



Trasy Gold Ex Limited

(Incorporated in the Cayman Islands with Limited Liability)

First Quarterly Report 2004

FIRST QUARTERLY REPORT 2004

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

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

STATEMENT FROM THE DIRECTORS

We are pleased to present to the shareholders the First Quarterly Report for 2004 in respect of the Company and its subsidiaries (the “Group”).

As you are aware trading of the Company’s shares is still suspended. Apart from taking all necessary steps to facilitate the resumption of trading of the shares of the Company, the management of the Company has grasped this opportunity to consolidate its position in preparation for the planned expansion in the coming year. During the first quarter of the year in order to further position the Company as the premier online precious metals information provider, we have successfully launched our live precious metals quotations for certain products in HKD/Tael, HKD/Gram and USD/Gram. The management has implemented decisive measures to streamline our operations through means of cost management exercises and operational review. Looking ahead the Group have continued to seek suitable investment opportunities cautiously to expand financial products and widen its client bases on its trading platform and seek to create business value on the highly visited website g9999.com. With this focused vision the Group will continue to solicit strategic participants such as banks, brokers and financial institutions on our trading platform to enhance its presence in the precious metals industry. In terms of geographical expansion, the Group will continue to focus on business in China and other Asian countries, where discussion has already taken place with selected key partners and participants.

FINANCIAL REVIEW

The Group recorded a net profit of approximately HK\$899,000 for the three months ended 31st March 2004 (for the three months ended 31st March 2003: net loss of approximately HK\$2,847,000), representing basic earnings per share of 0.032 HK cent (2003 : basic loss per share of 0.102 HK cent).

For the three months ended 31st March 2004, the Group’s consolidated turnover amounted to approximately HK\$601,000 (representing transaction fees from trading through an Internet-based electronic trading system (“TRASY”) of approximately 1 million ounces of gold and 10.7 million ounces of silver).

Since the management of the Group continued to take measures to streamline its operations, the total expenses for the quarter ended 31st March 2004 have been further reduced by approximately HK\$1,326,000 when compared with the corresponding quarter ended 31st March 2003.

OPERATIONS REVIEW

Precious Metals Information Website – g9999.com

Besides the successful launch of our live precious metals quotations for certain products in HKD/Tael, HKD/Gram and USD/Gram, the Group has continued to provide comprehensive updated market information to investors, g9999.com has ongoing enhancement on content enrichment, graphic design and other value-added features. G9999.com is one of the premier precious metals information websites in Asia and a major contributor globally with a commanding and sustained daily hit rate ranging from 850,000 hits to 1,200,000 hits per day.

Discussions and plans are being formulated to closely look into the possibilities of converting our high hit rate into revenue streams for the Group. We are also in continual search for financial portals or gold related websites to develop business alliances. Any new alliances will definitely increase awareness of the Company's products and services, which will help create new revenue streams for the Company. The Company is currently in the final stages of discussing an alliance with a global financial information provider for the re-packaging and distribution of precious metals market news and information.

The TRASY System

The Company continues to market its trading platform and services to banks, brokers and financial institutions in Asia Pacific Region. It is still one of the most cost effective and efficient approach for these banks, brokers and financial institutions to license our technology to trade precious metals than to develop their own. The Company had begun its business development with concrete plans to expand into China and other Asian countries. Various talks and meetings were held with major key partners and participants.

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the three months ended 31st March 2004

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Group for the three months ended 31st March 2004 together with the comparative unaudited figures for the corresponding period in 2003 as follows:

	Notes	Three months ended 31st March	
		2004 HK\$'000	2003 HK\$'000
Turnover	2	601	1,205
Unrealised gain on gold bullion – net	2	1,817	-
Other revenue	2	-	23
		<u>2,418</u>	<u>1,228</u>
Unrealised loss on gold bullion – net		-	(1,230)
Staff costs		(702)	(1,696)
Depreciation		(112)	(209)
Marketing and promotion expenses		(1)	(7)
Other administrative and operating expenses		<u>(704)</u>	<u>(933)</u>
		<u>(1,519)</u>	<u>(2,845)</u>
Profit / (Loss) before taxation		899	(2,847)
Taxation	3	-	-
Profit / (Loss) attributable to shareholders		<u>899</u>	<u>(2,847)</u>
		HK cents	HK cents
Basic earnings / (loss) per share	4	<u>0.032</u>	<u>(0.102)</u>
Diluted earnings per share		<u>N/A</u>	<u>N/A</u>

Notes:

1. Basis of presentation

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The financial statements have been prepared under the historical cost convention.

