
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Trasy Gold Ex Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

**PROPOSALS FOR REFRESHMENT OF GENERAL MANDATE
AND REFRESHMENT OF THE LIMIT
UNDER THE SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Shareholders**



MENLO CAPITAL LIMITED

A letter from the Independent Board Committee containing its recommendation to the Shareholders of the Company is set out on page 8 of this circular. A letter of advice from Menlo Capital Limited containing its advice to the Independent Board Committee and Shareholders of the Company is set out on pages 9 to 13 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Gemini and Libra, 33rd Floor, Roesdale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong at 10:00 am on Tuesday, 25 March 2008 is set out on pages 17 to 19 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.trasy.com.

7 March 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination of 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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DEFINITIONS

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

“Articles”	the existing articles of association of the Company
“Board”	the board of Directors
“Company”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve (i) the New General Mandate; (ii) the Refreshment; and (iii) re-election of Directors
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Existing General Mandate”	the general mandate granted by the Shareholders to the Directors at the Last EGM to allot, issue and deal in up to 665,882,000 new Shares
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely Mr. Chung Koon Yan, Mr. Wong Kai Tat and Ms. Chan Ling, Eva, established for the purpose of advising the Shareholders on the New General Mandate
“Independent Financial Adviser” or “Menlo”	Menlo Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO which is the independent financial adviser to the Independent Board Committee and the Shareholders in connection with the New General Mandate
“Last EGM”	the extraordinary general meeting of the Company held on 8 August 2007

DEFINITIONS

“Latest Practicable Date”	5 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“Refreshment”	the proposed refreshment of the 10% general limit on grant of options under the Share Option Scheme
“Rights Issue”	the rights issue on the basis of one rights Share for every two Shares which become unconditional on 4 February 2008
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 30 April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BORAD



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

Directors:

YU Kam Kee, Lawrence (*Non-executive Chairman*)
TSE Ke Li
TANG Chi Ming
CHUNG Koon Yan*
WONG Kai Tat*
CHAN Ling, Eva*

Registered office:

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

* *independent non-executive Directors*

Head office and

principal place of business:

Rooms 301 – 302, 3rd Floor
United Chinese Bank Building
Nos. 31-37 Des Voeux Road Central
Hong Kong

7 March 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR REFRESHMENT OF GENERAL MANDATE
AND REFRESHMENT OF THE LIMIT
UNDER THE SHARE OPTION SCHEME,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders in respect of, among other matters, (i) the ordinary resolution for the New General Mandate; (ii) the ordinary resolution for the Refreshment; and (iii) the ordinary resolutions for re-election of Directors.

LETTER FROM THE BORAD

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE NEW SHARES

At the EGM, the Directors will seek the approval of the Shareholders to grant the New General Mandate in favour of the Directors to exercise the power of the Company to allot, issue and deal in the Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution approving the New General Mandate. The New General Mandate will continue in force until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Shareholders in general meeting; or (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held.

On the basis of a total of 5,991,615,000 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the EGM, the New General Mandate (if granted) will empower the Directors to allot, issue and deal in up to a maximum of 1,198,323,000 new Shares.

Reasons for and benefits of the New General Mandate

At the Last EGM, the Shareholders approved, among other things, to grant to the Directors the Existing General Mandate under which the Directors are authorized to allot, issue and deal with up to 665,882,000 Shares, which is equivalent to the then 20% issued share capital of the Company.

The Existing General Mandate were utilized as follows:

- (a) 330,000,000 Shares were issued and allotted in September 2007 pursuant to a placing and subscription agreement entered in August 2007 at a price of HK\$0.190 per Share, and the net proceeds of approximately HK\$60.4 million is intended to be used as general working capital, no part of the proceeds has been utilized up to the Latest Practicable Date; and
- (b) 335,000,000 Shares were issued and allotted in September 2007 pursuant to a placing and subscription agreement entered in September 2007 at a price of HK\$0.162 per Share, and the net proceeds of approximately HK\$52.3 million is intended to be used as general working capital and possible diversified investments or projects, no part of the proceeds has been utilized up to the Latest Practicable Date.

As such, the Existing General Mandate has almost been fully utilized.

