



ANNUAL REPORT

07



Trasy Gold Ex Limited
卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 08063

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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 (the "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

Non-executive Chairman

Mr. Yu Kam Kee, Lawrence

Executive Directors

Mr. Tang Chi Ming

Mr. Tse Ke Li

Independent Non-executive Directors

Mr. Chung Koon Yan

Mr. Wong Kai Tat

Ms. Chan Ling, Eva

COMPLIANCE OFFICER

Mr. Tse Ke Li

COMPANY SECRETARY

Mr. Tse Kam Fai, *ACIS, ACS, MHKIoD*

QUALIFIED ACCOUNTANT

Ms. Cheung Sze Man, *CPA Australia, HKICPA*

AUDIT COMMITTEE

Mr. Chung Koon Yan (*Chairman*)

Mr. Wong Kai Tat

Ms. Chan Ling, Eva

REMUNERATION COMMITTEE

Mr. Chung Koon Yan (*Chairman*)

Mr. Tang Chi Ming

Mr. Wong Kai Tat

AUTHORIZED REPRESENTATIVES

Mr. Tse Kam Fai

Mr. Tse Ke Li

AUDITORS

Moore Stephens, *Certified Public Accountants*

PRINCIPAL BANKERS

Wing Hang Bank, Limited

Bank of China (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1201, 12/F

88 Gloucester Road

Wanchai

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

STOCK CODE

08063

CHAIRMAN'S STATEMENT



I became the first Non-executive Chairman of the Company on 16 November 2007 and I am pleased to present my first Chairman's Statement in this annual report.

On the one hand, it is most delightful to say that following the submission of the resumption proposal dated 3 November 2006 and a subsequent submission thereafter, the Hong Kong Stock Exchange finally approved the resumption of trading in the shares of the Company with effect from 25 May 2007. On the other, it is no less challenging to be the Chairman of the Company after its suspension for almost four years. However, it is encouraging to see the join in of a number of new members with diverse experiences and professional backgrounds to the board of directors in the fourth quarter of 2007, I am sure they will bring in new visions and aspirations to the future development of the Company.

The consolidated results for the year ended 2007 was equally encouraging with turnover increasing by HK\$150.8% to HK\$187.6 million and net loss reduced by 75.0% to HK\$0.9 million. Excluding the impact of share based payment of HK\$3.2 million, the Group would actually have recorded net profit of HK\$2.3 million.

During the year, the Group managed to complete several fund raising exercises enabling it to continue to maintain a strong asset base to seize on and grasp any investment opportunities once they arise.

In a global perspective, the US sub-prime mortgage crisis and recent global stock market volatility pose potential risks to the global economy. However, the reform of the Mainland's financial market has focused world attention on investment opportunities in this part of the world and Hong Kong is expected to benefit from the strong economic growth which is likely to continue in the Mainland despite certain macro control and monetary tightening measures.

During the year, precious metal markets had been volatile and the trend is likely to continue in the coming years. The Company will continue to assess and strategically reposition itself to ensure satisfactory returns on capital. On the other hand, in view of the uncertain global economic backdrops, the board will continue to adopt an optimistic but cautious approach when identifying and evaluating potential diversified investment opportunities that will further strengthen the asset base and create long term and stable income to the Group.

Capitalizing on the sound asset base and the new insights and professional skills brought in by the new board members, I am confident that the Group is heading towards a new era of success and continued growth.

The Group remains highly alert over market risks and seeks to prevent or mitigate such risks with a prudent attitude.

On behalf of the board of directors, I would like to take this opportunity to thank all staff and my fellow directors for their great contributions and support.

Yu Kam Kee, Lawrence
Non-executive Chairman

14 March 2008

FINANCIAL HIGHLIGHTS AND SUMMARY

RESULTS AND FINANCIAL HIGHLIGHTS

For the quarter ended

	Q4 31 Dec 07 HK\$'000	Q3 30 Sept 07 HK\$'000	Q2 30 Jun 07 HK\$'000	Q1 31 Mar 07 HK\$'000
Turnover	27,910	118,484	30,093	11,123
Staff costs	(362)	(6,466)	(1,241)	(1,356)
(Loss)/profit before taxation	<u>(6,815)</u>	<u>5,095</u>	<u>682</u>	<u>145</u>
(Loss)/earnings per share (in HK cent)	<u>(0.171)</u>	<u>0.147</u>	<u>0.024</u>	<u>0.005</u>

Note: The results for the three-month period ended 31 March, 30 June and 30 September were extracted from the first, second and third quarterly reports respectively in 2007.

