment) and HKFRS 7 may result in new and amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

The Group has not yet evaluated the impact on its financial statements following the adoption of HK(IFRIC) – interpretation 11.

29. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Golden Hall Holdings Limited, which is incorporated in Hong Kong.

The Directors consider the Company's ultimate holding company to be ITC Corporation Limited, which is incorporated in Bermuda, and the shares of which are listed on the Main Board of the Stock Exchange.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board on 23 March 2007.

3. UNAUDITED INTERIM RESULT

The following is an extract of the unaudited financial statements of the Group from the latest interim report of the Company for the three months and six months ended 30 June 2007:

Unaudited Consolidated Income Statement

For the three months and six months ended 30 June 2007

	Notes	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Turnover	2	30,093	12,009	41,216	32,804
Cost of sales		(27,108)	(10,205)	(36,576)	(30,363)
Gross profit		2,985	1,804	4,640	2,441
Other revenue		926	1,100	1,860	1,994
Staff costs		(1,241)	(2,159)	(2,597)	(3,726)
Depreciation		(46)	(43)	(91)	(85)
Other administrative and operating expenses		(900)	(1,177)	(1,679)	(2,463)
Other expenses		(345)	(317)	(346)	(28)
Profit/(loss) from operating activities	3	1,379	(792)	1,787	(1,867)
Finance costs		(697)	(339)	(960)	(598)
Profit/(loss) before taxation		682	(1,131)	827	(2,465)
Taxation	4	–	–	–	–
Profit/(loss) attributable to equity holders of the Company		<u>682</u>	<u>(1,131)</u>	<u>827</u>	<u>(2,465)</u>
Earnings/(loss) per share	5	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>
Basic		<u>0.0240</u>	<u>(0.0407)</u>	<u>0.0294</u>	<u>(0.0887)</u>
Diluted		<u>0.0240</u>	<u>N/A</u>	<u>0.0294</u>	<u>N/A</u>

Unaudited Consolidated Balance Sheet*As at 30 June 2007*

	<i>Notes</i>	(Unaudited) 30 June 2007 <i>HK\$'000</i>	(Audited) 31 December 2006 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	7	534	612
Available-for-sale investments		136	136
Other assets		250	250
		<u>920</u>	<u>998</u>
Current assets			
Accounts receivable and other receivables	8	26,718	9,418
Investments held for trading		14,438	2,570
Time deposits		122,949	45,148
Cash and bank balances		531	820
		<u>164,636</u>	<u>57,956</u>
Current liabilities			
Accounts payable and other payables	9	9,697	10,373
Net current assets		<u>154,939</u>	<u>47,583</u>
		<u>155,859</u>	<u>48,581</u>
Capital and reserves			
Share capital	10	33,291	27,790
Reserves		122,568	20,791
		<u>155,859</u>	<u>48,581</u>

Unaudited Consolidated Statement of Changes in Equity*For the six months ended 30 June 2007*

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	(Unaudited) Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
1 January 2007	27,790	47,629	5,000	–	(31,838)	48,581
Recognition of equity-settled share-based payments	–	–	–	69	–	69
Exercise of share options	1	21	–	(2)	–	20
Issue of shares	5,500	104,500	–	–	–	110,000
Expenses incurred in connection with issue of shares	–	(3,638)	–	–	–	(3,638)
Profit for the period	–	–	–	–	827	827
30 June 2007	<u>33,291</u>	<u>148,512</u>	<u>5,000</u>	<u>67</u>	<u>(31,011)</u>	<u>155,859</u>
1 January 2006	27,790	47,629	5,000	–	(28,235)	52,184
Loss for the period	–	–	–	–	(2,465)	(2,465)
30 June 2006	<u>27,790</u>	<u>47,629</u>	<u>5,000</u>	<u>–</u>	<u>(30,700)</u>	<u>49,719</u>

Unaudited Consolidated Cash Flow Statement*For the six months ended 30 June 2007*

	(Unaudited) Six months ended 30 June	
	2007 HK\$'000	2006 HK\$'000
Net cash (used in)/generated from operating activities	(28,937)	2,801
Net cash generated from investing activities	1,028	1,729
Net cash generated from/(used in) financing activities	105,421	(598)
Net increase in cash and cash equivalents	77,512	3,932
Cash and cash equivalents at 1 January	45,968	48,040
Cash and cash equivalents at 30 June	<u>123,480</u>	<u>51,972</u>
Analysis of the balances of cash and cash equivalents		
Time deposits	122,949	51,220
Cash and bank balances	531	752
	<u>123,480</u>	<u>51,972</u>

Notes:

1. BASIS OF PREPARATION

The condensed interim financial statements have been prepared in accordance with the applicable provisions of the GEM Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These condensed interim financial statements should be read in conjunction with the 2006 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the 2006 annual financial statements except for the adoption of the new standards, amendments to standards and interpretations issued by the HKICPA which are effective for the annual periods beginning 1 January 2007. The following new standards, amendments to standards and interpretations are effective for the financial year ended 31 December 2007.

