



TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

Annual Report 2005

Internet Precious Metals Trading Platform

The screenshot displays the TRASY 2.00c trading interface. At the top, it shows the company logo and navigation tabs for GOLD, SILVER, PALLADIUM, and PLATINUM. The main focus is on the GOLD market, showing a bid price of 563.1 and an ask price of 563.6. Below this, a table lists the best quotes for Gold, Silver, Palladium, and Platinum. At the bottom, there are summary statistics for the user's account, including trade and credit limits, available funds, and margin call information.

BEST QUOTE	LAST	BID SIZE	BID	ASK	ASK SIZE	HIGH	LOW
GOLD	563.1	1200	563.1	563.6	2300	563.6	563
SILVER	9.71	20000	9.71	9.74	25000	9.74	9.71
PALLADIUM	291	2200	286	291	2600	291	286
PLATINUM	1044	1000	1044	1049	1500	1049	1044

Trade Limit	Credit Limit	Available Fund
672,000.00	0.00	12,279.00

Total Sold (+/-)	Buy Price	Cash Balance	Margin P/L	Floating P/L	Total
1,000	562,408.00	33,400.00	4,382.00	500.00	48,682.00

www.trasy.com

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.

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 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.

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.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Chang Chu Fai, Johnson Francis (*Chairman*)
Leung Man Pok, John (*Managing Director*)
Cheung Wing Chi, Winnie

Independent Non-executive Directors

Chung Koon Yan
Wong Kai Tat
Yue Wai Keung

COMPLIANCE OFFICER

Chang Chu Fai, Johnson Francis

COMPANY SECRETARY

Tse Kam Fai, *ACIS, ACS, MHKSI*

QUALIFIED ACCOUNTANT

Chan Wai Sze, Francis, *FCCA, CPA*

AUDIT COMMITTEE

Chung Koon Yan (*Chairman*)
Wong Kai Tat
Yue Wai Keung

REMUNERATION COMMITTEE

Yue Wai Keung (*Chairman*)
Wong Kai Tat
Leung Man Pok, John

AUTHORIZED REPRESENTATIVES

Leung Man Pok, John
Tse Kam Fai

AUDITORS

Moore Stephens

PRINCIPAL BANKER

Wing Hang Bank, Limited

REGISTERED OFFICE

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

PRINCIPAL PLACE OF BUSINESS

Rooms 301-302
3/F, United Chinese Bank Building
Nos. 31-37 Des Voeux 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

WEBSITE

www.trasy.com

GEM STOCK CODE

8063

Chairman's Statement

I am pleased to present to the shareholders the annual report of Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2005.

On 23 March 2005, ITC Corporation Limited ("ITC"), through its wholly-owned subsidiary, acquired a majority equity interest of approximately 50.07% in the Company, thus becoming the Company's new controlling shareholder. Pursuant to the requirements under the Hong Kong Code on Takeovers and Mergers, ITC made a general offer for all the issued shares in, and for cancellation of all outstanding options of, the Company (the "General Offer"). Upon the close of the General Offer on 25 May 2005, ITC's holding in the Company was approximately 56.45% of the shares in issue. The board of Directors (the "Board") perceived the low level of acceptances of the General Offer as a strong indication of the independent shareholders' confidence in the business prospects of the Company.

Prior to ITC's takeover, the Group's business and credibility had been adversely affected due to the negative factors surrounding the affairs of RNA Holdings Limited ("RNA"), the Company's previous controlling shareholder. The internet-based precious metals trading platform business of the Group (the "Trasy System Business") suffered a further setback following the financial difficulties of its major customer, RNA, in mid 2005.

After the Company's office relocation to Central in August 2005 and as a result of the new business development initiatives implemented after the takeover by ITC, the Group has successfully secured new users who have commenced trading on the Trasy System. The Trasy System's user base has been expanding progressively since then and has experienced rapid growth in the trading volume on the Trasy System in the fourth quarter of 2005. The amount of revenue in the fourth quarter is about 1.87 times of the amount recognized in the third quarter of 2005, and it represents about 42% of the total Trasy System Business revenue for the year ended 31 December 2005.

It is the Group's objective to continue, strengthen and grow its principal business of provision and operation of an internet-based precious metals trading system. Subsequent to a detailed review of its business operation and financial position, a sustainable business plan has been put in place to strengthen the Group's overall business performance. An integral part of the Group's growth strategy is to focus on expansion of the Trasy System's user base, enhance the trading dynamics of the Trasy System, promote and market the Trasy System Business, and broaden the Group's income base. In line with this strategy, the Group has developed into the business of precious metals trading. It is a vertically integrated business development which complements the Trasy System Business and provides additional income potential for the Group. A pro-active yet prudent treasury management policy was also adopted which aims to enhance returns on the Group's liquid assets.

To further strengthen the Group's management team, the Board was reformed in January 2006. On 20 January 2006, Mr. Chang Chu Fai, Johnson Francis was appointed Chairman, Mr. Leung Man Pok, John was appointed Managing Director and Ms. Cheung Wing Chi, Winnie was appointed as executive Director; Messrs. Chung Koon Yan, Wong Kai Tat and Yue Wai Keung were appointed as independent non-executive Directors; whereas Mr. Chan Kee Chee, Keith and Ms. Chan Choi Ling resigned as executive Director and non-executive Director respectively but Mr. Chan Kee Chee, Keith remains as a director of a subsidiary of the Company. The new Board comprises executives experienced in precious metals trading, marketing of financial products and strategic business development together with well-qualified independent non-executive Directors to strengthen the Group's corporate governance. Three committees, namely: (i) Audit Committee, (ii) Remuneration Committee, and (iii) Executive Board, have been established and the Group is now in full compliance with the Code on Corporate Governance Practices. The Group is committed to developing and maintaining sound corporate governance and internal control practices and standards. In this regard, a Risk Management Committee and an Investment Committee have also been formed to manage and monitor regularly the operational risks of the Group's businesses and its investments.

A resurgent precious metals market bodes well for the business outlook of the Group in 2006. Building on its strengthened business operations and management team coupled with a sustainable business plan and a solid balance sheet, the Group is well positioned to capitalize on the market growth opportunities. The Group will continue to seek to expand its clientele and the trading volume of the Trasy System and explore various ways and means to enhance its profitability. We are confident that we will be able to achieve substantial improvements in all aspects of our business in 2006.

Chairman's Statement *(continued)*

The Company has been submitting updated information regarding its latest developments to the Stock Exchange and is continuing to seek approval from the Stock Exchange for resumption of trading in the Company's shares on GEM.

The Board would like to take this opportunity to express its appreciation to Mr. Chan Kee Chee, Keith and Ms. Chan Choi Ling for their valuable contribution to the Company during their terms of service as directors of the Company.

Chang Chu Fai, Johnson Francis

Chairman

Hong Kong, 24 March 2006

Financial Highlights and Summary

FINANCIAL HIGHLIGHTS

For the quarter ended

	Q4 31 Dec 05 HK\$000	Q3 30 Sept 05 HK\$000	Q2 30 Jun 05 HK\$000	Q1 31 Mar 05 HK\$000
Turnover	8,379	23,408	672	306
Unrealized (loss)/gain on gold bullion – net	(2,884)	3,234	1,084	(1,434)
Staff costs	(2,287)	(723)	(1,263)	(274)
Loss before taxation	<u>(3,548)</u>	<u>(1,870)</u>	<u>(1,798)</u>	<u>(1,639)</u>
Loss per share (in HK cents)	<u>(0.128)</u>	<u>(0.067)</u>	<u>(0.065)</u>	<u>(0.059)</u>

FINANCIAL SUMMARY

Audited Consolidated Results

For the year ended 31 December

	2005 HK\$000	2004 HK\$000	2003 HK\$000	2002 HK\$000	2001 HK\$000
Turnover	32,765	1,920	3,732	4,330	5,370
Cost of sales	(31,854)	–	–	–	–
Unrealized gain on gold bullion – net	–	3,392	11,187	10,603	2,040
Other revenue	6,855	1	679	321	619
Operating expenditures *	<u>(16,621)</u>	<u>(6,275)</u>	<u>(6,131)</u>	<u>(15,637)</u>	<u>(18,606)</u>
(Loss)/profit before taxation	<u>(8,855)</u>	<u>(962)</u>	<u>9,467</u>	<u>(383)</u>	<u>(10,577)</u>
(Loss)/earnings per share (in HK cents)	<u>(0.319)</u>	<u>(0.035)</u>	<u>0.341</u>	<u>(0.015)</u>	<u>(0.445)</u>

* These mainly included staff costs, depreciation, marketing and promotion expenses, finance costs, administrative and other expenses. A net realized loss on precious metals contract of about HK\$6,707,000 was included for the year ended 31 December 2005.