Of the net proceeds as mentioned above, the Company has not identified any specific investment projects. The proceeds are intended to be used for possible diversified investments or projects in property or natural resources business which is expected to improve the profitability and the earning strength of the Group. However, there is no certainty that such proceeds will be adequate to finance for any potential investments opportunity that may be identified by the Company in the future. The New General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily as and when necessary, and without seeking further approval from the Shareholders. This could provide the Company the

LETTER FROM THE BORAD

flexibility and ability to capture any capital raising or investment or business opportunity as and when the same arises. The Directors (including the independent non-executive Directors) consider that it is fair and reasonable and is in the interests and for the benefit of the Company and the Shareholders as a whole if the New General Mandate is granted.

The Directors have no intention or plan for raising capital by issuing of new Shares as at the Latest Practicable Date. In the event that there is any such issue, the Company will comply with the applicable requirements under the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to Chapter 17 of the GEM Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the independent Shareholders' approval by way of poll at the EGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution for approving the New General Mandate as required under Rule 17.47(4)(b) of the GEM Listing Rules. Since there is no controlling Shareholders, and none of the Directors (excluding independent non-executive Directors) and their respective associates holds any Shares. Therefore, no Shareholder is required to abstain from voting in favour of the resolution for approving the New General Mandate.

REFRESHMENT OF THE LIMIT UNDER THE SHARE OPTION SCHEME

The Share Option Scheme of the Company was adopted by the Shareholders on 30 April 2002. Pursuant to the Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. As at 30 April 2002, being the date on which the Share Option Scheme was adopted, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme was 238,000,000 Shares, being 10% of the Shares in issue on 30 April 2002.

As at the Latest Practicable Date, out of a total of 65,800,000 options granted under the Share Option Scheme (including those exercised, outstanding or lapsed), 410,000 options were exercised, 59,250,000 options were lapsed and 6,140,000 options (these 6,140,000 options were adjusted to 6,281,957 options upon the Rights Issue become effective) were outstanding. The Company may further grant 172,058,043 options to subscribe for 172,058,043 Shares pursuant to the Share Option Scheme.

As at the Latest Practicable Date, there were 5,991,615,000 Shares in issue. Assuming no further issue or repurchase of Shares prior to the EGM and upon the refreshment of the general limit under the Share Option Scheme by the Shareholders at the EGM, the Company may grant options entitling holders thereof to subscribe for 599,161,500 Shares. No options may be granted if this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme exceed 30% of the Shares in issue from time to time. The Board considers that with the increased issued share capital, it would be fair and reasonable to refresh the general limit on the grant of options under the Share Option Scheme. The remaining options of 172,058,043 yet to be granted will be lapsed after the proposed Refreshment becoming effective.

LETTER FROM THE BORAD

At the EGM, an ordinary resolution will be proposed to the Shareholders to refresh the general limit on the grant of options under the Share Option Scheme to 10% of the number of Shares in issue as at the date of approval of such resolution.

Application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the new Shares which may be issued upon exercise of options to be granted under the refreshed limit of the Share Option Scheme.

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Yu Kam Kee, Lawrence, Mr. Tse Ke Li, Mr. Tang Chi Ming, Mr. Chung Koon Yan, Mr. Wong Kai Tat and Ms. Chan Ling, Eva.

Pursuant to Article 86(3), Messrs. Yu Kam Kee, Lawrence, Tse Ke Li, Tang Chi Ming and Chan Ling, Eva, being Directors appointed by the Board after the 2007 annual general meeting of the Company, shall retire and, being eligible, offer themselves for re-election at the EGM.

Details of the above-mentioned Directors proposed to be re-elected at the EGM are set out in the appendix to this circular.

EXTRAORDINARY GENERAL MEETING

Set out on pages 17 to 19 of this circular is the notice convening the EGM to consider and, if appropriate, to approve the ordinary resolutions relating to the New General Mandate, the Refreshment and the re-election of Directors.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BORAD

- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 8 of this circular which contains its recommendation to the Shareholders on the New General Mandate. Your attention is also drawn to the letter of advice from the Independent Financial Adviser as set out on pages 9 to 13 of this circular, which contains its advice to the Independent Board Committee and the Shareholders in relation to the above.

The Directors consider that the proposed New General Mandate and the Refreshment are all in the interests of the Group and the Shareholders as a whole and so they recommend all the Shareholders should vote in favour of the ordinary resolution for approving (i) the New General Mandate and (ii) the Refreshment to be proposed at the EGM.

GENERAL

Your attention is also drawn to the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee which has been prepared for the purpose of inclusion in this circular:



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

7 March 2008

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 7 March 2008 (the "Circular"), of which this letter forms a part. Unless specified otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the New General Mandate. Menlo has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 9 to 13 of this Circular. Your attention is also drawn to the letter from the Board in the Circular.