- (a) Amendment to HKAS 1 Presentation of Financial Statements: Capital Disclosures (effective for annual periods beginning on or after 1 January 2007)
- (b) HKFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007)
- (c) HK(IFRIC) Interpretation 7 Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 March 2006)
- (d) HK(IFRIC) Interpretation 8 Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006)
- (e) HK(IFRIC) Interpretation 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006)
- (f) HK(IFRIC) Interpretation 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)

The adoption of these new standards, amendments to standards and interpretations has no material financial effect on the Group’s results and financial position for the current or prior periods.

The Group has not early adopted the following new/revised standards and interpretations that have been issued but not yet effective for the accounting period ending 31 December 2007. The Group is in the process of making an assessment of impact of these new/revised standards and interpretations to the Group’s results of operations and financial position in the period of initial application.

		Effective for annual periods beginning on or after
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) Interpretation 11	HKFRS 2-Group and Treasury Share Transactions	1 March 2007
HK(IFRIC) Interpretation 12	Services Concession Arrangements	1 January 2008

2. TURNOVER AND SEGMENT INFORMATION

Business segments

For management purposes, the Group's operations are currently organized into three operating divisions, namely provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments. These divisions are the basis on which the Group reports its primary segment information.

Analyses of the Group's turnover and contribution by business segments are as follows:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Turnover				
Provision and operation of an internet-based electronic trading system	1,722	1,166	3,301	1,759
Precious metals contract trading	65	600	34	101
Treasury investments	28,306	10,243	37,881	30,944
	<u>30,093</u>	<u>12,009</u>	<u>41,216</u>	<u>32,804</u>
Segment results				
Provision and operation of an internet-based electronic trading system	1,535	1,014	2,925	1,458
Precious metals contract trading	245	550	412	530
Treasury investments	934	80	1,097	629
	<u>2,714</u>	<u>1,644</u>	<u>4,434</u>	<u>2,617</u>
Unallocated corporate revenue	610	737	1,234	1,383
Unallocated corporate expenses	(1,945)	(3,173)	(3,881)	(5,867)
Finance costs	(697)	(339)	(960)	(598)
	<u>682</u>	<u>(1,131)</u>	<u>827</u>	<u>(2,465)</u>

Geographical segments

No geographical segment analysis is presented for the three months and six months ended 30 June 2007 as more than 90% of the Group's turnover is generated in Hong Kong.

3. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(loss) from operating activities is arrived at after charging/(crediting) the following:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Bank interest income	(505)	(632)	(1,024)	(1,173)
Share-based payment expense	69	–	69	–
Unrealized loss on precious metals contract trading – net	65	307	66	16
Unrealized loss on investments held for trading – net	<u>325</u>	<u>10</u>	<u>280</u>	<u>12</u>

4. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries incurred tax losses or utilized tax losses brought forward from prior years to offset against the estimated assessable profit for the six months ended 30 June 2007.

5. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company for the three months and six months ended 30 June 2007 and 2006 is based on:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Earnings/(loss)				
Profit/(loss) attributable to equity holders of the Company	<u>682</u>	<u>(1,131)</u>	<u>827</u>	<u>(2,465)</u>

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2007	2006	2007	2006
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	2,839,461,538	2,779,000,000	2,809,397,789	2,779,000,000
Effect of dilutive potential ordinary shares: Share options	<u>12,815</u>	<u>–</u>	<u>6,443</u>	<u>–</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>2,839,474,353</u>	<u>2,779,000,000</u>	<u>2,809,404,232</u>	<u>2,779,000,000</u>

Diluted loss per share is not presented for the three months and six months ended 30 June 2006 as there were no dilutive potential ordinary shares.

6. INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the period (six months ended 30 June 2006: Nil).

7. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$12,000 on acquisition of property, plant and equipment (six months ended 30 June 2006: approximately HK\$31,000).

8. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Included in accounts receivable and other receivables are accounts receivable of approximately HK\$21,298,000 (31 December 2006: approximately HK\$2,616,000) and their aging analysis is as follows:

	(Unaudited) 30 June 2007 <i>HK\$'000</i>	(Audited) 31 December 2006 <i>HK\$'000</i>
0 – 30 days	19,045	2,616
31 – 60 days	22	–
61 – 90 days	691	–
Over 90 days	1,540	–
	<u>21,298</u>	<u>2,616</u>

The Group generally grants a credit period of 30 days to customers who have agreed to contribute tradable prices to the Group's trading platform. The management of the Group performs a regular review, on a monthly basis, on the aging of accounts receivable. Appropriate action is taken against those debtors whose account is overdue for more than 30 days.