FINANCIAL SUMMARY

Audited consolidated results

For the year ended 31 December

	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	187,610	74,817	32,765	1,920	3,732
Cost of sales	(170,148)	(69,395)	(31,854)	-	-
Unrealized gain on gold bullion - net	-	-	-	3,392	11,187
Other revenue	5,426	3,794	6,855	1	679
Operating expenditures *	<u>(23,781)</u>	<u>(12,819)</u>	<u>(16,621)</u>	<u>(6,275)</u>	<u>(6,131)</u>
(Loss)/profit before taxation	<u>(893)</u>	<u>(3,603)</u>	<u>(8,855)</u>	<u>(962)</u>	<u>9,467</u>
(Loss)/earnings per share (in HK cent)	<u>(0.027)</u>	<u>(0.130)</u>	<u>(0.319)</u>	<u>(0.035)</u>	<u>0.341</u>

* These mainly included staff costs, depreciation, marketing and promotion expenses, finance costs, administrative and other expenses.

Assets and liabilities

As at 31 December

	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
Non-current assets	926	998	966	388	500
Current assets	<u>277,467</u>	<u>57,956</u>	<u>56,066</u>	<u>67,267</u>	<u>65,006</u>
Total assets	<u>278,393</u>	<u>58,954</u>	<u>57,032</u>	<u>67,655</u>	<u>65,506</u>
Current liabilities	<u>(8,169)</u>	<u>(10,373)</u>	<u>(4,848)</u>	<u>(6,615)</u>	<u>(3,505)</u>
Shareholders' fund	<u>270,224</u>	<u>48,581</u>	<u>52,184</u>	<u>61,040</u>	<u>62,001</u>



FINANCIAL REVIEW

The Group's turnover increased by 150.8% to HK\$187.6 million for the year ended 31 December 2007 from HK\$74.8 million for the year ended 31 December 2006. This increase was primarily due to the increase in turnover from treasury investments by 158.1% to HK\$182.2 million for the year ended 31 December 2007 from HK\$70.6 million for the year ended 31 December 2006. In addition, transaction fees earned from provision and operation of an internet-based electronic trading system increased 31.0% to HK\$5.5 million for the year ended 31 December 2007 from HK\$4.2 million for the year ended 31 December 2006.

Loss for the year attributable to the equity holders of the Company was HK\$0.9 million for the year ended 31 December 2007 compared to HK\$3.6 million for the year ended 31 December 2006. Excluding the share based payment expense arising from share options issued to the eligible participants amounting to HK\$3.2 million recognized during the year, the Group would have recorded a profit before share based payment for the fiscal year amounted to HK\$2.3 million.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

On 22 June 2007, 6 September 2007 and 21 September 2007, 550 million, 330 million and 335 million, respectively, ordinary shares were issued at HK\$0.200, HK\$0.190 and HK\$0.162, respectively, per share. The total net proceeds for these issues were HK\$219.2 million. There was also an issue of 410,000 shares as a result of exercise of employee share options.

The Group continues to maintain a healthy balance sheet. As at 31 December 2007, the Group had net current assets of HK\$269.3 million (2006: HK\$47.6 million). Cash and cash equivalents as at 31 December 2007 rose 389.1% to HK\$225.0 million from HK\$46.0 million as at 31 December 2006. As at 31 December 2007, the working capital of the Group was HK\$269.3 million, representing an increase of 465.8% as compared to 31 December 2006. The increase in cash and cash equivalents is primarily due to the cash proceeds received from issuance of new shares from the three top-up placings during the year.

As at 31 December 2007, the Group's current ratio was 34.0 times (as at 31 December 2006: 5.6 times). As the Group has no borrowings or banking facilities as at both years ended 31 December 2007 and 2006, the Group's gearing ratio for both years was zero. Up to the date of this report, no debt financing activities are currently in place or proposed.