Having considered the New General Mandate and the independent advice of Menlo, in particular the reasons and recommendations set out in their letter on pages 9 to 13 of the Circular, we consider that the New General Mandate is on normal commercial terms and is fair and reasonable in so far as the Shareholders are concerned, and is in the interests of the Group and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New General Mandate.

Yours faithfully,

For and on behalf of

Independent Board Committee

CHUNG Koon Yan

WONG Kai Tat

CHAN Ling, Eva

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter from Menlo Capital Limited for the purpose of incorporation in this circular, in connection with its advice in relation to the refreshment of the General Mandate:



Menlo Capital Limited
3rd Floor, AIE Building
33 Connaught Road Central
Hong Kong

7 March 2008

*To the Independent Board Committee and the Shareholders of
Trasy Gold Ex Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Shareholders whether the refreshment of the General Mandate is fair and reasonable as far as the Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of the refreshment of the General Mandate are set out in the Letter from the Board contained in the circular (the “Circular”) issued by the Company to the Shareholders dated 7 March 2008 of which this letter forms a part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

At the EGM, the Directors will seek the approval of the Shareholders to grant the New General Mandate in favour of the Directors to exercise the power of the Company to allot, issue and deal in the Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution approving the New General Mandate. The Independent Board Committee, comprising CHUNG Koon Yan, WONG Kai Tat and CHAN Ling, Eva, being the independent non-executive Directors, has been formed to consider the refreshment of the General Mandate.

In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of the despatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We have performed all steps including the notes as required under GEM Rule 17.92. We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Shareholders in respect of the New General Mandate, we have taken the following principal factors and reasons into consideration:

I. Background

At the Last EGM, the Shareholders approved, among other things, to grant to the Directors the Existing General Mandate under which the Directors are authorized to allot, issue and deal with up to 665,882,000 Shares, which is equivalent to the then 20% issued share capital of the Company.

The Existing General Mandate were utilized as follows:

- (a) 330,000,000 Shares were issued and allotted in September 2007 pursuant to a placing and subscription agreement entered in August 2007 at a price of HK\$0.190 per Share, and the net proceeds of approximately HK\$60.4 million is intended to be used as general working capital, no part of the proceeds has been utilized up to the Latest Practicable Date; and
- (b) 335,000,000 Shares were issued and allotted in September 2007 pursuant to a placing and subscription agreement entered in September 2007 at a price of HK\$0.162 per Share, and the net proceeds of approximately HK\$52.3 million is intended to be used as general working capital and possible diversified investments or projects, no part of the proceeds has been utilized up to the Latest Practicable Date.

As such, the Existing General Mandate has almost been fully utilized.

The New General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily as and when necessary, and without seeking further approval from the Shareholders. This could provide the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when the same arises. The Directors (including the independent non-executive Directors) consider that it is in the interests and for the benefit of the Company and the Shareholders as a whole if the New General Mandate is granted.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors have no intention or plan for raising capital by issuing of new Shares as at the Latest Practicable Date. In the event that there is any such issue, the Company will comply with the applicable requirements under the GEM Listing Rules.

II. Current resources and financial flexibility

As set out above, since the last EGM held on 8 August 2007, the Company has raised an aggregated amount of approximately HK\$112.7 million under the Existing General Mandate which is intended to be used as general working capital and possible diversified investments or projects, no part of the proceeds has been utilized up to the Latest Practicable Date. The Directors are of the view that majority of this HK\$112.7 million will be utilized for the possible diversified investments or projects before the next annual general meeting of the Company. Accordingly, no spare fund will be available for other possible investments or projects before the next annual general meeting.

Based on the latest unaudited accounts of the Company for the nine months ended 30 September 2007, we note that the Group's turnover amounted to approximately HK\$159,700,000 (nine months ended 30 September 2006: approximately HK\$52,060,000) with a profit contribution of approximately HK\$8,985,000 (nine months ended 30 September 2006: approximately HK\$613,000) which was mainly derived from more active treasury investments. Accordingly, we are of the view that the sufficiency in financial resources for the potential investment or business opportunity is necessary for the profitability of the Company.

In the event that the Group identifies a suitable investment or business opportunity but does not have sufficient cash resources on hand, and it cannot find other alternatives to finance the investment in a timely manner, the Group may lose its opportunity for such potential investment. We are of the view that the New General Mandate will enhance the capability and flexibility for the Company to manage its business.