9. ACCOUNTS PAYABLE AND OTHER PAYABLES

Included in accounts payable and other payables are accounts payable of approximately HK\$26,000 (31 December 2006: approximately HK\$26,000) and their aging analysis is as follows:

	(Unaudited) 30 June 2007 <i>HK\$'000</i>	(Audited) 31 December 2006 <i>HK\$'000</i>
0 – 30 days	–	–
31 – 60 days	–	2
61 – 90 days	–	12
Over 90 days	26	12
	<u>26</u>	<u>26</u>

10. SHARE CAPITAL

	(Unaudited) 30 June 2007		(Audited) 31 December 2006	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Ordinary shares of HK\$0.01 each Authorized	<u>180,000,000,000</u>	<u>1,800,000</u>	<u>180,000,000,000</u>	<u>1,800,000</u>
Issued and fully paid:				
At beginning of period/year	2,779,000,000	27,790	2,779,000,000	27,790
Exercise of share options (note 1)	100,000	1	-	-
Issue of shares (note 2)	<u>550,000,000</u>	<u>5,500</u>	<u>-</u>	<u>-</u>
At end of period/year	<u>3,329,100,000</u>	<u>33,291</u>	<u>2,779,000,000</u>	<u>27,790</u>

Notes:

- (1) On 11 June 2007, the Company issued 100,000 ordinary shares of HK\$0.01 each for consideration of HK\$0.2014 per share upon exercise of share options. The shares issued rank pari passu with other shares in all respects.
- (2) On 12 June 2007, the Company, ITC and the placing agent entered into a placing and subscription agreement, pursuant to which, (i) ITC agreed to place, through the placing agent, an aggregate of 550,000,000 shares of the Company at a price of HK\$0.20 per share to not less than six placees who were independent third parties and not parties acting in concert with ITC and with each other for the purposes of the Takeovers Code; and (ii) the Company agreed to issue and ITC has conditionally agreed to subscribe for 550,000,000 shares at a price of HK\$0.20 per share. The net proceeds of approximately HK\$106 million from issue of shares will be used as general working capital as the Group has not identified any particular project to invest in as at the date of this report. The new shares rank pari passu with other shares in issue in all respects.

11. SHARE-BASED PAYMENT TRANSACTION

The Company has a share option scheme for eligible participants of the Group. Details of the share options outstanding during the period are as follows:

	Number of share options
Outstanding at 1 January 2007	-
Granted during the period	<u>5,400,000</u>
	5,400,000
Exercised during the period	<u>(100,000)</u>
Outstanding at 30 June 2007	<u>5,300,000</u>

Details of the share options are set out below:

Grant date of share options	1 June 2007	6 June 2007
Number of share options granted	4,400,000	1,000,000
Exercise price per share	HK\$0.2194	HK\$0.2014
Option period	Within 3 years from the grant date	Within 3 years from the grant date
Closing price of the Company's shares immediate before the grant date	HK\$0.231	HK\$0.163
Fair value of the share options determined at the grant date	HK\$159,000	HK\$25,000

The Binominal option pricing model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The following parameters and assumptions were used to calculate the fair value of share options granted:

Grant date of share options	1 June 2007	6 June 2007
Weighted average share price	HK\$0.2190	HK\$0.1890
Weighted average exercise price	HK\$0.2194	HK\$0.2014
Expected life of options (<i>note</i>)	3 years	3 years
Expected volatility	14.34%	14.34%
Expected dividend yield	Nil	Nil
Risk free rate	4.355%	4.355%

Note:

Share options granted thereunder are exercisable in stages during the option period in the following manner:

- (i) 1st one-third of share options granted become exercisable from the grant date;
- (ii) 2nd one-third of share options granted shall become exercisable one year after the grant date; and
- (iii) 3rd one-third of share options granted shall become exercisable two years after the grant date.

