



Trasy Gold Ex Limited 卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 8063

Internet Precious Metals Trading Platform

Trasy GOLD

BUY SELL **671.1** **671.6**

BEST QUOTE	LAST	BID	SIZE	ASK	ASK SIZE	HIGH	LOW	VOLUME
GOLD	671.3	1290	671.8	671.8	2900	671.8	671	62000
SILVER	13.05	20000	13.00	20000	20000	13.11	13.02	200000
PALLADIUM	358	2200	350	362	2000	363	355	3300
PLATINUM	1270	1000	1270	1285	1600	1284	1275	2000

Order Summary

Trade Size	200,000.00	Available Fund	870.00	Total Equity	41,000.00
Credit Limit	0.00	Margin Used	0.00	Unsettled P/L	0.00
Cash Balance	40,000.00	Margin A/R	4,000.00	Unsettled P/L	0.00
	870.00	Unsettled P/L	0.00		0.00

www.trasy.com

Half Year Report 2007

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

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board"), I am pleased to present to the shareholders the Half Year Report 2007 in respect of Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively the "Group").

The second quarter of 2007 was a very eventful one for the Group. Trading in the Company's shares resumed on 25 May 2007 after suspension for almost four years. Resumption of trading in the Company's shares has removed the uncertainty that clouded the Company's operations caused by the prolonged suspension.

Capitalizing on positive market sentiment, the Company issued 550,000,000 new shares at a price of HK\$0.20 each pursuant to a placing and subscription agreement entered into between the Company, ITC Corporation Limited ("ITC") and a placing agent in June 2007 which raised new equity of approximately HK\$106 million (net of expenses) for the Group to strengthen its capital and broaden its shareholder base. It is gratifying to see that the share prices of the Company have performed well since resumption of trading and the successful placing of 550 million shares shortly after resumption of trading reflects the market's confidence in the Group's future prospects.

On the operations side, the Group's performance continued to improve significantly. The operations were profitable for two consecutive quarters bringing a profit attributable to equity holders of the Company for the six months ended 30 June 2007 to approximately HK\$827,000 compared with a loss of approximately HK\$2,465,000 for the corresponding period of last year. Transaction fees from its internet-based precious metals trading platform (the "Trasy System") increased by approximately 88% to HK\$3,301,000 whereas turnover of treasury investments increased by approximately 22% to HK\$37.9 million compared with the corresponding period of last year and a contribution from the treasury investments of approximately HK\$1,097,000 was achieved in the first half of 2007.

To further capitalize on the window of opportunity presented by buoyant market conditions, the Group appointed Taifook Securities Company Limited as a placing agent (the "Placing Agent") to conditionally place 392,000,000 new shares and convertible notes ("CN") with a maximum principal amount of HK\$100,000,000 (the "Placing") on a best efforts basis whereas ITC conditionally agreed to subscribe for up to 340,000,000 new shares and subscribe for a principal amount of HK\$50,000,000 CN with an option to subscribe for up to a maximum aggregate principal amount of HK\$100,000,000 depending on the shortfall (if any) of the principal amount of CN not successfully placed by the Placing Agent (the "Subscription"). The Placing and Subscription are subject to, among other things, approval

CHAIRMAN'S STATEMENT *(continued)*

of independent shareholders of the Company and fulfillment of conditions precedent as stated in the Company's circular to its shareholders dated 23 July 2007. The Placing and Subscription were approved by the independent shareholders at an extraordinary general meeting held on 8 August 2007.

As of 30 June 2007, the Group had cash on hand amounting to approximately HK\$123,480,000. The Group is in a very healthy financial position with good liquidity. Subject to fulfillment of conditions precedent and successful completion of the Placing and Subscription, the Group would be able to raise additional cash of up to a maximum of approximately HK\$295 million from the net proceeds of the Placing and Subscription and its liquidity would be further enhanced. The Group is well placed to act swiftly to capitalize on suitable investment opportunities to diversify the Group's business activities and broaden its earnings base as and when they arise. The Group will target to look for strategic investments that would bring in attractive returns to it in medium term.

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude to all staff for their devoted efforts and hard work over the period and the efforts of the working party in bringing resumption of trading of the Company to a success.