The Group's assets and liabilities are mainly denominated in Hong Kong dollars and United States dollars. The Directors consider that the Group is not exposed to any significant foreign currency risk and thereby no related hedge was made by the Group during the year.

CHARGES ON GROUP ASSETS

During the years ended 31 December 2007 and 2006, none of the Group's assets has been pledged.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2007 (31 December 2006: Nil).

SIGNIFICANT ACQUISITION AND DISPOSAL DURING THE YEAR AS WELL AS OUTLOOK AND FUTURE PROSPECTS

During the year, the Group did not have any significant acquisition or disposal of investment. The Group managed to complete several fund raising exercises enabling it to continue to maintain a strong asset base to seize on and grasp any investment opportunities once they arise. They will either be financed by the Group's internal resources, external borrowings, or raising of fund or a combination of both.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees was 8 as at 31 December 2007 (31 December 2006: 16 employees). The Group offers a competitive remuneration package to its employees, including mandatory retirement funds, insurance and medical coverage. In addition, discretionary bonus and share options may be granted to eligible employees based on the Group's and individual's performance.

The Company adopted a share option scheme ("Scheme") at the annual general meeting of the Company held on 30 April 2002. Under the Scheme, Directors of the Company may, at their 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).

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2007 (2006: Nil).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE CHAIRMAN

Mr. Yu Kam Kee, Lawrence, *B.B.S., M.B.E., J.P.*, aged 62, was appointed as the non-executive Chairman of the Company on 16 November 2007. Mr. Yu underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of extensive experience in the garment industry. Mr. Yu is the chairman of See Corporation Limited, an independent non executive director of Great China Holdings Limited and a senior adviser of China Renji Medical Group Limited which shares are listed on The Stock Exchange of Hong Kong Limited. Mr. Yu is the honorary life president of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organizations. He is now the co-chairman of the Campaign Committee of The Community Chest of Hong Kong, governor of the Hong Kong Automobile Association, director of the Hong Kong Football Association and chairman of the Campaign Committee of the Road Safety Council. Mr. Yu was also the chairman of Wing On Travel (Holdings) Limited, a company listed on the main board of the Stock Exchange.

EXECUTIVE DIRECTORS

Mr. Tang Chi Ming, aged 35, was appointed as an executive Director of the Company on 7 December 2007. He is also a member of the Remuneration Committee of the Company. He holds a Bachelor of Science degree in Business Administration from the Salem International University, the United States of America. Mr. Tang has developed considerable experience in corporate management, information technology consulting, and property and securities investments by serving key position and directorship in private enterprises. Mr. Tang is an executive director of Wonson International Holdings Limited which shares are listed on the Stock Exchange. Mr. Tang is a director of each of the subsidiaries of the Company.

Mr. Tse Ke Li, aged 51, was appointed as an executive Director of the Company on 26 October 2007. He has over 10 years business management experience in a food and beverage company in Canada and investment experience in automobile trading in Canada. He also has several years experience in property investment and trading. He specializes in marketing and business development.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Koon Yan, aged 44, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also the Chairman of the Audit Committee and the Remuneration Committee of the Company. He is a fellow member of The Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants, and a member of The Institute of Chartered Accountants in England and Wales. He graduated from The Hong Kong Polytechnic University with a Master of Professional Accounting. Mr. Chung is a director of an accounting firm, Chiu, Choy & Chung CPA Ltd., and has more than 17 years' experience in accounting, auditing and taxation. Mr. Chung is currently an independent non-executive director of China Financial Leasing Group Limited (formerly known as "Golden 21 Investments Holdings Limited"), a company listed on the main board of the Stock Exchange.

Mr. Wong Kai Tat, aged 55, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also a member of the Audit Committee and the 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 Financial Services Institute of Australasia. Mr. Wong holds an LLB (Honours) degree from the University of Hong Kong, a Bachelor 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. He was an executive director of T S Telecom Limited listed on the Toronto Venture Exchange from 3 July 2004 to 30 March 2007.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Ms. Chan Ling, Eva, aged 42, was appointed as an independent non-executive Director of the Company on 16 November 2007. She is also a member of the Audit Committee of the Company. She has over 19 years of experience in auditing, accounting and finance in both international accounting firms and listed companies. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan is an executive director of China Strategic Holdings Limited which shares are listed on the Stock Exchange, an independent non-executive director of Wonson International Holdings Limited which shares are listed on the Stock Exchange, the deputy chairman of China Enterprises Limited (which shares are trading on the over-the-counter (OTC) securities markets in the United States) and a director of MRI Holdings Limited which shares are listed on the Australian Securities Exchange.