2. Revenue and turnover

Turnover represents transaction fees derived from the provision of TRASY and transaction fees are recognised when a transaction is duly executed on the trade date. Revenue recognised during the three months ended 31st March 2004 together with the comparative unaudited figures for the corresponding period in 2003 is as follows:

	Three months ended 31st March	
	2004	2003
	HK\$'000	HK\$'000
Turnover		
Transaction fees	601	1,205
	-----	-----
Unrealised gain on gold bullion – net	1,817	-
	-----	-----
Other revenue		
Miscellaneous income	-	23
	-----	-----
	-	23
	-----	-----
Total revenue	<u>2,418</u>	<u>1,228</u>

3. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Group incurred tax losses for the three months ended 31st March 2004.

4. Earnings / (Loss) per share

(a) Basic earnings / (loss) per share

The calculation of basic earnings / (loss) per share for the three months ended 31st March 2004 is based on the unaudited consolidated profit attributable to shareholders of approximately HK\$899,000 (2003: loss attributable to shareholders of approximately HK\$2,847,000) and the weighted average number of 2,779,000,000 (2003: 2,779,000,000) ordinary shares in issue during the three months ended 31st March 2004.

(b) Diluted earnings per share

Diluted earnings per share for the three months ended 31st March 2004 and 2003 has not been presented as the exercise price of the share options under the pre-IPO share option Plan (the "Pre-IPO Plan") is higher than the average market value during the period from 1st January 2004 to 31st March 2004 and 1st January 2003 to 31st March 2003, respectively, and no potential ordinary share under the Pre-IPO Plan is deemed to be issued for nil consideration; hence, no diluted earnings per share for the three months ended 31st March 2004 and 2003 were provided.

5. Interim dividend

The Board resolved not to declare the payment of an interim dividend for the period (2003: Nil).

6. Reserves

There were no movements in the reserves other than reflected the results for the three months ended 31st March 2004 and 2003.

DIRECTORS' INTEREST IN SHARES AND OPTIONS

At 31st March 2004, the interest or short positions of the Directors in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were 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 are 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 Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(I) Long position in shares

Name of Director	Capacity	Number of shares held	Percentage of shareholding
Mr. Chan Kee Chee, Keith	Beneficial owner	27,991,354	1.01

(II) Interests in underlying shares

Under the pre-IPO share option plan adopted by the Company on 6th November 2000 (the “Plan”), pre-IPO share options were granted to the grantees which entitle them to subscribe for shares in the Company which are exercisable in stages in accordance with the terms of the Plan commencing on 7th June 2001. Details of the Plan are set out in the prospectus of the Company dated 30th November 2000.

Details of the pre-IPO share options granted under the Plan to the Director are as follows:-

Name of Director	Date of grant	No. of options outstanding as at	No. of options outstanding as at	Exercise price HK\$	Exercise period
		1st January 2004	31st March 2004		
Mr. Chan Kee Chee, Keith	29th November 2000	44,152,000	44,152,000	0.21	7th June 2001 to 28th November 2010

The pre-IPO share options are exercisable in the following stages during the period commencing from 7th June 2001 and expiring on 28th November 2010:



**Percentage of
the pre-IPO share options
that can be exercised**

from 7th June 2001 to 6th December 2001	25%
from 7th December 2001 to 6th December 2002	50%
from 7th December 2002 to 28th November 2010	all the remaining outstanding options

All of these options have a duration of ten years from the date of grant, but shall lapse one month after the grantee ceases to be employed by the Company, RNA Holdings Limited (“RNA”) or their respective subsidiaries.

Except for the above, at no time during the period was the Company or any of its subsidiaries a party or any of its holding company a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31st March 2004, the persons or corporations (not being Directors or chief executive of the Company) who have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO are as follows:

Name of shareholder		Capacity	Number of Shares	Percentage of Shareholding
Golden Rabbit Enterprises Limited		Beneficial owner	1,391,435,322	50.07
RNA		Interest of a controlled Corporation	1,391,435,322	50.07
Most Choice Limited		Beneficial owner	183,200,000	6.59

Notes:

1. Golden Rabbit Enterprises Limited ("Golden Rabbit"), a company incorporated in the British Virgin Islands with limited liability, is the immediate holding company of the Company and a wholly-owned subsidiary of RNA.
2. By virtue of the SFO, RNA, through its interest in Golden Rabbit, is deemed to be interested in the Company.

Except for the above, as at 31st March 2004, the Directors are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

COMPETING INTERESTS

None of the Directors or the management shareholders (as defined in the GEM Listing Rules of the Company had an interest in a business (as defined in rule 11.04 of the GEM Listing Rules) which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 19th October 2000 with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The First Quarterly Report 2004 has been reviewed by the audit committee which comprises two Independent Non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the three months ended 31st March 2004. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the period.

On behalf of the Board
Chan Kee Chee, Keith
Director

Hong Kong, 10th May 2004