Assets and Liabilities

As at 31 December

	2005 HK\$000	2004 HK\$000	2003 HK\$000	2002 HK\$000	2001 HK\$000
Non-current Assets	966	388	500	1,055	2,781
Current Assets	<u>56,067</u>	<u>67,267</u>	<u>65,006</u>	<u>55,072</u>	<u>47,257</u>
Total Assets	57,033	67,655	65,506	56,127	50,038
Current Liabilities	<u>(4,848)</u>	<u>(6,615)</u>	<u>(3,505)</u>	<u>(3,592)</u>	<u>(6,282)</u>
Shareholders' Fund	<u>52,185</u>	<u>61,040</u>	<u>62,001</u>	<u>52,535</u>	<u>43,756</u>

Remark: The comparative figures for the year ended 31 December 2001 had been restated to conform to the change in accounting policy as detailed in note 19 to the financial statements of the Annual Report 2002.

Management Discussion and Analysis

FINANCIAL REVIEW

For the year ended 31 December 2005, the Group's consolidated turnover amounted to approximately HK\$33 million (2004: approximately HK\$2 million). Such remarkable growth in turnover comparing with last year was mainly contributed from the treasury investments of the Group which has commenced since the second quarter of 2005.

During the year under review, all gold bullion has been disposed of for a total consideration of about HK\$71.7 million, of which about HK\$19 million was used as working capital and HK\$0.8 million for acquisition of fixed assets. The remaining balance was used for treasury investments and cash deposits with banks. As at 31 December 2005, the value of securities held was about HK\$5.2 million (2004: Nil), and a net realized gain on treasury investments of about HK\$0.3 million was recorded for the year ended 31 December 2005.

As a result of the surge in gold prices in 2005, a net realized gain of about HK\$5.6 million was recorded upon disposal of gold bullion during the year (2004: about HK\$1,000); however, the effect of which was offset by a net realized loss of about HK\$6.7 million incurred upon squaring the short position of a precious metals contract which was previously used as the physical hedging for gold bullion held from time to time (2004: Nil). Besides, the interest income earned from the short position of this precious metals contract was about HK\$0.7 million for the year ended 31 December 2005 (2004: Nil).

The Group recorded a net loss of approximately HK\$8.9 million for the year ended 31 December 2005 (2004: approximately HK\$1 million), representing a basic loss per share of approximately 0.319 HK cent (2004: approximately 0.035 HK cent).

LIQUIDITY AND FINANCIAL RESOURCES

The liquidity of the Group was healthy as the total amount of current assets as at 31 December 2005 was about 11.56 times of current liabilities (2004: about 10.17 times); no long-term liabilities were borne by the Group as at 31 December 2005 (2004: Nil). Up to the date of this report, no debt financing activities are currently in place or proposed. The Group's gearing ratio, representing total long-term debts divided by total shareholders' equity, was zero as at 31 December 2005 (2004: Nil). In addition, the Group's assets and liabilities are mainly denominated in Hong Kong dollars and United States dollars. The Directors do not consider that the Group is significantly exposed to any material foreign currency risk and thereby no related hedges were made by the Group.

CAPITAL STRUCTURE

There were no changes in the capital structure of the Company during the year (2004: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE YEAR AND FUTURE PLANS FOR MATERIAL INVESTMENTS

There was no material acquisition and disposal of subsidiaries or affiliated companies by the Group during the years ended 31 December 2005 and 2004. The Group intends to finance future expansion by its internal resources or other fund raising exercise, where appropriate.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees (including directors) was 16 as at 31 December 2005 (2004: 4), and the total staff costs for the year ended 31 December 2005 was approximately HK\$4.5 million (2004: approximately HK\$1.6 million). Remuneration of the Group's employees is determined by reference to market terms, qualifications, experience and performance of individual employees. Other benefits to employees include mandatory provident fund and medical schemes.

The Company adopted a share option scheme on 30 April 2002 (the "Scheme"), pursuant to which the Board may, at its discretion grant options to, among others, eligible employees and Directors, to subscribe for shares of the Company. During the year under review, no share options were granted under the Scheme.

CHARGES ON GROUP ASSETS

During the years ended 31 December 2005 and 2004, none of the Group's assets has been pledged.

Management Discussion and Analysis *(continued)*

CONTINGENT LIABILITIES

Up to the date of this report, the Group has no contingent liabilities except the Company has given an undertaking to provide continuing financial support to enable certain subsidiaries to meet their liabilities as and when they fall due for at least the next twelve months from the balance sheet date.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005 (2004: Nil).

OPERATIONS REVIEW AND OUTLOOK

Trasy System Business

The Trasy System Business of the Group transacted a total volume of 3.23 million ounces of gold (2004: 3.16 million ounces) for the year ended 31 December 2005. Revenue from the Trasy System Business declined during the year, resulting largely from the fact that the business flow from its major customer, RNA Holdings Limited, ceased completely in mid 2005. Following the change in controlling shareholder, the Group has launched new business development initiatives with a view to broadening the Trasy System user base, hence diversifying its reliance on a single customer. The Group has attracted new institutional Trasy System users such as regional market principals, local bullion houses, and high net-worth clients. The newly-licensed Trasy System users commenced trading on the Trasy System subsequent to the Company's office relocation in August 2005. Since then, the Trasy System Business has demonstrated positive growth momentum.

In line with the strategy to strengthen the Trasy System Business, the Group continues to seek new users. Target customers include banks, brokerage firms, corporate and high net-worth clients. New marketing plans have been implemented to promote the Trasy System Business. The Group has participated at the Financial World Expo in Hong Kong in October 2005, organized seminars and conducted frequent one-on-one visits. The Group's precious metals information websites have been merged and revamped so as to enhance that medium's effectiveness as a marketing channel for the Trasy System. The revamped website – www.trasy.com, continues to enjoy popular audience reach.

The surge in gold prices in 2005 renewed investors' interest in gold as an alternative investment, and the Group expects transaction volumes and revenues of the Trasy System Business to further improve in 2006. The Group will continue to commit resources to market the Trasy System with a view to expanding and diversifying its user portfolio to improve market liquidity for the Trasy System Business. With a sustainable business plan in place, the Group is confident that the Trasy System Business will achieve positive growth.

Precious Metals Trading

To complement the Trasy System Business, the Group has commenced trading in precious metals as one of the Trasy System users, which creates additional liquidity on the Trasy System. The Group will seek to expand and develop its relationships with major bullion banks and dealers. Comprehensive internal control and prudent risk management policies are in place to monitor and minimize the Group's risk exposures.