QUALIFIED ACCOUNTANT

Ms. Cheung Sze Man, aged 37, was appointed as the Qualified Accountant of the Company on 20 December 2007. She holds a Bachelor of Commerce degree and a Bachelor of Arts degree from the University of Auckland in New Zealand, and is a member of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in Australia. Ms. Cheung has accumulated audit experience in an international accounting firm and has diverse experience in corporate finance, accounting and human resource management by holding senior positions in private and public listed companies.

COMPANY SECRETARY

Mr. Tse Kam Fai, aged 44, 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 the Hong Kong Institute of Directors. He is currently the company secretary of other two listed companies which shares are listed on the Stock Exchange and has more than 15 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 2007, 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 have been taken to comply with the CG Code
1. The role and responsibilities between the Chairman and chief executive officer have not been divided.	A.2.1	Following the resignation of Mr. Francis J. Chang Chu Fai as chairman on 16 November 2007 and Mr. Leung Man Pok, John as managing director on 7 December 2007, the roles and functions of Chairman and chief executive officer have been performed by the two executive Directors collectively.
2. The non-executive Directors are not appointed for a specified term but are 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.

Save as those mentioned above in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the year ended 31 December 2007.

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 5.67 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 during the year ended 31 December 2007.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The 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 were 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.

The Board currently consists of the following six Directors:

Non-executive Chairman

Mr. Yu Kam Kee, Lawrence

Executive Directors

Mr. Tang Chi Ming

Mr. Tse Ke Li

Independent non-executive Directors

Mr. Chung Koon Yan

Mr. Wong Kai Tat

Ms. Chan Ling, Eva

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 composition of the Board reflects the necessary of balanced skills and experience for effective leadership. The biographical information of the Directors are set out on pages 7 to 8 of herein under the section headed "Biographies of Directors and Senior Management".

Chairman and Chief Executive Officer

Mr. Francis J. Chang Chu Fai resigned as Chairman and Mr. Yu Kam Kee, Lawrence was appointed as the non-executive Chairman of the Company on 16 November 2007, and Mr. Leung Man Pok, John resigned as Managing Director on 7 December 2007. Following the above changes, the Company has not appointed Chairman and chief executive officer, the roles and functions of Chairman and chief executive officer have been performed by the two executive Directors collectively. The Board considers that given the nature of the Company is investment holding and all investment decisions are made by the Board, the present structure is appropriate for the Company and has the advantage of allowing contributions from all Directors with different expertise.

Independent non-executive Directors

Following the resignation of Mr. Yue Wai Keung as an independent non-executive Director on 31 October 2007, the Company has only two independent non-executive Directors, the number of which fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. Upon the appointment of Ms. Chan Ling, Eva as an independent non-executive Director on 16 November 2007, the Company has fulfilled the minimum number of independent non-executive Directors required under the GEM Listing Rules.

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.

CORPORATE GOVERNANCE REPORT



BOARD OF DIRECTORS (continued)

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 regular meetings of the Board, the Directors review the operation and financial performances and review and approve the annual, interim or quarterly results.

During the financial year ended 31 December 2007, the Board held nineteen meetings. All Directors are given an opportunity to include any matter in the agenda for regular Board meetings and are given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

Name of Director	Number of attendance
Mr. Yu Kam Kee, Lawrence*	0/2
Mr. Tang Chi Ming**	1/1
Mr. Tse Ke Li***	3/5
Mr. Chung Koon Yan	19/19
Mr. Wong Kai Tat	18/19
Ms. Chan Ling, Eva*	2/2
Mr. Francis J. Chang Chu Fai#	15/17
Mr. Leung Man Pok, John**	16/18
Ms. Cheung Wing Chi, Winnie**	18/18
Mr. Yue Wai Keung###	11/14

* Mr. Yu Kam Kee, Lawrence and Ms. Chan Ling, Eva were appointed on 16 November 2007, and 2 Board meetings were held after their appointment.