4. UNAUDITED THIRD QUARTERLY RESULT

The following is an extract of the unaudited financial statements from the third quarterly report of the Company for the three months and nine months ended 30 September 2007:

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 30 September 2007

	<i>Notes</i>	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
		2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Turnover	2	118,484	19,256	159,700	52,060
Cost of sales		<u>(109,331)</u>	<u>(17,943)</u>	<u>(145,907)</u>	<u>(48,306)</u>
Gross profit		9,153	1,313	13,793	3,754
Other revenue	2	4,596	919	6,110	2,901
Staff costs		(6,466)	(1,474)	(9,063)	(5,200)
Depreciation		(50)	(44)	(141)	(129)
Other administrative and operating expenses		(840)	(1,007)	(2,519)	(3,470)
Other expenses		<u>–</u>	<u>(235)</u>	<u>–</u>	<u>(251)</u>
Profit/(loss) from operating activities	3	6,393	(528)	8,180	(2,395)
Finance costs		<u>(1,298)</u>	<u>(229)</u>	<u>(2,258)</u>	<u>(827)</u>
Profit/(loss) before taxation		5,095	(757)	5,922	(3,222)
Taxation	4	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Profit/(loss) attributable to equity holders of the Company		<u>5,095</u>	<u>(757)</u>	<u>5,922</u>	<u>(3,222)</u>
		<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>	<i>HK cent</i>
Earnings/(loss) per share	5				
Basic		<u>0.147</u>	<u>(0.027)</u>	<u>0.196</u>	<u>(0.116)</u>
Diluted		<u>0.147</u>	<u>N/A</u>	<u>0.196</u>	<u>N/A</u>

Notes:

1. BASIS OF PREPARATION

The Group's unaudited consolidated results for the three months and nine months ended 30 September 2007 have been prepared in accordance with the applicable provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the 2006 annual financial statements except for the adoption of the new standards, amendments to standards and interpretations issued by the HKICPA which are effective for the annual periods beginning 1 January 2007. The following new standards, amendments to standards and interpretations are effective for the financial year ending 31 December 2007.

- (a) Amendment to HKAS 1 Presentation of Financial Statements: Capital Disclosures (effective for annual periods beginning on or after 1 January 2007)
- (b) HKFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007)
- (c) HK(IFRIC) Interpretation 7 Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 March 2006)
- (d) HK(IFRIC) Interpretation 8 Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006)
- (e) HK(IFRIC) Interpretation 9 Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006)
- (f) HK(IFRIC) Interpretation 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)

The adoption of these new standards, amendments to standards and interpretations has no material financial effect on the Group's results and financial position for the current or prior periods.

The Group has not early adopted the following new/revised standards and interpretations that have been issued but not yet effective for the accounting period ending 31 December 2007. The Group is in the process of making an assessment of impact of these new/revised standards and interpretations to the Group's results of operations and financial position in the period of initial application.

		Effective for annual periods beginning on or after
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) Interpretation 11	HKFRS 2-Group and Treasury Share Transactions	1 March 2007
HK(IFRIC) Interpretation 12	Services Concession Arrangements	1 January 2008

2. TURNOVER AND OTHER REVENUE

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	30 September		30 September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover				
Provision and operation of an internet-based electronic trading system	1,910	1,149	5,211	2,908
Precious metals contract trading	(437)	132	(403)	233
Treasury investments	117,011	17,975	154,892	48,919
	<u>118,484</u>	<u>19,256</u>	<u>159,700</u>	<u>52,060</u>
Other revenue				
Dividend income	13	4	63	53
Interest income	1,702	790	3,302	2,525
Unrealized gain on precious metals contract trading – net	263	–	197	–
Unrealized gain on investments in securities – net	2,513	20	2,233	8
Miscellaneous income	105	105	315	315
	<u>4,596</u>	<u>919</u>	<u>6,110</u>	<u>2,901</u>
Total revenue	<u><u>123,080</u></u>	<u><u>20,175</u></u>	<u><u>165,810</u></u>	<u><u>54,961</u></u>

3. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(loss) from operating activities is arrived at after charging/(crediting) the following:

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	30 September		30 September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	(1,037)	(553)	(2,061)	(1,726)
Share-based payment expense	4,589	–	4,658	–
Unrealized (gain)/loss on precious metals contract trading – net	(263)	235	(197)	251
Unrealized gain on investments in securities – net	(2,513)	(20)	(2,233)	(8)
	<u>(2,513)</u>	<u>(20)</u>	<u>(2,233)</u>	<u>(8)</u>

4. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries incurred tax losses or utilized tax losses brought forward from prior years to offset against the estimated assessable profit for the nine months ended 30 September 2007.

5. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company for the three months and nine months ended 30 September 2007 and 2006 is based on:

	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Earnings/(loss)				
Profit/(loss) attributable to equity holders of the Company	<u>5,095</u>	<u>(757)</u>	<u>5,922</u>	<u>(3,222)</u>
	(Unaudited) Three months ended 30 September		(Unaudited) Nine months ended 30 September	
	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	3,455,444,455	2,779,000,000	3,027,113,147	2,779,000,000
Effect of dilutive potential ordinary shares: Share options	<u>206,631</u>	<u>–</u>	<u>76,111</u>	<u>–</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>3,455,651,086</u>	<u>2,779,000,000</u>	<u>3,027,189,258</u>	<u>2,779,000,000</u>

Diluted loss per share is not presented for the three months and nine months ended 30 September 2006 as there were no dilutive potential ordinary shares.

6. INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the period (nine months ended 30 September 2006: Nil).

7. RESERVES

	(Unaudited)				Total <i>HK\$'000</i>
	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	
1 January 2007	47,629	5,000	–	(31,838)	20,791
Recognition of equity-settled share-based payments	–	–	4,658	–	4,658
Exercise of share options	98	–	(14)	–	84
Issue of shares	214,820	–	–	–	214,820
Expenses incurred in connection with issue of shares	(7,745)	–	–	–	(7,745)
Profit for the period	–	–	–	5,922	5,922
30 September 2007	<u>254,802</u>	<u>5,000</u>	<u>4,644</u>	<u>(25,916)</u>	<u>238,530</u>
1 January 2006	47,629	5,000	–	(28,235)	24,394
Loss for the period	–	–	–	(3,222)	(3,222)
30 September 2006	<u>47,629</u>	<u>5,000</u>	<u>–</u>	<u>(31,457)</u>	<u>21,172</u>

5. STATEMENT OF INDEBTEDNESS**Borrowings**

At the close of business on 30 November 2007, the Group did not have any outstanding borrowings.

Debt securities

As at the close of business on 30 November 2007, the Group had no outstanding debt securities issued or authorized or otherwise created but unissued.

Other commitments

As at the close of business on 30 November 2007, the Group had outstanding minimum commitments under non-cancellable operating leases in respect of land and buildings which fall due within one year of approximately HK\$738,000.

Disclaimer

Save as disclosed above or otherwise disclosed herein, and apart from intra-group liabilities, the Group did not, as at the close of business on 30 November 2007, have any outstanding loan capital issued or agreed to be issued, shares or debentures, mortgages, loans or other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptance, acceptance credits, guarantees or other material contingent liabilities.

The Directors have confirmed that there has not been any material change in the Group's indebtedness subsequent to 30 November 2007 and up to the date of this document.

6. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2006, being the date to which latest audited financial statements of the Group were made up.

7. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present available financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements in at least the next twelve months following the date this Prospectus.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the unaudited pro forma statement of consolidated net tangible assets of the Group which has been prepared in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group as at 30 June 2007, as if it had taken place on 30 June 2007. The unaudited pro forma statement of consolidated net tangible assets of the Group has been prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position of the Group as at 30 June 2007 and any future financial periods following the Rights Issue.

The unaudited pro forma statement of consolidated net tangible assets of the Group as at 30 June 2007 is based on the unaudited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2007, as shown in the unaudited consolidated balance sheet of the Company as at 30 June 2007 as set out in Appendix I to this Prospectus and the adjustment described below:

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders as at 30 June 2007 <i>(Note ii)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note iii)</i> HK\$'000	Unaudited pro forma consolidated net tangible assets of the Group attributable to the equity holders after the Rights Issue HK\$'000	Unaudited consolidated net tangible assets per share as at 30 June 2007 <i>(Note iv)</i> HK\$	Unaudited pro forma consolidated net tangible assets per share after the Rights Issue <i>(Note v)</i> HK\$
Rights Issue of 1,997,205,000 Rights Shares <i>(Note i)</i>	<u>155,859</u>	<u>106,200</u>	<u>262,059</u>	<u>0.0468</u>	<u>0.0492</u>

Notes:

- (i) The Rights Issue of 1,997,205,000 Rights Shares is based on 3,994,410,000 shares as at record date.
- (ii) The unaudited consolidated net tangible assets of the Group attributable to the shareholders of the Company as at 30 June 2007 is derived from the interim report of the Company for six months ended 30 June 2007.
- (iii) The estimated net proceeds from the Rights Issue is based on 1,997,205,000 Rights Shares to be issued at the Subscription Price of HK\$0.055 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$3.6 million.
- (iv) The calculation of the unaudited consolidated net tangible assets per share is based on 3,329,100,000 issued and fully paid shares as at 30 June 2007.
- (v) The calculation of the unaudited pro forma consolidated net tangible assets per share after the Rights Issue is based on 5,326,305,000 shares which represent 3,329,100,000 shares issued and fully paid as at 30 June 2007 and 1,997,205,000 Rights Shares expected to be issued on the completion of the Rights Issue.

B. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants of the Company, Moore Stephens, Certified Public Accountants, Hong Kong.