Treasury Management

With an objective of enhancing returns on the Group's liquid assets, a pro-active yet prudent treasury management policy has been adopted during the year. The Group's treasury investment portfolio was diversified with varieties of liquid and marketable assets, such as securities. Subject to risk levels being perceived as acceptable, the Group will continue to pursue similar investment objectives if and when market opportunities arise.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Chang Chu Fai, Johnson Francis, aged 51, was appointed as the Chairman of the Company on 20 January 2006 and appointed as a director of various subsidiaries of the Group in January 2006. Mr. Chang is responsible for management of the Board and strategic planning of the Group. He is a registered person under the Securities and Futures Ordinance ("SFO"). Since 2000, Mr. Chang has been the managing director of Ceres Capital Limited, a licensed corporation under the SFO engaged in the provision of corporate finance advisory services. Mr. Chang has over 28 years of experience in banking, corporate finance, investment and management. He holds a Bachelor's Degree in Commerce from Concordia University in Montreal, Canada since 1976 and a Master's Degree in Business Administration from York University in Toronto, Canada since 1977. He is currently an executive director of Golden 21 Investment Holdings Limited, an independent non-executive director of Tian An China Investments Company Limited, Quality HealthCare Asia Limited and Chitaly Holdings Limited, all of which are listed on the Stock Exchange. Mr. Chang is interested in 5,950,000 shares of the Company, representing approximately 0.21% of the total issued shares of the Company, within the meaning of Part XV of the SFO.

Leung Man Pok, John, aged 54, was appointed as the Managing Director of the Company on 20 January 2006 and appointed as a director of various subsidiaries of the Group in January 2006. He is also a member of the Remuneration Committee of the Company. Mr. Leung is responsible for the day-to-day management of the Group's business. He was an associate director of LOCO HONGKONG Limited between 19 December 2003 to 5 January 2006 with over 18 years of experience in precious metals trading, securities trading and accounting. Mr. Leung was formerly an executive director of operations of HSBC Broking Services (Asia) Ltd. and has extensive working experience in operational control and risk management of financial products.

Cheung Wing Chi, Winnie, aged 32, was appointed as an executive Director on 20 January 2006 and appointed as a director of all the subsidiaries of the Group in October 2005. She holds a Bachelor of Commerce degree from the University of Toronto, Canada. Ms. Cheung has worked in managerial positions in several listed companies in various sectors including property investment, entertainment and media, publishing and internet and has over 8 years' experience in corporate development, business administration, and sales and marketing. Currently, she is the head of the corporate development department of ITC Corporation Limited, the holding company of the Company which is listed on the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chung Koon Yan, aged 42, was appointed as an independent non-executive Director on 20 January 2006. He is also the chairman of the Audit Committee of the Company. He is a practising member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. He graduated from The Hong Kong Polytechnic University with a Master of Professional Accounting. Mr. Chung is a director of Chiu, Choy & Chung CPA Ltd. and has more than 15 years' experience in accounting, auditing and taxation. Mr. Chung is currently an independent non-executive director of Golden 21 Investments Holdings Limited, a company listed on the Stock Exchange.

Wong Kai Tat, aged 53, was appointed as an independent non-executive Director 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 Australian Institute of Banking and Finance. 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 and an executive director of T S Telecom Limited, (the holding company of T S Telecom Technologies Limited) listed on the Toronto Venture Exchange. He was an independent non-executive director of Daqing Petroleum and Chemical Group Limited, a company listed on the main board of the Stock Exchange during the period from September 2004 to December 2004 and Gold Wo International Holdings Limited, also a company listed on the main board of the Stock Exchange during the period from March 2001 to December 2002.

Biographies of Directors and Senior Management *(continued)*

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Yue Wai Keung, aged 53, was appointed as an independent non-executive Director on 20 January 2006. He is also the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. He is a member of the CPPCC Shantou Committee. He is currently the chairman of Luen Fat Securities Company Limited as well as a director of a number of privately held securities and financial service companies. Mr. Yue has been Honorary Advisor to The Chamber of Hong Kong Listed Companies since 2002. He was also a director of Hong Kong Stockbrokers Association from 1997 to January 2006. He was a vice chairman and non-executive director of Stockmartnet Holdings Limited, a company listed on GEM, from 2000 to 2005. Mr. Yue was a non-executive director of Prosper eVision Limited, a company listed on the main board of the Stock Exchange, from 2002 to 2003. He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 2000 to 2003, deputy chairman of Hong Kong Securities Clearing Company Limited from 1997 to 2000 and council member of the Stock Exchange from 1993 to 2000. Mr. Yue was a member of the Departmental Advisory Board of Guangdong Academy of Social Science in 1997. He has over 30 years of experience in securities and futures industries.

QUALIFIED ACCOUNTANT

Chan Wai Sze, Francis, aged 34, was appointed as the Qualified Accountant of the Company on 30 September 2005. Mr. Chan is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants. He possesses over 10 years of solid experience in the auditing, accounting and taxation. He previously joined the Company in April 2000 as the Qualified Accountant and was one of the Audit Committee members of the Company. He took part in the Company's IPO assignment and was responsible for the accounting and finance functions, and human resources & administrative functions. He left the Company in November 2002 to pursue his career development. In August 2005, he re-joined the Group as the Financial Controller and is now responsible for all functions as he used to be.

COMPANY SECRETARY

Tse Kam Fai, aged 42, was appointed as the Company Secretary of the Company on 23 March 2000. Mr. Tse is an associate of The Institute of Chartered Secretaries and Administrators and of The Hong Kong Institute of Chartered Secretaries. He is also a member of Hong Kong Securities Institute. He is currently the company secretary of three other companies whose shares are listed on the Stock Exchange and has more than 10 years' experience in handling listed company secretarial and compliance related matters.

Corporate Governance Report

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholder value.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules which came into effect on 1 January 2005 as its own code of corporate governance practices.

During the year ended 31 December 2005, the Company was in compliance with the code provisions set out in the CG Code except for the following:

Deviation from the CG Code	Relevant CG Code provisions	Remedial steps to be/has been taken to comply with the CG Code
1. The Company has not formally laid down a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances to assist the relevant Director(s) to discharge his/their duties to the Company.	A.1.7	The Company has adopted relevant procedure upon appointment of Directors on 20 January 2006.
2. The roles and responsibilities between the Chairman and chief executive officer have not been divided.	A.2.1	Upon the appointment of Chairman and Managing Director on 20 January 2006, the Company has divided their roles and responsibilities clearly.
3. The non-executive Director is not appointed for a specified term but is subject to the provision for retirement and rotation of Directors under the Articles of Association of the Company (the "Articles").	A.4.1	The non-executive Directors were not appointed for a specified term but they are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles.
4. According to the existing Articles, at each annual general meeting one-third of the Directors (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that the Chairman of the Board and/or the Managing Director of the Company shall not be subject to retirement by rotation.	A.4.2	A special resolution will be proposed at the annual general meeting of the Company to be held on 24 April 2006 to seek the approval of the shareholders of the Company to amend the Articles so that all Directors appointed to fill a casual vacancy should be subject to election by the shareholders of the Company at the first general meeting after their appointment and every Director, including the Chairman and Managing Director and those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Corporate Governance Report *(continued)*

CODE ON CORPORATE GOVERNANCE PRACTICES *(continued)*

Deviation from the CG Code	Relevant CG Code provisions	Remedial steps to be/has been taken to comply with the CG Code
5. The Company has not established written guidelines for relevant employees in respect of dealings in the securities of the Company.	A.5.4	The Company has adopted on 12 August 2005 the written guidelines for relevant employees in respect of dealings in the securities of the Company.
6. The Company has not set up a Remuneration Committee ("Remuneration Committee").	B.1.1	The Company has established the Remuneration Committee on 20 January 2006 immediately following the appointment of independent non-executive Directors.
7. The existing terms of reference of the Audit Committee of the Company ("Audit Committee") have not comprised all the duties of the Audit Committee as set out in the CG Code.	C.3.3	The Company adopted a new set of terms of reference of the Audit Committee to include at least the duties as set out in the CG Code upon the appointment of sufficient number of members of the Audit Committee on 20 January 2006.
8. The Company has not formalized the functions reserved to the Board and those delegated to management in written form.	D.1.2	The Company has implemented a division of work among the Board and senior management since January 2005 and formalized this in writing on 12 August 2005.