FINANCIAL REVIEW

For the six months ended 30 June 2007, the Group's unaudited consolidated turnover amounted to approximately HK\$41,216,000 (six months ended 30 June 2006: approximately HK\$32,804,000). Transaction fees of about HK\$3,301,000 were earned for the six months ended 30 June 2007, which is approximately 1.88 times of that recorded in the same period of last year, as a result of an expanded user base. During the period under review, a net realized gain of approximately HK\$34,000 (six months ended 30 June 2006: approximately HK\$101,000) on precious metals contract trading and a contribution of approximately HK\$1,097,000 (six months ended 30 June 2006: approximately HK\$629,000) from treasury investments were recorded.

The Group recorded a profit attributable to equity holders of approximately HK\$827,000 for the six months ended 30 June 2007 (six months ended 30 June 2006: a loss of approximately HK\$2,465,000), representing a basic earnings per share of 0.0294 HK cent (six months ended 30 June 2006: a basic loss per share of approximately 0.0887 HK cent).

FINANCIAL REVIEW *(continued)***Liquidity and Financial Resources**

The liquidity of the Group was healthy as the total amount of current assets as at 30 June 2007 was about 16.98 times current liabilities (as at 31 December 2006: about 5.59 times); no long-term liabilities were carried by the Group as at 30 June 2007 and 31 December 2006. The increase in current ratio was mainly due to the net proceeds of approximately HK\$106 million raised from the top-up placing during the period. The Group's gearing ratio, representing total long-term debts divided by total shareholders' equity, was zero as at 30 June 2007 and 31 December 2006. 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.

On 28 June 2007, the Company and the Placing Agent entered into a share placing agreement pursuant to which the Placing Agent conditionally agreed to place, on a best efforts basis, a maximum of 392,000,000 new shares of the Company at HK\$0.205 per share to independent third parties. The Company and ITC also entered into a share subscription agreement pursuant to which ITC conditionally agreed to subscribe for up to 340,000,000 new shares of the Company at HK\$0.205 per share. The number of shares being subscribed and held by ITC and its concert parties will be a minimum of 38.58% but not exceeding 40% of the total issued share capital of the Company as enlarged by the share subscription and the share placing.

In addition, on 29 June 2007, the Company and the Placing Agent entered into a CN placing agreement pursuant to which the Placing Agent conditionally agreed to place, on a best efforts basis, up to a maximum principal amount of HK\$100,000,000 CN of the Company which are convertible into 416,666,666 conversion shares at an initial conversion price of HK\$0.24 per conversion share (subject to adjustments), to independent third parties. The Company and ITC also entered into a CN subscription agreement pursuant to which ITC conditionally agreed to subscribe for a principal amount of HK\$50,000,000 CN of the Company and may elect to subscribe for an additional amount up to HK\$50,000,000 (representing the principal amount out of the HK\$100,000,000 CN which have not been successfully placed by the Placing Agent (if any)).

For details of the aforesaid placing and subscription of shares and CN, please refer to the Company's announcement and circular dated 5 July 2007 and 23 July 2007 respectively.

FINANCIAL REVIEW *(continued)*

Capital Structure

During the six months ended 30 June 2007, the Company issued 550,000,000 shares pursuant to the placing and subscription agreement dated 12 June 2007, and issued 100,000 shares upon exercise of share options granted, and the issued share capital has been increased to 3,329,100,000 shares as at 30 June 2007. There was also the recognition of share-based payment reserve in view of the grant of share options during the six months ended 30 June 2007 (six months ended 30 June 2006: nil).

Significant Investments

There were no significant investments during the six months ended 30 June 2007 and 2006.

Material Acquisitions and Disposals and Future Plans for Investments

There were no material acquisitions and disposals of subsidiaries or affiliated companies by the Group during the six months ended 30 June 2007 and 2006. The Group intends to finance expansion by its internal resources, the proceeds from the placing and subscription as mentioned above or other fund raising exercise, where appropriate.

Employees and Remuneration Policies

The total number of employees (including executive Directors) was 15 as at 30 June 2007 (as at 30 June 2006: 19), and total staff costs for the six months ended 30 June 2007 were approximately HK\$2,597,000 (six months ended 30 June 2006: HK\$3,726,000). 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, the Directors and eligible participants (as defined in the Scheme), to enable them to subscribe for shares of the Company. During the period under review, a total of 5,400,000 share options were granted under the Scheme (six months ended 30 June 2006: nil) and the Group recognized an expense of approximately HK\$69,000 as share-based payment expense for the six months ended 30 June 2007 in relation to the share options granted. For details of the movement in the share options, please refer to the section of "SHARE OPTIONS".