MOORE STEPHENS

CERTIFIED PUBLIC ACCOUNTANTS

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30 Canton Road
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所 師

14 January 2008

The Directors
Trasy Gold Ex Limited
Rooms 301-302, 3/F.,
United Chinese Bank Building
31-37 Des Voeux Road Central
Hong Kong

Dear Sirs,

ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

We report on the unaudited pro forma financial information of Trasy Gold Ex Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors for illustrative purposes only, to provide information about how the issue of 1,997,205,000 rights shares (the "Rights Issue") might have affected the financial information presented, for inclusion as Appendix II to the prospectus of the Company dated 14 January 2008 (the "Prospectus"). The basis of preparation of the pro forma financial information is set out on Section A of Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group had the Right Issue actually occurred as at 30 June 2007 or any future date.

Opinion

In our opinion:

- a. the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

Moore Stephens
Certified Public Accountants
Hong Kong

RESPONSIBILITY STATEMENT

This Prospectus, 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: (1) the information contained in this Prospectus is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this Prospectus misleading; and (3) all opinions expressed in this Prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Rights Issue were and will be as follows:

<i>Authorised:</i>	<i>No. of Shares</i>	<i>HK\$</i>
Shares	<u>180,000,000,000</u>	<u>1,800,000,000</u>
<i>Issued and fully paid or credited as fully paid or to be issued under the Rights Issue:</i>		
Shares as at the Latest Practicable Date	3,994,410,000	39,944,100
Rights Shares to be issued pursuant to the Rights Issue	<u>1,997,205,000</u>	<u>19,972,050</u>
	<u>5,991,615,000</u>	<u>59,916,150</u>

All the Shares in issue and the Rights Shares to be issued (when fully paid) rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

As at the Latest Practicable Date, no share or loan capital of the Company has been issued or is proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital, except for the Rights Shares.

As at the Latest Practicable Date, the Company had 25,690,000 outstanding Share Options entitling holders thereof to subscribe for 25,690,000 Shares. Save as disclosed above, as at the Latest Practicable Date, the Company did not have any derivatives, options, warrants or securities which are convertible or exchangeable into Shares.

The Shares are listed on the GEM. No part of the Share or loan capital of the Company is listed or dealt in, nor is listing or permission to deal in the Share or loan capital of the Company being, or proposed to be, sought on any other stock exchange. There is no arrangement under which future dividends are waived or agreed to be waived.

DISCLOSURE OF INTERESTS

(A) Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares and underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in Share Options under the Share Option Scheme adopted on 30 April 2002

Name of Directors	Nature of interest	Date of grant	Exercisable period	Exercise price per Share HK\$	Number of Share Option	Approximate % of the issued share capital of the Company
Chung Koon Yan	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.33	1,500,000	0.04%
Wong Kai Tat	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.33	1,500,000	0.04%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange.

(B) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; or are required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Long Positions in the Shares or the Rights Shares

Name of Shareholders	Capacity or nature of interests	Number of Shares or the Rights Shares	Approximate percentage of issued Share Capital of the Company as at the Latest Practicable Date	Approximate percentage of issued share capital of the Company (as enlarged by the issue of the Rights Shares)
Tse Young Lai (Note 1)	Beneficial owner	1,198,323,000	30.00%	20.00%
The Underwriter (Note 2)	Beneficial owner	1,620,609,000	40.57%	27.05%
Chu Yuet Wah (Note 2)	Interest of a controlled corporation	1,620,609,000	40.57%	27.05%
Ma Siu Fong (Note 2)	Interest of a controlled corporation	1,620,609,000	40.57%	27.05%

Notes:

- (1) The 1,198,323,000 Shares include 399,441,000 Rights Shares irrevocably undertaken by Mr. Tse to the Company to subscribe under the Rights Issue.
- (2) The 1,620,609,000 Shares are the maximum number of the Rights Shares which the Underwriter has underwritten in respect of the Rights Issue. The issued share capital of the Underwriter is owned as to 51% by Chu Yuet Wah and as to 49% by Ma Siu Fong respectively. Each of Chu Yuet Wah and Ma Siu Fong is therefore deemed to be interested in the 1,620,609,000 Rights Shares held by the Underwriter under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, there is no other person (other than the Director or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; or are required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this Prospectus:

Name	Qualification
Moore Stephens	Certified Public Accountants

As at the Latest Practicable Date, Moore Stephens did not have any beneficial interest in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and have any interest, either directly or indirectly, in any assets which had been, since 31 December 2006, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to the Group.

Moore Stephens has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and/or references to its name, in the form and context in which it respectively appears.

MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors' existing or proposed service contracts with any member of the Group which was not expiring or determinable by the employer within one year without payment or compensation, other than statutory compensation.

MATERIAL CONTRACTS

The following contracts have been entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the placing and subscription agreement dated 12 June 2007 entered into between the Company, ITC Corporation Limited and Taifook Securities Company Limited in relation to a top-up placing of 550,000,000 Shares of the Company;
- (b) the conditional placing agreement dated 28 June 2007 entered into between the Company and Taifook Securities Company Limited in relation to the placing of an aggregate of up to 392,000,000 new Shares of the Company;
- (c) the conditional subscription agreement dated 28 June 2007 entered into between the Company and ITC Corporation Limited in relation to the subscription of an aggregate of up to 340,000,000 new Shares of the Company;
- (d) the conditional placing agreement dated 29 June 2007 entered into between the Company and Taifook Securities Company Limited in relation to the placing of the convertible notes in an aggregate principal amount of up to HK\$100,000,000 to be issued by the Company;
- (e) the conditional subscription agreement dated 29 June 2007 entered into between the Company and ITC Corporation Limited in relation to the subscription of the convertible notes in an aggregate principal amount of HK\$50,000,000 (subject to any increase of an amount as mentioned therein) conditionally agreed to be issued by the Company;
- (f) the supplemental agreement dated 8 August 2007 entered into between the Company and Taifook Securities Company Limited in respect of the conditional placing agreement of item (b) above;
- (g) the supplemental agreement dated 8 August 2007 entered into between the Company and Taifook Securities Company Limited in respect of the conditional placing agreement of item (d) above;
- (h) the termination agreement dated 23 August 2007 entered into between the Company and Taifook Securities Company Limited in respect of the conditional placing agreement and the supplemental agreement of items (b) and (f) above;
- (i) the termination agreement dated 23 August 2007 entered into between the Company and ITC Corporation Limited in respect of the conditional subscription agreement of item (c) above;
- (j) the placing and subscription agreement dated 27 August 2007 entered into between the Company, Golden Hall Holdings Limited and Kingston Securities Limited in relation to a top-up placing of 330,000,000 Shares of the Company;
- (k) the placing and subscription agreement dated 12 September 2007 entered into between the Company, Golden Hall Holdings Limited and Kingston Securities Limited in relation to a top-up placing of 335,000,000 Shares of the Company; and
- (l) the Underwriting Agreement.

PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Rooms 301-302, 3/F. United Chinese Bank Building Nos. 31-37 Des Voeux Road Central Hong Kong
Authorized Representatives	Tse Ke Li Tse Kam Fai
Company Secretary	Tse Kam Fai, <i>Associate of The Institute of Chartered Secretaries and Administrators</i> <i>Associate of The Hong Kong Institute of Chartered Secretaries</i> <i>Member of the Hong Kong Institute of Directors</i>
Qualified Accountant	Cheung Sze Man, <i>Member of The Hong Kong Institute of Certified Public Accountants</i> <i>Member of CPA Australia</i>
Compliance Officer	Tse Ke Li
Financial Adviser to the Company in relation to the Rights Issue	Kingston Corporate Finance Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central Hong Kong
Underwriter in relation to the Rights Issue	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central Hong Kong
Legal Adviser to the Company in relation to the Rights Issue	<i>On Hong Kong Law:</i> D.S. Cheung & Co. 1910-1913, Hutchison House 10 Harcourt Road Central Hong Kong
Auditors	Moore Stephens <i>Certified Public Accountants</i> 905 Silvercord, Tower 2 30 Canton Road Tsimshatsui Kowloon Hong Kong
Principal Banker	Wing Hang Bank, Limited 161 Queen's Road Central Hong Kong
Hong Kong Share Registrar and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F. Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

DIRECTORS**Non-executive Chairman**

Mr. Yu Kam Kee, Lawrence, *B.B.S., M.B.E., J.P.*, aged 62, was appointed as the Non-executive Chairman of the Company on 16 November 2007. Mr. Yu underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of extensive experience in the garment industry. Mr. Yu is the chairman of See Corporation Limited, an independent non executive director of Great China Holdings Limited and a senior adviser of China Renji Medical Group Limited which shares are listed on The Stock Exchange of Hong Kong Limited. Mr. Yu is the Honorary Life President of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organizations. He is now the Co-Chairman of the Campaign Committee of The Community Chest of Hong Kong, Governor of the Hong Kong Automobile Association, Director of the Hong Kong Football Association and chairman of the Campaign Committee of the Road Safety Council. Mr. Yu was also the chairman of Wing On Travel (Holdings) Limited, a company listed on the main board of the Stock Exchange.