Accordingly and in the opinion of the Directors, except for the special resolution in the forthcoming annual general meeting regarding the proposed amendments to the Articles, the Company has complied with the code provisions set out in the CG Code upon appointment of new Directors since 20 January 2006.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities transactions by Directors as set out in Rules 5.48 to 5.69 of the GEM Listing Rules. All the Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules since their appointment on 20 January 2006.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Executive Board and senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval of the Board. In addition, the Board has also delegated various responsibilities to the Board Committees. Further details of these committees are set out in this report.

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS *(continued)*

The Board currently consists of six Directors including three executive Directors and three independent non-executive Directors who were all appointed on 20 January 2006:

Executive Directors

Chang Chu Fai, Johnson Francis (*Chairman*)

Leung Man Pok, John (*Managing Director*)

Cheung Wing Chi, Winnie

Independent non-executive Directors

Chung Koon Yan

Wong Kai Tat

Yue Wai Keung

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board and has met the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The biographical information of the Directors are set out on pages 8 to 9 of the annual report under the section headed "Biographies of Directors and Senior Management".

Chairman and Managing Director

Upon appointment of the Chairman and Managing Director on 20 January 2006, the two positions are held separately by two individuals to ensure their respective independence, accountability and responsibility. The Chairman is in-charge of the management of the Board and strategic planning of the Group. The Managing Director is responsible for the day-to-day management of the Group's business.

Independent non-executive Directors

The three independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and financial industries. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

The independent non-executive Directors are not appointed for a specific term but are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles.

Board Meetings

The Board has four scheduled meetings a year at quarterly interval and additional meetings are held as and when required. The four scheduled Board meetings for a year are planned in advance.

During the financial year ended 31 December 2005, the Board held 15 meetings.

Name of Director		Number of attendance
Chan Kee Chee, Keith	(resigned on 20 January 2006)	15/15
Chan Choi Ling	(resigned on 20 January 2006)	15/15

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS *(continued)*

Board Meetings *(continued)*

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

NOMINATION OF DIRECTORS

During the year under review, the Board only consisted of one executive Director and one non-executive Director. In considering the nomination of new Directors, the then executive Director took into account the qualifications, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the precious metals industry and/or other professional areas.

Furthermore, as the full Board is responsible for the selection and approval of candidate for appointment as Director to the Board, the Company has not established a Nomination Committee for the time being.

REMUNERATION OF DIRECTORS

The Company established the Remuneration Committee on 20 January 2006 which consists of two independent non-executive Directors, namely Yue Wai Keung (as Chairman) and Wong Kai Tat, and one executive Director, namely Leung Man Pok, John.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy for Directors and senior management and overseeing the remuneration packages of the executive Directors and senior management. The terms of reference of the Remuneration Committee are posted on the Company's website.

No Remuneration Committee meeting was held during the year under review since the number of non-executive Directors was insufficient and the current independent non-executive Directors were appointed on 20 January 2006.

The Company has adopted a share option scheme on 30 April 2002. The purpose of the share option scheme is to enable the Board, at its discretion, to grant options to any eligible participants which include Directors as incentives or rewards for their contribution to the Group. Details of the share option scheme are set out in the Directors' Report and note 22 to the financial statements. Details of the Directors' remuneration are set out in note 6 to the financial statements.

AUDITORS' REMUNERATION

During the year under review, the remuneration in respect of audit and non-audit services provided by the Company's auditors, Moore Stephens, is set out below:

Services rendered	Fee paid/payable
	HK\$'000
Audit services	465
Non-audit services	75

Corporate Governance Report *(continued)*

AUDIT COMMITTEE

Three independent non-executive Directors, namely Chung Koon Yan (as Chairman), Wong Kai Tat and Yue Wai Keung were appointed as members of the Audit Committee on 20 January 2006.

The Audit Committee will meet not less than four times a year. The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; and reviewing the quarterly, interim and annual reports and accounts of the Group. The terms of reference of the Audit Committee are posted on the Company's website.

No Audit Committee meeting was held during the year since the number of non-executive Directors was insufficient and the current independent non-executive Directors were appointed on 20 January 2006.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's financial statements for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Directors' Report

The Directors have pleasure to present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The principal activities of the Company's subsidiaries are set out in note 14 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers in aggregate accounted for approximately 99% of the revenue from the Trasy System Business of the Group for the year ended 31 December 2005. The largest customer, contributed about 56% of the Trasy System Business revenue.

During the year ended 31 December 2005, there were no suppliers to the Group who provide goods or services which are specific to the Group's business and which are required on a regular basis to enable the Group to continue its business.

Hing Fung Goldsmith And Refinery Limited ("HFGR") was one of the major customers of the Group and a wholly-owned subsidiary of RNA Holdings Limited ("RNA"), the former ultimate holding company of the Company. With effect from 23 March 2005, the shareholding of RNA in the Company was reduced to below 5%.

Save as disclosed above and as far as the Directors are aware, none of the Directors, their associates, within the meaning of the GEM Listing Rules, nor those shareholders own more than 5% of the Company's share capital have an interest in any of the five largest customers of the Group for the year ended 31 December 2005.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 23 of the annual report.

No interim dividend has been paid by the Company during the year and the Directors do not recommend the payment of a final dividend for the year ended 31 December 2005.

2006 ANNUAL GENERAL MEETING

The 2006 Annual General Meeting of the Company ("2006 AGM") will be held on 24 April 2006.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2006 AGM, the register of members of the Company will be closed from Thursday, 20 April 2006 to Friday, 21 April 2006, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's transfer office and share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 19 April 2006.

MAJOR EVENT

On 23 March 2005, ITC Corporation Limited ("ITC"), through its wholly-owned subsidiary, acquired a majority equity interest of approximately 50.07% in the Company, thus becoming the Company's new controlling shareholder. Pursuant to the requirements under the Hong Kong Code on Takeovers and Mergers, ITC made a general offer for all the issued shares in, and for cancellation of all outstanding options of, the Company (the "General Offer"). Upon the close of the General Offer on 25 May 2005, ITC's shareholding interest in the Company increased to approximately 56.45%.

Directors' Report *(continued)*

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in note 23 to the financial statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 5 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 13 to the financial statements.

SUBSIDIARIES

Particulars of the subsidiaries of the Company are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 22 to the financial statements.

SHARE OPTIONS

Details of the movements in the share options of the Company during the year are set out in note 22 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to Section 34 of the Companies Law (Revised) of the Cayman Islands and the Articles of Association of the Company (the "Articles"), the Company's share premium account is available for distribution to shareholders subject to a solvency test on the Company and the provisions of the Articles. As at 31 December 2005, in the opinion of the Directors, the Company's reserves available for distribution to shareholders, comprising share premium account and accumulated losses, amounted to HK\$24,018,249.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Chang Chu Fai, Johnson Francis	<i>(appointed on 20 January 2006)</i>
Leung Man Pok, John	<i>(appointed on 20 January 2006)</i>
Cheung Wing Chi, Winnie	<i>(appointed on 20 January 2006)</i>
Chan Kee Chee, Keith	<i>(resigned on 20 January 2006)</i>

Non-executive Director

Chan Choi Ling	<i>(resigned on 20 January 2006)</i>
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Independent non-executive Directors

Chung Koon Yan	<i>(appointed on 20 January 2006)</i>
Wong Kai Tat	<i>(appointed on 20 January 2006)</i>
Yue Wai Keung	<i>(appointed on 20 January 2006)</i>

In accordance with Article 86(3) of the Articles, Messrs. Chang Chu Fai, Johnson Francis, Leung Man Pok, John, Cheung Wing Chi, Winnie, Chung Koon Yan, Wong Kai Tat and Yue Wai Keung, being the Directors appointed after the 2005 annual general meeting, shall retire at the forthcoming annual general meeting. All retiring Directors, being eligible for re-election, offer themselves for re-election.