** Mr. Tang Chi Ming was appointed on 7 December 2007, and only 1 Board meeting was held after his appointment.

*** Mr. Tse Ke Li was appointed on 26 October 2007, and 5 Board meetings were held after his appointment.

Mr. Francis J. Chang Chu Fai resigned on 16 November 2007, and 17 Board meetings were held before his resignation.

** Mr. Leung Man Pok, John and Ms. Cheung Wing Chi, Winnie resigned on 7 December 2007, and 18 Board meetings were held before their resignation.

Mr. Yue Wai Keung resigned on 31 October 2007, and 14 Board meetings were held before his resignation.

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.

CORPORATE GOVERNANCE REPORT

EXECUTIVE BOARD

The Company established an Executive Board on 20 January 2006 which consists of the executive Directors, currently being Mr. Tang Chi Ming and Mr. Tse Ke Li. The Executive Board is delegated with authority to handle and/or monitor the management functions and operation of the day-to-day business of the Group.

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

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

During the year ended 31 December 2007, the Board of Directors held four meetings for approving the appointment of Directors.

Name of Director	Number of attendance
Mr. Yu Kam Kee, Lawrence*	0/1
Mr. Tang Chi Ming**	0/0
Mr. Tse Ke Li***	2/3
Mr. Chung Koon Yan	4/4
Mr. Wong Kai Tat	3/4
Ms. Chan Ling, Eva*	1/1
Mr. Francis J. Chang Chu Fai#	3/3
Mr. Leung Man Pok, John**	3/4
Ms. Cheung Wing Chi, Winnie**	4/4
Mr. Yue Wai Keung***	0/1

* Mr. Yu Kam Kee, Lawrence and Ms. Chan Ling, Eva were appointed on 16 November 2007, and 1 meeting was held after their appointment.

** Mr. Tang Chi Ming was appointed on 7 December 2007, and no meeting was held after his appointment.

*** Mr. Tse Ke Li was appointed on 26 October 2007, and 3 meetings were held after his appointment.

Mr. Francis J. Chang Chu Fai resigned on 16 November 2007, and 3 meetings were held before his resignation.

** Mr. Leung Man Pok, John and Ms. Cheung Wing Chi, Winnie resigned on 7 December 2007, and 4 meetings were held before their resignation.

*** Mr. Yue Wai Keung resigned on 31 October 2007, and 1 meeting was held before his resignation.

REMUNERATION OF DIRECTORS

The Company established the Remuneration Committee on 20 January 2006 which currently consists of two independent non-executive Directors, namely Mr. Chung Koon Yan (as Chairman) and Mr. Wong Kai Tat, and one executive Director, namely Mr. Tang Chi Ming.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy of 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.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF DIRECTORS *(continued)*

During the year ended 31 December 2007, the Remuneration Committee held 7 meetings for reviewing the remuneration packages of the Directors and senior management.

Name of member	Number of attendance
Mr. Chung Koon Yan*	3/3
Mr. Tang Chi Ming**	0/0
Mr. Wong Kai Tat	6/7
Mr. Yue Wai Keung#	4/4
Mr. Leung Man Pok, John##	5/7

* Mr. Chung Koon Yan was appointed as a member of the Remuneration Committee on 26 October 2007, 3 remuneration committee meetings were held after his appointment.

** Mr. Tang Chi Ming was appointed as a member of the Remuneration Committee on 7 December 2007, no remuneration committee meeting was held after his appointment.

Mr. Yue Wai Keung resigned on 31 October 2007, and 4 remuneration committee meetings were held before his resignation.

Mr. Leung Man Pok, John resigned on 7 December 2007, and 7 remuneration committee meetings were held before their resignation.

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 and employees 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 26 to the financial statements. Details of the Directors' remuneration are set out in note 8 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	562
Non-audit services	106

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as Chairman), Mr. Wong Kai Tat and Ms. Chan Ling, Eva, 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 2007.