Charges on Group Assets

As at 30 June 2007 and 31 December 2006, none of the Group's assets has been pledged.

FINANCIAL REVIEW *(continued)*

Contingent Liabilities

Up to the date of this report, no contingent liabilities were noted by the Directors.

OPERATIONS REVIEW AND OUTLOOK

Trasy System Business

The Group's Trasy System business achieved further growth for the six months ended 30 June 2007 comparing with that in the same period of last year. A total volume of approximately 9.8 million ounces of gold was transacted through the Trasy System (six months ended 30 June 2006: approximately 6.5 million ounces).

The precious metals market was volatile during the six months period under review and the trend is expected to continue. The price volatility in precious metals has revived investors' interest in gold as an alternative investment and substantial inflow of funds into precious metals trading has been seen. The Group will continue to exploit prevailing market opportunities to expand the Trasy System.

Precious Metals Contract Trading

As a vertically-integrated business development, the Group's precious metals contract trading complements the Trasy System business in providing additional liquidity for the Trasy System. For the six months period under review, a net realized trading gain of approximately HK\$34,000 and an unrealized trading loss of approximately HK\$66,000 were recorded for precious metals contract trading (six months ended 30 June 2006: a net realized trading gain of approximately HK\$101,000 and an unrealized trading loss of approximately HK\$16,000). The Group will continue to adopt prudent risk management and credit control policies to monitor and minimize the Group's risk exposures on precious metals contract trading.

Treasury Management

The Hong Kong stock market has been buoyant during the period under review. For the six months ended 30 June 2007, a contribution of approximately HK\$1,097,000 (six months ended 30 June 2006: approximately HK\$629,000) was recorded from treasury investments. The Group will continue to adopt a pro-active treasury management policy with a view to enhancing shareholder return through more effective deployment of its financial resources.

The Board is pleased to present the unaudited consolidated results of the Group for the three months and six months ended 30 June 2007 together with the unaudited comparative figures for the corresponding periods in 2006. The results have been reviewed by the Company's independent auditors, Moore Stephens and the Company's Audit Committee.

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months and six months ended 30 June 2007

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

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 June 2007

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 June 2007*

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

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 June 2007*

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

Notes:

1. Basis of preparation

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

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

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

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

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

Notes (continued):

1. Basis of preparation (continued)

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

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

Notes (continued):

2. Turnover and segment information

Business segments

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

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

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

Notes (continued):

2. Turnover and segment information (continued)

Geographical segments

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

3. Profit/(loss) from operating activities

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

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

4. Taxation

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

Notes (continued):

5. Earnings/(loss) per share

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

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

Number of shares

Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share

2,839,461,538 2,779,000,000 **2,809,397,789** 2,779,000,000

Effect of dilutive potential ordinary shares: Share options

12,815 - **6,443** -

Weighted average number of ordinary shares for the purposes of diluted earnings per share

2,839,474,353 2,779,000,000 **2,809,404,232** 2,779,000,000

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

6. Interim dividend

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

7. Property, plant and equipment

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

Notes (continued):

8. Accounts receivable and other receivables

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

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

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

9. Accounts payable and other payables

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

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

Notes (continued):

10. Share capital

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

Notes:

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

Notes (continued):

11. Share-based payment transaction

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

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

Details of the share options are set out below:

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

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

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

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

Notes (continued):

11. Share-based payment transaction (continued)

Note:

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

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

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

At 30 June 2007, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation, within the meaning of Part XV of the Securities and Futures Ordinance (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.