Directors' Report *(continued)*

DIRECTORS *(continued)*

There is no specific length of the term of office for each of the independent non-executive Directors but they are subject to the retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles.

Mr. Leung Man Pok, John, being an executive Director and the Managing Director of the Company, has entered into a service contract with a subsidiary of the Company for a term of three years but subject to termination with two months' notice in writing to the other party or payment in lieu of notice.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

As at 31 December 2005, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Chan Kee Chee, Keith	Beneficial owner	Long position	27,991,354	1.01%

Save as disclosed above, as at 31 December 2005, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pre-IPO Share Option Plan of the Company adopted on 6 November 2000 (the "Plan")

Under 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 7 June 2001. Details of the Plan are set out in the prospectus of the Company dated 30 November 2000. All the pre-IPO share options, including 44,152,000 options granted to Mr. Chan Kee Chee, Keith, were cancelled upon the close of the General Offer on 25 May 2005.

Share Option Scheme of the Company adopted on 30 April 2002 (the "Scheme")

The Board may, at its discretion, grant share options to the Directors and eligible participants (as defined in the Scheme) pursuant to the Scheme to enable them to subscribe for shares of the Company as incentives or rewards for their contribution to the Group. No share options were granted since its adoption.

Directors' Report *(continued)*

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES *(continued)*

Share Option Scheme of the Company adopted on 30 April 2002 (the "Scheme") *(continued)*

The principal terms of the Scheme are summarized as follows:

1. The total number of shares may be issued upon exercise of all options to be granted under the Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme, unless approval by its shareholders has been obtained, and which must not in aggregate exceed 30% of the shares in issue from time to time.
2. The maximum entitlement of each participant under the Scheme in any twelve-month period up to the date of grant shall not exceed 1% of shares in issue as at the date of grant.
3. An option may be accepted by a proposed grantee within seven days from the date of the offer of grant of the option upon payment of HK\$1.00 to the Company by way of consideration for the grant.
4. There is no minimum period for which an option must be held before it can be exercised. An option may be exercised in accordance with the terms of the Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date.
5. The subscription price of a share in respect of any particular option granted under the Scheme shall be determined by the Board and will not be less than the highest of (a) the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.
6. Subject to earlier termination by the Company in general meeting, the Scheme shall be valid and effective for a period of ten years from the date of its adoption, i.e. 30 April 2002.

Details of the Scheme are set out in the circular of the Company dated 28 March 2002.

Directors' Report *(continued)*

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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 which competes or may compete with the business of the Group.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 31 December 2005, so far as is known to the Directors and the chief executives of the Company, the interests or short positions of substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

(a) *Interests and short positions of substantial shareholders in shares and underlying shares of the Company*

Name	Capacity	Long position/ Short position	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Golden Hall Holdings Limited	Beneficial owner	Long position	1,568,681,139	56.45%
Fullhonour Limited	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
ITC Investment Holdings Limited	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
ITC Corporation Limited ("ITC")	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
Galaxyway Investments Limited	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
Chinaview International Limited	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
Chan Kwok Keung, Charles	Interest of a controlled corporation	Long position	1,568,681,139	56.45%
Ng Yuen Lan, Macy	Interest of spouse	Long position	1,568,681,139	56.45%

Note: Golden Hall Holdings Limited is a wholly-owned subsidiary of Fullhonour Limited which in turn is wholly-owned by ITC Investment Holdings Limited ("ITCIH"). ITCIH is a wholly-owned subsidiary of ITC of which Galaxyway Investments Limited ("Galaxyway"), a wholly-owned subsidiary of Chinaview International Limited ("Chinaview"), holds approximately 33.5% of the issued ordinary share capital of ITC. Chinaview is wholly-owned by Dr. Chan Kwok Keung, Charles. Ms. Ng Yuen Lan, Macy ("Ms. Ng") is the spouse of Dr. Chan Kwok Keung, Charles. Fullhonour Limited, ITCIH, ITC, Galaxyway, Chinaview, Dr. Chan Kwok Keung, Charles and Ms. Ng are deemed to be interested in 1,568,681,139 shares of the Company held by Golden Hall Holdings Limited.

Directors' Report *(continued)*

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO *(continued)*

(b) Interests and short positions of other persons in shares and underlying shares of the Company

Name	Capacity	Long position/ Short position	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Most Choice Limited	Beneficial owner	Long position	183,200,000	6.59%

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2005.

CONNECTED TRANSACTIONS

For the year ended 31 December 2005, the Group has the following connected transactions:

Exempt Continuing Connected Transactions

A tenancy agreement was entered into on 27 June 2005 between Trasy Holdings Limited, a wholly-owned subsidiary of the Company, as tenant and Central Town Limited (the "Landlord"), a 50% associated company of ITC, for the leasing of the premises (the "Premises") situated at Rooms 301 & 302, 3rd Floor, United Chinese Bank Building, Nos. 31-37 Des Voeux Road Central, Hong Kong with gross floor area of 2,159 sq ft., for a term of two years commencing from 1 July 2005 and expiring on 30 June 2007, at a maximum annual rental (excluding the management fees) of HK\$336,000. The Premises are used by the Company as its head office in Hong Kong. For the year ended 31 December 2005, the Group made an aggregate rental payment of HK\$140,000 to the Landlord.

A tenancy agreement was entered into on 21 May 2003 between The Gold On-Line Trading Limited, a wholly-owned subsidiary of the Company, as tenant and RNA Investments Limited ("RNA Investments") as landlord, a wholly-owned subsidiary of RNA, the former ultimate holding company of the Company and ceased to be the controlling shareholder and connected person of the Company on 23 March 2005, which was subsequently amended by a supplemental agreement dated 22 May 2003 for the leasing of portion of 14/F of Cheung Fat Building, 7-9 Hill Road, Western District, Hong Kong. The Group made rental payments of HK\$108,000 to RNA Investments up to March 2005.

A total amount of transaction fees charged to HFGR was about HK\$0.3 million up to March 2005 in which month HFGR ceased to be a connected person of the Company.

Save as disclosed above, there were no other transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

MANDATORY PROVIDENT FUND SCHEME

Details of the mandatory provident fund scheme are set out in note 7 to the financial statements.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 10 to 14 of the annual report.

Directors' Report *(continued)*

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Messrs. Chung Koon Yan (as Chairman), Wong Kai Tat and Yue Wai Keung, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2005.

CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received the annual confirmation of independence from each of the independent non-executive Directors who have been appointed on 20 January 2006 as required under Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Moore Stephens as auditors of the Company.

On behalf of the Board

Leung Man Pok, John
Managing Director

Hong Kong, 24 March 2006

Auditors' Report

MOORE STEPHENS

CERTIFIED PUBLIC ACCOUNTANTS

905 Silvercord, Tower 2
30 Canton Road
Tsimshatsui
Kowloon
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TO THE SHAREHOLDERS OF TRASY GOLD EX LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 23 to 46 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors of the Company (the "Directors") are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2005 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Moore Stephens

Certified Public Accountants

Hong Kong, 24 March 2006

Consolidated Income Statement

For the year ended 31 December 2005

	Notes	2005 HK\$	2004 HK\$
Turnover	4	32,765,040	1,920,442
Cost of sales		(31,853,860)	–
Gross profit		911,180	1,920,442
Other revenue	4	6,854,864	3,392,929
Staff costs		(4,546,758)	(1,574,682)
Depreciation		(138,396)	(201,439)
Marketing and promotion expenses		(47,384)	(640)
Other administrative and operating expenses		(4,981,013)	(4,498,236)
Realized loss on precious metals contract – net		(6,706,776)	–
Other expenses		(61,333)	–
Loss from operating activities	5	(8,715,616)	(961,626)
Finance costs	8	(139,480)	–
Loss before taxation		(8,855,096)	(961,626)
Taxation	9	–	–
Loss attributable to shareholders	10	(8,855,096)	(961,626)
Loss per share	12	HK Cents	HK Cents
Basic		(0.319)	(0.035)
Diluted		N/A	N/A