In view of the above, we are of the view that it is fair and reasonable to have the refreshment of the General Mandate in order to provide the Group with the maximum flexibility and ability to capture the investment or business opportunity as and when the same arises. In addition to enhancing the capability and flexibility for the Company to manage its business, the increase in the amount of capital raised under the New General Mandate will further improve the overall financial position of the Group. We consider that the potential fund raising under the New General Mandate, if any, may provide more options for financing to the Group when assessing potential investments in a timely manner as well as will further improve the overall financial position of the Group. Accordingly, we are of the view that the refreshment of the General Mandate is in the interests of the Company and the Independent Shareholders as a whole.

III. Other financing alternatives

In appropriate circumstances, other than raising funds by way of issuing equity capital, the Directors may also consider other financing methods, such as debt financing, to fund its future business development. However, in order to avoid the interest cost we are of the view that it is reasonable for the Directors to consider the exercise of the New General Mandate if a debt financing is considered.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

IV. Potential dilution to shareholding of the Shareholders

On the basis of a total of 5,991,615,000 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the EGM, the New General Mandate (if granted) will empower the Directors to allot, issue and deal in up to a maximum of 1,198,323,000 new Shares.

Set out below is a table showing (i) the shareholding structure of the Company as at the Latest Practicable Date; and (ii) for illustrative purpose, the shareholding structure of the Company upon full utilization of the New General Mandate (assuming that the New General Mandate will be approved at the EGM and that no new Shares will be issued or no Shares will be repurchased by the Company between the Latest Practicable Date and the date of the EGM):

	As at the Latest Practicable Date		Shareholding after full utilization of the New General Mandate	
	Shares	% approximately	Shares	% approximately
Tse Young Lai	1,198,323,000	20.00%	1,198,323,000	16.67%
Public Shareholders	4,793,292,000	80.00%	4,793,292,000	66.66%
The New General Mandate	–	–	1,198,323,000	16.67%
Total	<u>5,991,615,000</u>	<u>100.00%</u>	<u>7,189,938,000</u>	<u>100.00%</u>

As can be seen from the above table, the aggregate shareholding of the existing public Shareholders can be diluted from approximately 80.00% as at the Latest Practicable Date to approximately 66.66% upon full utilization of the New General Mandate.

Having taken into account that (i) the New General Mandate will enhance the financial capability and flexibility for the Group to capture any capital raising or investment or business opportunity as and when the same arises; (ii) the exercise of the New General Mandate will raise new equity capital to further improve the overall financial position of the Group, and (iii) the shareholding of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilization of the New General Mandate, we consider that the above potential dilution to the shareholding of the Shareholders is fair and reasonable.

V. Terms of the New General Mandate

Pursuant to the GEM Listing Rules, the Company will be convening the EGM at which an ordinary resolution will be proposed to the Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the ordinary resolution.

The Shareholders should note that the General Mandate (subject to the extent that such authority has not been exercised) will be revoked upon approval at the EGM of the New General Mandate and the New General Mandate will continue in force until whichever is the earliest of (i) the conclusion of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

next annual general meeting of the Company; (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meeting; or (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held. We are of the view that the terms of the New General Mandate are fair and reasonable.

VI. Implications under the GEM Listing Rules

Pursuant to the GEM Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the independent Shareholders' approval by way of poll at the EGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution for approving the New General Mandate as required under the GEM Listing Rules. Since there is no controlling Shareholders, and none of the Directors (excluding independent non-executive Directors) and their respective associates holds any Shares. Therefore, no Shareholder is required to abstain from voting in favour of the resolution for approving the New General Mandate.

RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the New General Mandate is fair and reasonable so far as the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New General Mandate.

Yours faithfully,
For and on behalf of
Menlo Capital Limited
Michael Leung
Director

The following set out the details of the Directors who retire and, being eligible, will offer themselves for re-election at the EGM pursuant to Article 86(3) of the Articles.

NON-EXECUTIVE CHAIRMAN**Mr. Yu Kam Kee, Lawrence, aged 62, non-executive Chairman**

Mr. Yu, B.B.S., M.B.E., J.P., was appointed as the Non-executive Chairman and a non-executive Director 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. 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. Save as aforesaid, Mr. Yu did not hold any directorship in other listed public companies in the past three years.