The Audit Committee shall meet not less than four times a year. The Audit Committee is mainly responsible for 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; reviewing the quarterly, interim and annual reports and accounts of the Group; and overseeing the Company's financial reporting system and internal control procedures. The terms of reference of the Audit Committee are posted on the Company's website.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE *(continued)*

Following the resignation of Mr. Yue Wai Keung as an independent non-executive Director on 31 October 2007, the Audit Committee comprised only two independent non-executive Directors, namely Messrs. Chung Koon Yan (as Chairman) and Wong Kai Tat. The number of which fell below the minimum number of member of audit committee under Rule 5.28 of the GEM Listing Rules, which therefore has insufficient members of Audit Committee and no Audit Committee meeting was held to review the third quarterly results of the Group for the nine months ended 30 September 2007. Upon the appointment of Ms. Chan Ling, Eva as an independent non-executive Director on 16 November 2007, the Company has fulfilled the minimum number of member of Audit Committee under the GEM Listing Rules.

During the financial year ended 31 December 2007, the Audit Committee held three meetings.

Name of member	Number of attendance
Mr. Chung Koon Yan	3/3
Mr. Wong Kai Tat	3/3
Ms. Chan Ling, Eva*	0/0
Mr. Yue Wai Keung#	3/3

* Ms. Chan Ling, Eva was appointed on 16 November 2007, and no Audit Committee meeting was held after her appointment.

Mr. Yue Wai Keung resigned on 31 October 2007, and 3 Audit Committee meetings were held before his resignation.

During the year ended 31 December 2007, the Audit Committee reviewed the first quarterly, interim and annual results of the Group together with the Auditors of the Company; which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the GEM Listing Rules. The Audit Committee also reviewed the corporate governance polices including the internal control policies of the Group.

SHAREHOLDERS' RIGHTS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Articles. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of general meeting and explained during the proceedings of the meetings.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The then Chairmen of the Board Committees attended the 2007 annual general meeting to answer questions at the meeting.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manner:

- delivery of the quarterly, interim and annual results and reports to all shareholders;
- publication of announcements on the quarterly, interim and annual results on the Stock Exchange website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the GEM Listing Rules; and
- the general meeting of the Company is also an effective communication channel between the Board and shareholders.

CORPORATE GOVERNANCE REPORT



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.

INTERNAL CONTROL

The Board has overall responsibility for maintaining a proper and effective system of internal control of the Group. The internal control system includes safeguard of the interest of shareholders and the Group's assets. The Board has delegated to management the implementation of all relevant financial, operational, compliance controls and risk management function within a defined framework. During the year ended 31 December 2007, the Board has conducted a review of the system of internal control to ensure the effectiveness and adequacy of the system. The Board shall conduct such review at least once annually.

DIRECTORS' REPORT

The Directors have pleasure to present their report and the audited financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The principal activities of its subsidiaries are set out in note 16 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's turnover from its five largest customers accounted for less than 30% of the Group's turnover.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 24 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 2007.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company ("2008 AGM") will be held on 25 April 2008.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2008 AGM, the register of members of the Company will be closed from Wednesday, 23 April 2008 to Friday, 25 April 2008, both days inclusive, during which 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 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 22 April 2008.

RESERVES

Details of the movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and note 27 to the financial statements respectively.

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 4 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 15 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 25 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 26 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"), share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provisions of the Articles. As at 31 December 2007, 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\$232,400,000.

DIRECTORS

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

Non-executive Chairman

Mr. Yu Kam Kee, Lawrence (appointed on 16 November 2007)

Executive Directors

Mr. Tang Chi Ming (appointed on 7 December 2007)
Mr. Tse Ke Li (appointed on 26 October 2007)
Mr. Francis J. Chang Chu Fai (resigned on 16 November 2007)
Mr. Leung Man Pok, John (resigned on 7 December 2007)
Ms. Cheung Wing Chi, Winnie (resigned on 7 December 2007)

Independent non-executive Directors

Mr. Chung Koon Yan
Mr. Wong Kai Tat
Ms. Chan Ling, Eva (appointed on 16 November 2007)
Mr. Yue Wai Keung (resigned on 31 October 2007)

In accordance with Article 87(1) of the Articles of Association of the Company ("Articles"), Mr. Chung Koon Yan and Mr. Wong Kai Tat shall retire by rotation at the forthcoming 2008 AGM, and being eligible, offer themselves for re-election.

There is no specific length of the term of office for each of the independent non-executive Directors and the non-executive Director 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.