Consolidated Balance Sheet

As at 31 December 2005

	Notes	2005 HK\$	2004 HK\$
Non-current assets			
Property, plant and equipment	13	715,988	137,870
Other assets	15	250,000	250,000
		965,988	387,870
Current assets			
Accounts receivable and other receivables	17	2,802,509	1,145,790
Investments in securities	18	5,224,000	–
Gold bullion	2(j)	–	66,117,917
Time deposits	19	47,353,938	–
Cash and bank balances	19	686,173	2,918
		56,066,620	67,266,625
Current liabilities			
Amount due to ultimate holding company	20	–	876,078
Accounts payable and other payables	21	4,847,964	5,738,677
		4,847,964	6,614,755
Net current assets			
		51,218,656	60,651,870
		52,184,644	61,039,740
Capital and reserves			
Share capital	22	27,790,000	27,790,000
Reserves	23	24,394,644	33,249,740
		52,184,644	61,039,740

Chang Chu Fai, Johnson Francis
Chairman

Leung Man Pok, John
Managing Director

Company Balance Sheet

As at 31 December 2005

	Notes	2005 HK\$	2004 HK\$
Non-current assets			
Interests in subsidiaries	14	52,353,079	52,829,546
Current assets			
Other receivables	17	–	4,388
Cash and bank balances	19	968	169
		968	4,557
Current liabilities			
Amount due to ultimate holding company	20	–	876,078
Other payables	21	545,798	–
		545,798	876,078
Net current liabilities			
		(544,830)	(871,521)
		51,808,249	51,958,025
Capital and reserves			
Share capital	22	27,790,000	27,790,000
Reserves	23	24,018,249	24,168,025
		51,808,249	51,958,025

Chang Chu Fai, Johnson Francis
Chairman

Leung Man Pok, John
Managing Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Share capital HK\$	Share premium HK\$	Merger reserve HK\$	Accumulated losses HK\$	Total HK\$
31 December 2003	27,790,000	47,629,318	4,999,986	(18,417,938)	62,001,366
Loss for the year	-	-	-	(961,626)	(961,626)
31 December 2004	27,790,000	47,629,318	4,999,986	(19,379,564)	61,039,740
Loss for the year	-	-	-	(8,855,096)	(8,855,096)
31 December 2005	27,790,000	47,629,318	4,999,986	(28,234,660)	52,184,644

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 2005

	Note	2005 HK\$	2004 HK\$
Cash flows from operating activities			
Loss before taxation		(8,855,096)	(961,626)
Adjustments for:			
Depreciation		138,396	201,439
Interest income		(1,017,817)	–
Finance costs		139,480	–
Loss on disposal of property, plant and equipment		60,246	11,160
Unrealized gain on disposal of gold bullion – net		–	(3,391,967)
Realized gain on disposal of gold bullion – net		(5,641,334)	(962)
Dividend income from investments in securities		(20,713)	–
Unrealized loss on precious metals contract trading – net		8,892	–
Operating loss before working capital changes		(15,187,946)	(4,141,956)
Increase in accounts receivable and other receivables		(1,503,067)	(125,782)
Increase in investments in securities		(5,224,000)	–
(Decrease)/increase in amount due to ultimate holding company		(876,078)	113,680
(Decrease)/increase in accounts payable and other payables		(1,017,659)	2,996,281
Net cash used in operating activities		(23,808,750)	(1,157,777)
Cash flows from investing activities			
Purchase of property, plant and equipment		(776,760)	(100,000)
Proceeds from disposal of gold bullion		71,759,251	1,246,722
Interest received		982,219	–
Dividend received from investments in securities		20,713	–
Net cash from investing activities		71,985,423	1,146,722
Cash flows from financing activities			
Unsecured loan from immediate holding company		1,114,361	–
Repayment of unsecured loan to immediate holding company		(1,114,361)	–
Interest paid		(139,480)	–
Net cash used in financing activities		(139,480)	–
Net increase/(decrease) in cash and cash equivalents		48,037,193	(11,055)
Cash and cash equivalents at 1 January		2,918	13,973
Cash and cash equivalents at 31 December	19	48,040,111	2,918

Notes to the Financial Statements

For the year ended 31 December 2005

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 for 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 and in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

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.

Judgments made by management in the application of HKFRSs that have significant effects on the financial statements and estimates with significant risks of material adjustments in the next year are discussed in note 28.

The principal accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2005 are consistent with those adopted in the financial statements for the year ended 31 December 2004, except for the adoption of the new and revised HKFRSs as explained below.

(a) Adoption of new and revised Hong Kong Financial Reporting Standards

During the current year, the Group has adopted the new and revised HKFRSs which are effective for accounting periods commencing on or after 1 January 2005. The new and revised HKFRSs which relevant to the Group's operation are:

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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

(continued)

(a) Adoption of new and revised Hong Kong Financial Reporting Standards *(continued)*

The adoption of new and revised HKASs 1, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 27, 33, 36 and 37 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 24 has expanded the identification of related parties and affected the related party disclosures (see note 2(r)).

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The Group has started to undertake precious metals contract trading in the current year and this has been accounted for under HKASs 32 and 39. In accordance with the provisions of HKAS 39, changes in the fair value of derivative financial instrument that do not qualify for hedge accounting are recognized in the income statement as they arise. The adoption of HKAS 32 and HKAS 39 has had no material effect on the results for prior periods.

(b) 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.

(c) 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.

(d) 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.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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

(continued)

(d) Property, plant and equipment and depreciation *(continued)*

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

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

(e) Other assets

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

(f) 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.

(g) Investments in securities

Investments in securities are equity securities held for trading and are classified as current assets. They are initially stated at fair value. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognized in the income statement.

(h) 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 the income statement.

(i) 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.

(j) 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.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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

(continued)

(k) 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 a 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 debt 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.

(l) Retirement benefit costs

The Group operates 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 Company to reduce its future levels of contributions. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable to the scheme are charged to the income statement as incurred.

(m) 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.

(n) 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 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 income statement as an integral part of the aggregate net lease payments made.

(o) 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.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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

(continued)

(o) **Taxation** *(continued)*

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.

(p) **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.

(q) **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.

(r) **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.

(s) **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.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

3. SEGMENTAL 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.

	Year ended 31 December 2005			Total HK\$
	Provision and operation of an internet-based electronic trading system HK\$	Treasury investments HK\$	Precious metals contract trading HK\$	
Turnover	1,148,815	32,062,745	(446,520)	32,765,040
Segment results	692,445	301,151	(535,895)	457,701
Unallocated corporate revenue				6,701,367
Unallocated corporate expenses				(15,874,684)
				(8,715,616)
Finance costs				(139,480)
Loss before taxation				(8,855,096)
ASSETS				
Segment assets	81,829	5,376,915	2,250,278	7,709,022
Unallocated corporate assets				49,323,586
Total assets				57,032,608
LIABILITIES				
Segment liabilities	-	755,763	592,382	1,348,145
Unallocated corporate liabilities				3,499,819
Total liabilities				4,847,964
Other segment information				
Depreciation				
- Segmental	2,731	-	13,292	16,023
- Unallocated				122,373
				138,396
Capital expenditure				
- Segmental	25,680	-	112,640	138,320
- Unallocated				638,440
				776,760

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

3. SEGMENTAL INFORMATION *(continued)*

Business segments *(continued)*

	Year ended 31 December 2004			Total HK\$
	Provision and operation of an internet-based electronic trading system HK\$	Treasury investments HK\$	Precious metals contract trading HK\$	
Turnover	1,920,442	–	–	1,920,442
Segment results	1,725,362	–	–	1,725,362
Unallocated corporate revenue				3,392,929
Unallocated corporate expenses				(6,079,917)
				(961,626)
Finance costs				–
Loss before taxation				(961,626)
ASSETS				
Segment assets	17,055	–	250,000	267,055
Unallocated corporate assets				67,387,440
Total assets				67,654,495
LIABILITIES				
Segment liabilities	–	–	–	–
Unallocated corporate liabilities				6,614,755
Total liabilities				6,614,755
Other segment information				
Depreciation				
– Segmental	77,080	–	–	77,080
– Unallocated				124,359
				201,439
Capital expenditure				
– Segmental	–	–	–	–
– Unallocated				100,000
				100,000

