



Trasy Gold Ex Limited

(Incorporated in the Cayman Islands with Limited Liability)

Third Quarterly Report 2004

THIRD QUARTERLY REPORT 2004

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

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.

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The Stock Exchange takes no responsibility for the contents of this report, 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 report.

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 Third Quarterly Report for 2004 of the Company and its subsidiaries (thereinafter referred as the “Group”).

The Group has recorded a trading volume of 2.5 million ounces of gold and 28 million ounces of silver on our electronic trading platform for the nine months ended 30th September 2004 despite the adverse impact on the Group’s operations caused by the continued suspension of trading of the shares of the Company on GEM.

The management of the Group continued to pursue ways to make the Group more competitive and expand its client base and markets. During the period under review, it has launched live precious metals quotations for various products in HKD/Tael, NTD/Tael, HKD/Gram and USD/Gram.

On 24th July 2004, the Company entered into an agreement with a party in Malaysia for the exclusive use of its electronic platform for the trading of precious metals in Malaysia for its wholesale and retail customers. The Company’s discussions with selected participants in the region for cooperation are progressing well and beginning to take shape. The Company’s geographical client base is expected to be further widened when co-operation with the targeted participants is put in place.

FINANCIAL REVIEW

The Group recorded a net loss of approximately HK\$2,547,000 for the nine months ended 30th September 2004 (for the nine months ended 30th September 2003: a net profit of approximately HK\$5,311,000), representing a basic loss per share of 0.092 HK cent (2003: basic earnings per share of 0.191 HK cent), which was mainly due to fluctuations in the world gold price. Total expenses for the nine months ended 30th September 2004 as compared to the corresponding period in 2003 decreased by about HK\$363,000, which resulted from the continued streamlining of the Group’s operations and sub-contracting certain support functions to outsiders parties.

OPERATIONS REVIEW

The TRASY System

As mentioned in The Statement From the Directors, the Company entered into an agreement with a third party in Malaysia for the exclusive use of an electronic trading platform for the trading of precious metals in Malaysia for its wholesale and retail customers. The Company continues to market its trading platform and services to brokers and banks as principals on the platform to offer to give the investors easy access and an efficient solution in the precious metals market.

Precious Metals Information Website – g9999.com

Besides the successful launch of live precious metals quotations for certain products in HKD/Tael, NTD/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 and its one of the premier precious metal information websites in Asia and a major contributor globally with a commanding and sustained daily average hit rate of approximately 680,000 hits per day.

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the three and nine months ended 30th September 2004

The Board of Directors (the "Board") of the Company announces the unaudited consolidated results of the Group for the three and nine months ended 30th September 2004 together with the comparative unaudited figures for the corresponding periods in 2003 as follows:

	Notes	Three months ended 30th September		Nine months ended 30th September	
		2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	2	437	787	1,536	3,064
Unrealised gain on gold bullion – net	2	4,011	5,973	516	6,506
Other revenue	2	(5)	171	(5)	698
		<u>4,443</u>	<u>6,931</u>	<u>2,047</u>	<u>10,268</u>
Staff costs					
- current period		(275)	(191)	(1,309)	(3,378)
- over-provision/waiver of pervious period		-	-	-	1,557
Depreciation		(19)	(141)	(185)	(491)
Marketing and promotion expenses		-	(101)	(1)	(123)
Other administrative and operating expenses		(747)	(723)	(3,099)	(2,522)
		<u>(1,041)</u>	<u>(1,156)</u>	<u>(4,594)</u>	<u>(4,957)</u>
Profit / (loss) before taxation		3,402	5,775	(2,547)	5,311
Taxation	3	-	-	-	-
Profit / (loss) attributable to shareholders		<u>3,402</u>	<u>5,775</u>	<u>(2,547)</u>	<u>5,311</u>
		HK cent	HK cent	HK cent	HK cent
Basic earnings / (loss) per share	4	<u>0.122</u>	<u>0.208</u>	<u>(0.092)</u>	<u>0.191</u>
Diluted earning / (loss) per share	4	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes:

1. Basis of presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Statements of Standard Accounting Practice issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention.

The principal accounting policies and methods of computation used in the preparation of these financial statements are consistent with those adopted in the latest annual financial statements of the Group.

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 and nine months ended 30th September 2004 together with the comparative unaudited figures for the corresponding periods in 2003 are as follows:

	Three months		Nine months	
	ended 30th September		ended 30th September	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover				
Transaction fees	437	787	1,536	3,064
Unrealised gain on gold bullion – net	4,011	5,973	516	6,506
Other revenue				
Realised gain / (loss) on gold bullion – net	(5)	-	(5)	-
Miscellaneous income	-	171	-	698
	(5)	171	(5)	698
Total revenue	<u>4,443</u>	<u>6,931</u>	<u>2,047</u>	<u>10,268</u>

3. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the Group incurred a loss for the nine months ended 30th September 2004.

4. Earnings / (loss) per share

(a) Basic earnings / (loss) per share

The calculation of basic earnings / (loss) per share for the three months and nine months ended 30th September 2004 is based on the unaudited consolidated profit/(loss) attributable to shareholders of HK\$3,402,000 and (HK\$2,547,000) (2003: profit of HK\$5,775,000 and HK\$5,311,000 respectively) and the weighted average number of 2,779,000,000 (2003: 2,779,000,000) ordinary shares in issue during the respective periods.

(b) Diluted earnings / (loss) per share

Diluted loss per share for the three and nine months ended 30th September respectively in 2004 and 2003 have not been presented as the exercise of share options granted by the Company would have an anti-dilutive effect. Besides, 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 to 30th September respectively in 2004 and 2003, no potential ordinary share under the Pre-IPO Plan is deemed to be issued; hence, no diluted earnings per share for the three months and nine months ended 30th September 2004 and 2003 is 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 profit and loss for the nine months ended 30th September respectively in 2004 and 2003.

DIRECTORS' INTEREST IN SHARES AND UNDERLYING SHARES

At 30th September 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 1st January 2004	No. of options outstanding as at 30th September 2004	Exercise price HK\$	Exercise period
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 30th September 2004, the persons or corporations (not being Directors or chief executive of the Company) who have interests or short positions in the shares and 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 30th September 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the nine months period ended 30th September 2004. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the period.

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. Upon the resignation of Ms. Cheung Lai Kai, Edwina as an independent non-executive Director of the Company on 25th June 2004, the Company had insufficient members of audit committee. The 2004 Third Quarterly Report has been reviewed by the external auditors, Moore Stephens.

On behalf of the Board
Chan Kee Chee, Keith
Director

Hong Kong, 10th November 2004