Mr. Yu has not entered into any service contract with the Company and its subsidiaries. There is no agreement between the Company and its subsidiaries and Mr. Yu in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as a non-executive Director. He is subject to retirement at the first general meeting after his appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Yu is entitled to a director's fee of HK\$120,000 per annum which is determined with reference to the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee of the Company. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

EXECUTIVE DIRECTORS**Mr. Tse Ke Li, aged 51, an executive Director**

Mr. Tse 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. Mr. Tse did not hold any directorship in listed public companies in the past three years.

Mr. Tse has not entered into any service contract with the Company and its subsidiaries. There is no agreement between the Company and its subsidiaries and Mr. Tse in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement at the first general meeting after his appointment and

thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Tse is entitled to a director's fee of HK\$30,000 per month which is determined with reference to the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee of the Company. Mr. Tse is the younger brother of Mr. Tse Young Lai, the substantial Shareholder of the Company. Save as aforesaid, he does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Tang Chi Ming, aged 35, an executive Director

Mr. Tang 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. Save as aforesaid, Mr. Tang did not hold any directorship in other listed public companies in the past three years.

Mr. Tang has not entered into any service contract with the Company and its subsidiaries. There is no agreement between the Company and its subsidiaries and Mr. Tang in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement at the first general meeting after his appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles. His director's fee has not yet been fixed and will be determined with reference to his duties and responsibilities and the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee of the Company. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Chan Ling, Eva, aged 42, an independent non-executive Director

Ms. Chan 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. Save as aforesaid, Ms. Chan did not hold any directorship in other listed public companies in the past three years.

Ms. Chan has not entered into any service contract with the Company and its subsidiaries. There is no agreement between the Company and its subsidiaries and Ms. Chan in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to her engagement as an independent non-executive Director. She is subject to retirement at the first general meeting after her appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles. Ms. Chan is entitled to a director's fee of HK\$120,000 per annum which is determined with reference to her duties and responsibilities and the prevailing market conditions. Apart from the above, she will not be entitled to any discretionary bonus payment. She does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there any other matters that need to be brought to the attention of the Shareholders in respect of each of the above Directors.

NOTICE OF EXTRAORDINARY GENERAL MEETING



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the Company will be held at Gemini and Libra, 33rd Floor, Roesdale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong at 10:00 am on Tuesday, 25 March 2008 for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

1. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) the exercise of options under a share option scheme of the Company; or (c) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company in force from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”

2. “**THAT** conditional upon the passing of the resolution set out in item (1) of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item (1) of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate granted to the Directors on 23 April 2007, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”
3. “**THAT** subject to and conditional upon the The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares of HK\$0.01 each in the capital of the Company issuable upon exercise of the options to be granted pursuant to the authority hereby given, the board of directors of the Company be and is hereby authorized to grant options under the share option scheme of the Company adopted on 30 April 2002 pursuant to which Shares representing up to 10% of the number of Shares in issue as at the date of passing of this resolution may be issued upon the exercise of such options (the “Refreshed Scheme Limit”) and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Refreshed Scheme Limit.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. To re-elect Mr. Yu Kam Kee, Lawrence as non-executive Chairman and to authorize the Directors to fix his remuneration.
5. To re-elect Mr. Tse Ke Li as executive Director and to authorize the Directors to fix his remuneration.
6. To re-elect Mr. Tang Chi Ming as executive Director and to authorize the Directors to fix his remuneration.
7. To re-elect Ms. Chan Ling, Eva as independent non-executive Director and to authorize the Directors to fix her remuneration.

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

Hong Kong, 7 March 2008

Notes:

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy or more than one proxy (for member holding two or more shares) to attend and vote in his / her stead. A proxy need not be a member of the Company.
2. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the relevant joint holding.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting, and in default thereof the form of proxy shall not be treated as valid.
4. With respect to resolutions no. 4 to 7 of this notice, Mr. Yu Kam Kee, Lawrence, Mr. Tse Ke Li, Mr. Tang Chi Ming and Ms. Chan Ling, Eva shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles of Association of the Company. Details of their information which are required to be disclosed under the GEM Listing Rules are set out in the circular of the Company dated 7 March 2008.
5. As at the date of this notice, the board of Directors of the Company consists of six Directors, namely Mr. Yu Kam Kee, Lawrence as non-executive Chairman, Mr. Tse Ke Li and Mr. Tang Chi Ming as executive Directors, and Mr. Chung Koon Yan, Mr. Wong Kai Tat and Ms. Chan Ling, Eva and as independent non-executive Directors.