Geographical segments

No geographical segment analysis is presented for the years ended 31 December 2005 and 2004 as more than 90% of the Group's turnover, segment results and assets are derived from or located in Hong Kong.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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	
	2005 HK\$	2004 HK\$
Turnover		
Provision and operation of an internet-based electronic trading system	1,148,815	1,920,442
Precious metals contract trading	(446,520)	–
Treasury investments	32,062,745	–
	32,765,040	1,920,442
Other revenue		
Dividend income	20,713	–
Realized gain on disposal of gold bullion – net	5,641,334	962
Unrealized gain on gold bullion – net	–	3,391,967
Interest income	1,017,817	–
Miscellaneous income	175,000	–
	6,854,864	3,392,929
Total revenue	39,619,904	5,313,371

5. LOSS FROM OPERATING ACTIVITIES

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

	The Group	
	2005 HK\$	2004 HK\$
Auditors' remuneration		
– current year provision	465,000	480,000
Mandatory provident fund contributions		
– directors	9,000	–
– others	108,279	30,405
Staff costs (excluding mandatory provident fund contributions)		
– directors' emoluments	1,704,000	373,600
– others	2,725,479	1,170,677
Depreciation	138,396	201,439
Operating lease rentals in respect of land and buildings	824,000	432,000
Net exchange loss	4,634	448
Loss on disposal of property, plant and equipment	60,246	11,160
Legal and professional fees		
– current year	4,381,919	2,991,380
– waiver/discount in respect of prior year	(1,228,431)	(34,700)
Realized loss on precious metals contract – net	6,706,776	–
Unrealized loss on precious metals contract trading – net	8,892	–
Unrealized loss on investments in securities – net	52,441	–
	6,706,776	–

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

6. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors' emoluments

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

	Chan Kee Chee, Keith HK\$	Chan Choi Ling HK\$	Cheung Lai Kai, Edwina HK\$	Total HK\$
2005				
Fees	1,560,000	-	-	1,560,000
Mandatory provident fund contributions	9,000	-	-	9,000
Others	144,000	-	-	144,000
	<u>1,713,000</u>	<u>-</u>	<u>-</u>	<u>1,713,000</u>
2004				
Fees	360,000	-	-	360,000
Mandatory provident fund contributions	-	-	-	-
Others	13,600	-	-	13,600
	<u>373,600</u>	<u>-</u>	<u>-</u>	<u>373,600</u>

Cheung Lai Kai, Edwina was an independent non-executive Director of the Company, who had resigned on 25 June 2004.

No share options were granted to the Directors of the Company during the two years ended 31 December 2005. Further details of which 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 2005.

(b) Five highest paid individuals

The five highest paid individuals include an executive Director whose emoluments are detailed above. The emoluments of the remaining highest paid individuals are analysed below:

	The Group	
	2005 HK\$	2004 HK\$
Basic salaries and allowances	844,105	1,168,510
Inducement fees	78,820	-
Mandatory provident fund contributions	27,000	30,405
	<u>949,925</u>	<u>1,198,915</u>

No share options were granted to the five highest paid individuals during the current year.

Emoluments of the non-Director highest paid individuals fell within the following band:

	The Group Number of individuals	
	2005	2004
HK\$Nil – HK\$1,000,000	<u>4</u>	<u>4</u>

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

7. RETIREMENT BENEFIT COSTS

The retirement benefit costs charged to the consolidated income statement represent contributions by the Group of HK\$117,279 (2004: HK\$30,405) to an approved defined contribution retirement benefits 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 (2004: HK\$Nil) relating to unvested benefits for employees who resigned from the Group during the year. The employer and employees contribute 5% of the employees' monthly gross earnings with a ceiling of HK\$1,000 per month.

Contributions totalling HK\$20,860 (2004: HK\$8,621) were payable to the scheme at the year end and are included in other payables.

8. FINANCE COSTS

Interest on unsecured loan from immediate holding company
Interest on precious metals contract trading

	The Group	
	2005 HK\$	2004 HK\$
	2,677	–
	136,803	–
	139,480	–

9. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries incurred tax losses for the year.

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

	The Group	
	2005 HK\$	2004 HK\$
Loss before taxation	(8,855,096)	(961,626)
Tax at statutory rate of 17.5% (2004: 17.5%)	(1,550,000)	(168,000)
Tax effect of income that is not taxable in determining taxable profits	(101,000)	–
Tax effect of expenses that are not deductible in determining taxable profits	58,000	138,000
Tax effect of unused tax losses not recognized	1,593,000	30,000
Taxation	–	–

10. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders dealt with in the financial statements of the Company amounted to HK\$149,776 (2004: HK\$10,043,340).

11. DIVIDEND

No dividend has been declared or paid by the Company in respect of the current year (2004: Nil).

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

12. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to shareholders of HK\$8,855,096 (2004: HK\$961,626) and the weighted average of 2,779,000,000 (2004: 2,779,000,000) ordinary shares in issue during the year.

No diluted loss per share is shown for the year ended 31 December 2005 as there is no dilutive potential ordinary share as at 31 December 2005.

As the exercise price of the share options under the pre-IPO Share Option Plan (the "Plan") was higher than the average market value during the year ended 31 December 2004, no potential ordinary share under the Plan was deemed to be issued for nil consideration; hence, no diluted loss per share for the year ended 31 December 2004 was provided.

13. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold improvements HK\$	Furniture, fixtures and equipment HK\$	Computer equipment HK\$	Motor vehicle HK\$	Total HK\$
Cost					
1 January 2004	472,423	159,958	1,419,728	–	2,052,109
Additions	100,000	–	–	–	100,000
Disposals	–	(29,800)	–	–	(29,800)
31 December 2004 and 1 January 2005	572,423	130,158	1,419,728	–	2,122,309
Additions	252,177	239,162	272,421	13,000	776,760
Disposals	(572,423)	(81,204)	(602,651)	–	(1,256,278)
31 December 2005	252,177	288,116	1,089,498	13,000	1,642,791
Accumulated depreciation					
1 January 2004	472,423	92,162	1,237,055	–	1,801,640
Charge for the year	6,250	20,184	175,005	–	201,439
On disposals	–	(18,640)	–	–	(18,640)
31 December 2004 and 1 January 2005	478,673	93,706	1,412,060	–	1,984,439
Charge for the year	65,761	30,188	40,550	1,897	138,396
On disposals	(528,673)	(66,088)	(601,271)	–	(1,196,032)
31 December 2005	15,761	57,806	851,339	1,897	926,803
Net book value					
31 December 2005	236,416	230,310	238,159	11,103	715,988
31 December 2004	93,750	36,452	7,668	–	137,870

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

14. INTERESTS IN SUBSIDIARIES

	The Company	
	2005 HK\$	2004 HK\$
Unlisted shares, at cost	8	8
Amounts due from subsidiaries	74,757,938	75,182,609
Amount due to a subsidiary	(51,796)	–
Less: impairment loss	(22,353,071)	(22,353,071)
	52,353,079	52,829,546

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 2005:

Company	Place of incorporation	Issued and fully paid up capital	Principal activities
* Durable Gold Investments Limited	British Virgin Islands	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\$9,000,000	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 operate in Hong Kong.