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

At 30 June 2007, so far as is known to the Directors and 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:

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	Number of underlying shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Golden Hall Holdings Limited (Note 1)	Beneficial owner	Long position	1,284,451,139	-	38.58%
Fullhonour Limited (Note 1)	Interest of a controlled corporation	Long position	1,284,451,139	-	38.58%
ITC Investment Holdings Limited (Note 1)	Interest of a controlled corporation	Long position	1,284,451,139	-	38.58%
ITC Corporation Limited ("ITC") (Notes 1 and 2)	Interest of a controlled corporation	Long position	1,284,451,139	-	38.58%
	Beneficial owner	Long position	340,000,000	-	10.21%
	Beneficial owner	Long position	-	416,666,666	12.52%

**INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/
OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION
336 OF THE SFO** *(continued)***Interests and short positions of substantial shareholders in shares and
underlying shares of the Company** *(continued)*

Notes:

1. Golden Hall Holdings Limited is a wholly-owned subsidiary of Fullhonour Limited ("Fullhonour") which in turn is wholly-owned by ITC Investment Holdings Limited ("ITCIH"). ITCIH is a wholly-owned subsidiary of ITC. Fullhonour, ITCIH and ITC are deemed to be interested in 1,284,451,139 shares of the Company held by Golden Hall Holdings Limited.
2. ITC was interested in:
 - (i) up to 340,000,000 shares of the Company to be subscribed by ITC or its nominee(s) pursuant to the conditional shares subscription agreement entered into between the Company and ITC on 28 June 2007;
 - (ii) derivative of 208,333,333 shares pursuant to the convertible notes subscription agreement entered into between the Company and ITC on 29 June 2007 ("CN Subscription Agreement") whereby the Company shall issue convertible notes in the principal amount of HK\$50,000,000 to ITC or its nominee(s) convertible into 208,333,333 shares at the initial conversion price of HK\$0.24 (subject to adjustments); and
 - (iii) derivative of 208,333,333 shares pursuant to the additional amount of the convertible notes to be subscribed by ITC or its nominee(s) under the CN Subscription Agreement up to HK\$50,000,000 convertible into 208,333,333 shares at the initial conversion price of HK\$0.24 (subject to adjustments).

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 30 June 2007.

SHARE OPTIONS

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.

Details of the movements in the share options during the six months ended 30 June 2007 under the Scheme are as follows:–

Category of participants	Number of share options					Outstanding at 30 June 2007	Exercise price (HK\$)	Date of grant	Exercise Period
	Balance at 1 January 2007	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
Eligible employees	-	3,500,000	-	-	-	3,500,000	0.2194	1 June 2007	1 June 2007 to 31 May 2010 (Note 1)
Eligible participants	-	900,000	-	-	-	900,000	0.2194	1 June 2007	1 June 2007 to 31 May 2010 (Note 1)
Eligible participant	-	1,000,000	(100,000)	-	-	900,000	0.2014	6 June 2007	6 June 2007 to 5 June 2010 (Note 2)
	-	5,400,000	(100,000)	-	-	5,300,000			

Notes:

- 1st one-third of options exercisable from 1 June 2007 to 31 May 2010, both days inclusive;
 - 2nd one-third of options exercisable from 1 June 2008 to 31 May 2010, both days inclusive; and
 - 3rd one-third of options exercisable from 1 June 2009 to 31 May 2010, both days inclusive.
- 1st one-third of options exercisable from 6 June 2007 to 5 June 2010, both days inclusive;
 - 2nd one-third of options exercisable from 6 June 2008 to 5 June 2010, both days inclusive; and
 - 3rd one-third of options exercisable from 6 June 2009 to 5 June 2010, both days inclusive.

COMPETING INTERESTS

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

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 six months ended 30 June 2007, the Company was in compliance with code provisions set out in the CG Code except that code provision A.4.1 of the CG Code provides that the non-executive Directors should be appointed for a specific term, subject to re-election. The non-executive Directors of the Company were not appointed for a specified term 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 of Association of the Company.

Save as the mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the CG Code for the six months ended 30 June 2007.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2007, the Company had complied with the code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

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 unaudited consolidated results of the Group for the six months ended 30 June 2007.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2007. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

On behalf of the Board

Francis J. Chang Chu Fai

Chairman

Hong Kong, 13 August 2007

As at the date of this report, the Board comprises Mr. Francis J. Chang Chu Fai as Chairman, Mr. Leung Man Pok, John as Managing Director, Ms. Cheung Wing Chi, Winnie as executive Director, and Messrs. Chung Koon Yan, Wong Kai Tat and Yue Wai Keung as independent non-executive Director.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 18, which comprises the consolidated balance sheet of Trasy Gold Ex Limited (the "Company") and its subsidiaries as at 30 June 2007 and the related consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The GEM Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Financial Reporting Standards.

Moore Stephens

*Certified Public Accountants
Hong Kong*

13 August 2007