Executive Directors

Mr. Tang Chi Ming, aged 34, was appointed as an executive Director of the Company on 7 December 2007. He holds a Bachelor of Science degree in Business Administration from the Salem International University, the United States of America. Mr. Tang has developed considerable experience in corporate management, information technology consulting, and property and securities investments by serving key position and directorship in private enterprises. Mr. Tang is an executive director of Wonson International Holdings Limited which shares are listed on the Stock Exchange. Mr. Tang is a director of each of the subsidiaries of the Company.

Mr. Tse Ke Li, aged 51, was appointed as an executive Director of the Company on 26 October 2007. He has over 10 years business management experience in a food and beverage company in Canada and investment experience in automobile trading in Canada. He also has several years experience in property investment and trading. He specializes in marketing and business development.

Independent non-executive Directors

Mr. Chung Koon Yan, aged 43, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also the Chairman of the Audit Committee and the Remuneration Committee of the Company. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, and a member of The Institute of Chartered Accountants in England and Wales. He graduated from The Hong Kong Polytechnic University with a Master of Professional Accounting. Mr. Chung is a director of an accounting firm namely Chiu, Choy & Chung CPA Ltd. and has more than 16 years' experience in accounting, auditing and taxation. Mr. Chung is currently an independent non-executive director of China Financial Leasing Group Limited (formerly known as "Golden 21 Investments Holdings Limited"), a company listed on the main board of the Stock Exchange.

Mr. Wong Kai Tat, aged 55, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also a member of each of the Audit Committee and Remuneration Committee of the Company. He is an associate member of The Institute of Chartered Accountants in Australia and The Hong Kong Institute of Certified Public Accountants. He is also a senior associate with the Financial Services Institute of Australasia. Mr. Wong holds an LLB (Honours) degree from the University of Hong Kong, a Bachelor's degree of Business Administration from the University of Iowa, U.S.A., a Master of Business Administration degree from the University of Strathclyde, Scotland, a Master of Applied Finance degree from Macquarie University, Australia, a Master of Corporate Finance degree from Hong Kong Polytechnic University and an Honorary Doctor of Law degree from Armstrong University in the U.S.A. Mr. Wong is currently an executive director of T S Telecom Technologies Limited, a company listed on GEM. He was an executive director of T S Telecom Limited listed on the Toronto Venture Exchange from 3 July 2004 to 30 March 2007.

Ms. Chan Ling, Eva, aged 42, was appointed as an independent non-executive Director of the Company on 16 November 2007. She is also a member of the Audit Committee of the Company. She has over 19 years of experience in auditing, accounting and finance in both international accounting firms and listed companies. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan is an executive director of China Strategic Holdings Limited which shares are listed on the Stock Exchange, an independent non-executive director of Wonson International Holdings Limited which shares are listed on the Stock Exchange, the deputy chairman of China Enterprises Limited (which shares are trading on the over-the-counter (OTC) securities markets in the United States) and a director of MRI Holdings Limited which shares are listed on the Australian Securities Exchange.

The business address of the Directors is Rooms 301-302, 3/F., United Chinese Bank Building, Nos. 31-37 Des Voeux Road Central, Hong Kong.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises the three independent non-executive Directors of the Company. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of the Group.

COMPETING INTERESTS

None of the Directors and management shareholders (as defined in GEM Listing Rules), and their respective associates had any interest in business which competes or may compete with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

MISCELLANEOUS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2006, being the date to which the latest published audited accounts of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date hereof which was significant in relation to the business of the Group.

The English text of the Prospectus Documents shall prevail over the Chinese text in the case of any inconsistency.

EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, legal, professional and accounting charges are estimated to amount to approximately HK\$3.6 million and will be payable by the Company.

DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG

Copies of the Prospectus Documents and the written consent by Moore Stephens have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Rooms 301-302, 3/F., United Chinese Bank Building, Nos. 31-37 Des Voeux Road Central, Hong Kong from the date of this Prospectus up to and including 4 February 2008:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2006 and 31 December 2005;
- (c) the unaudited interim report of the Company for the six months ended 30 June 2007;
- (d) the unaudited quarterly report of the Company for the nine months ended 30 September 2007;
- (e) the material contracts as referred to in the paragraph headed "Material Contracts" in this Appendix III;
- (f) the letter from Moore Stephens in connection with the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue, the text of which are reproduced in Appendix II to this Prospectus;
- (g) the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix III;

- (h) the circular of the Company dated 23 July 2007 in relation to, among other things, the placing and subscription of new Shares, placing and subscription of convertible notes and connected transaction; and
- (i) the letter issued by Hercules Capital Limited dated 14 January 2008 for the adjustments in relation to the Share Option.