15. OTHER ASSETS

	The Group	
	2005 HK\$	2004 HK\$
Membership licences, at cost	1,180,000	1,180,000
Less: Impairment loss	(930,000)	(930,000)
	250,000	250,000

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

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

16. 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

	Fixed assets HK\$	Gold bullion HK\$	Tax losses HK\$	Total HK\$
1 January 2004	(12,000)	4,182,000	(4,170,000)	–
Charge/(credit) to the income statement	(34,000)	267,000	(233,000)	–
31 December 2004	(46,000)	4,449,000	(4,403,000)	–
Charge/(credit) to the income statement	12,000	(4,449,000)	4,437,000	–
31 December 2005	(34,000)	–	34,000	–

As at 31 December 2005, deferred tax asset of HK\$3,074,000 (2004: HK\$1,481,000) in respect of unabsorbed tax losses has 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.

17. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Accounts receivable and other receivables comprise:

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
Accounts receivable	2,112,723	4,177	–	–
Prepayments and deposits	424,023	1,085,372	–	4,388
Other receivables	265,763	56,241	–	–
	2,802,509	1,145,790	–	4,388

An aging analysis of accounts receivable is set out below:

	The Group	
	2005 HK\$	2004 HK\$
0-30 days	2,099,849	3,085
31-60 days	–	1,092
61-90 days	–	–
Over 90 days	12,874	–
	2,112,723	4,177

The Group generally grants a credit period of 30 days to principals who have agreed to contribute tradable prices and/or customer business 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 more than 30 days overdue.

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

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
United States dollars	1,959,805	4,177	–	–
Hong Kong dollars	842,704	1,141,613	–	4,388
	2,802,509	1,145,790	–	4,388

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

18. INVESTMENTS IN SECURITIES

	The Group	
	2005 HK\$	2004 HK\$
Equity securities listed in Hong Kong, at market value	5,224,000	–

19. TIME DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
Time deposits	47,353,938	–	–	–
Cash and bank balances	686,173	2,918	968	169
Cash and cash equivalents in consolidated cash flow statement	48,040,111	2,918	968	169

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

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
United States dollars	23,755,108	–	–	–
Hong Kong dollars	24,285,003	2,918	968	169
	48,040,111	2,918	968	169

Cash at bank earns interest at floating rates based on daily bank deposits rates. Time deposits have original maturity of three months or less and earn interest at the respective short term time deposit rates. The effective interest rate of time deposits is approximately 4% (2004: Nil).

20. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due to ultimate holding company was unsecured, interest-free and there were no fixed terms for repayment.

21. ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable and other payables comprise:

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
Accounts payable	1,348,144	–	–	–
Accruals	400,000	3,070,000	–	–
Other payables	3,099,820	2,668,677	545,798	–
	4,847,964	5,738,677	545,798	–

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

21. ACCOUNTS PAYABLE AND OTHER PAYABLES *(continued)*

An aging analysis of accounts payable is set out below:

	The Group	
	2005 HK\$	2004 HK\$
0-30 days	1,167,001	–
31-60 days	15,229	–
61-90 days	–	–
Over 90 days	165,914	–
	1,348,144	–

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

	The Group		The Company	
	2005 HK\$	2004 HK\$	2005 HK\$	2004 HK\$
United States dollars	592,379	–	–	–
Hong Kong dollars	4,255,585	5,738,677	545,798	–
	4,847,964	5,738,677	545,798	–

22. SHARE CAPITAL

	The Group	
	2005 HK\$	2004 HK\$
Authorized:		
180,000,000,000 ordinary shares of HK\$0.01 each	1,800,000,000	1,800,000,000
Issued and fully paid:		
2,779,000,000 ordinary shares	27,790,000	27,790,000

- (a) The Company adopted a new share option scheme (the "Scheme") at the annual general meeting of the Company held on 30 April 2002. Under the 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 options were granted by the Company under the Scheme since its adoption and during the year. Details of the Scheme are set out in the circular of the Company dated 28 March 2002.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

22. SHARE CAPITAL *(continued)*

- (b) 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 and no share options are still valid at 31 December 2005. Details of the movement in the share options granted under the Plan are as follows:

Grantees	Exercise price HK\$	Balance at 1.1.2005	Exercised during the year	Cancelled during the year	Lapsed during the year	Balance at 31.12.2005
A Director of the Company						
- Chan Kee Chee, Keith	0.21	44,152,000	-	(44,152,000)	-	-
Employees of the RNA Group	0.21	16,636,000	-	(15,068,000)	(1,568,000)	-
Total		60,788,000	-	(59,220,000)	(1,568,000)	-

All of the above options have a duration of ten years from the date of grant, but have lapsed and cancelled under the conditions set out on page 196 of the Prospectus.

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 26 of the annual report.

The Company	Share premium HK\$	Accumulated losses HK\$	Total HK\$
31 December 2003	47,629,318	(13,417,953)	34,211,365
Loss for the year	-	(10,043,340)	(10,043,340)
31 December 2004	47,629,318	(23,461,293)	24,168,025
Loss for the year	-	(149,776)	(149,776)
31 December 2005	47,629,318	(23,611,069)	24,018,249

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 2005, in the opinion of the Directors, the Company's reserves available for distribution to shareholders, comprising share premium account and accumulated losses, amounted to HK\$24,018,249 (2004: HK\$24,168,025).

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2005, the Group had minimum outstanding commitments under non-cancellable operating leases in respect of office facilities which fall due as follows:

	The Group	
	2005 HK\$	2004 HK\$
Within one year	624,000	432,000
In the second to fifth years, inclusive	140,000	108,000
	764,000	540,000

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\$301,053 (2004: HK\$1,913,184) were earned from Hing Fung Goldsmith And Refinery Limited ("HFGR"), a former fellow subsidiary, up to March 2005, in which HFGR has ceased to be a related company;
- (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\$108,000 (2004: HK\$432,000) to RNA Investments up to March 2005, in which RNA Investments has ceased to be a related company;
- (c) Provision of technical support of HK\$Nil (2004: HK\$40,000) were paid to Giant Dragon Limited, a former fellow subsidiary, for maintaining the website to trading system;
- (d) Travelling expenses of HK\$Nil (2004: HK\$130,528) were reimbursed to two directors of RNA;
- (e) 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\$17,649 (2004: HK\$Nil) and HK\$2,037 (2004: HK\$Nil) respectively; and
 - (ii) ITC Management Limited, a fellow subsidiary, was HK\$97,079 (2004: HK\$Nil).
- (f) 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, the Group made rental payments of HK\$140,000 (2004: HK\$Nil) to Central Town; and
- (g) 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, beared interest at 3% above the Best Lending Rate of Hong Kong Dollar per annum. During the year, the Group drew down HK\$1,114,361 and the amount was fully repaid. An amount of interest paid in respect of the loan was HK\$2,677. The loan facility was expired on 30 September 2005.

All of the above transactions were entered into between the parties under normal commercial terms.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

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 INSTRUMENTS

(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 minimize such financial risks. The Group does not actively engage in the trading of financial assets for speculative purposes. 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 dollars. The Group does not hold or issue any derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates. 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.

(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 value of non-trade balances due from/to ultimate holding company, subsidiaries and related companies has not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined because of the relationship.

28. ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

Notes to the Financial Statements *(continued)*

For the year ended 31 December 2005

29. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2005

Up to the date of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ended 31 December 2005 and which have not been adopted in these financial statements:-

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures	1 January 2007
HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2006
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rate	1 January 2006
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1 January 2006
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards	1 January 2006
HKFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2006
HKFRS 7	Financial Instruments: Disclosures	1 January 2007
HKFRS-Int 4	Determining whether an Arrangement contains a Lease	1 January 2006
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2006
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 December 2005
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies	1 March 2006

In addition, the Hong Kong Companies (Amendments) Ordinance 2005 came into effect on 1 December 2005 and will be first applicable to the Group's financial statements for the year beginning 1 January 2006.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations are expected to be in the period of initial application. So far it has concluded that the adoption of these amendments, new standards and interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

30. 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.

31. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board on 24 March 2006.