Save as disclosed above, no Director proposed for re-election at the forthcoming 2008 AGM 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' REPORT

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

As at 31 December 2007, 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 Divisions 7 and 8 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 in underlying shares of the Company

Under the share option scheme of the Company adopted on 30 April 2002 (the "Scheme"), the Board may, at its discretion, grant 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.

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 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.

DIRECTORS' REPORT



DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Interests in underlying shares of the Company (continued)

Name of Directors	Nature of interest	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of share options	Approximate percentage of the issued ordinary share capital of the Company
Mr. Chung Koon Yan	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.33	1,500,000	0.038%
Mr. Wong Kai Tat	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	0.33	1,500,000	0.038%

Subsequent to the balance sheet date, as a result of the rights issue of the Company on the basis of one rights share for every two shares held ("Rights Issue") become unconditional on 4 February 2008, details of the Rights Issue are set out in the prospectus of the Company dated 14 January 2008, adjustments have been made to the exercise price and the number of shares subject to the share options in accordance with the terms of the Scheme.

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the required standard of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 December 2007.

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.

DIRECTORS' REPORT

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

At 31 December 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
Mr. Tse Young Lai (Note)	Beneficial owner	Long position	798,882,000	399,441,000	30.00%

Note: Mr. Tse Young Lai was interested in 798,882,000 ordinary shares and 399,441,000 underlying shares in respect of his irrevocable undertaking ("Irrevocable Undertaking") given to the Company on 17 December 2007. Pursuant to the Irrevocable Undertaking, Mr. Tse Young Lai has irrevocably undertaken to the Company that he would subscribe and lodge acceptance for the rights shares which would constitute the provisional allotment of rights shares in respect of the shares held by him pursuant to the terms of the Rights Issue.

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 2007.

CONNECTED TRANSACTION

During the year under review, there was no transaction which needs to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme are set out in note 24 to the financial statements.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 9 to 15 of the annual report.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as Chairman), Mr. Wong Kai Tat and Ms. Chan Ling, Eva, 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 2007.

DIRECTORS' REPORT



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, 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 2007, 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 2008 AGM to re-appoint Messrs. Moore Stephens as auditors of the Company.

On behalf of the Board

Tse Ke Li

Executive Director

Hong Kong, 14 March 2008

INDEPENDENT AUDITORS' REPORT

MOORE STEPHENS

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report to the Shareholders of Trasy Gold Ex Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 24 to 54, which comprise the consolidated and Company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT



OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Moore Stephens

Certified Public Accountants

Hong Kong, 14 March 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Note	2007 HK\$'000	2006 HK\$'000
Turnover	4, 5	187,610	74,817
Cost of sales		(170,148)	(69,395)
Gross profit		17,462	5,422
Other revenue	4	5,426	3,794
Staff costs		(9,425)	(6,600)
Depreciation		(195)	(174)
Other administrative and operating expenses		(4,358)	(4,977)
Other expenses	6	(7,255)	(15)
Profit/(loss) from operations	7	1,655	(2,550)
Finance costs	10	(2,548)	(1,053)
Loss before income tax		(893)	(3,603)
Income tax	11	-	-
Loss attributable to equity holders of the Company	12	(893)	(3,603)
Loss per share	14	HK cents	HK cents
- basic and diluted		(0.027)	(0.130)

The notes on pages 29 to 54 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current assets			
Property, plant and equipment	15	540	612
Available-for-sale investments	17	136	136
Other assets	18	250	250
		926	998
Current assets			
Trade and other receivables	20	10,561	9,418
Investments held for trading	21	41,919	2,570
Cash and cash equivalents	22	224,987	45,968
		277,467	57,956
Current liabilities			
Trade and other payables	23	8,169	10,373
		269,298	47,583
Net current assets			
		270,224	48,581
NET ASSETS			
Capital and reserves			
Share capital	25	39,944	27,790
Reserves	27	230,280	20,791
		270,224	48,581
TOTAL EQUITY			
		270,224	48,581

Tse Ke Li
Director

Tang Chi Ming
Director

The notes on pages 29 to 54 form part of these financial statements.

BALANCE SHEET

As at 31 December 2007

	Note	2007 HK\$'000	2006 HK\$'000
Non-current assets			
Interests in subsidiaries	16	272,621	50,732
Current assets			
Other receivables	20	34	42
Cash and cash equivalents	22	186	4
		220	46
Current liabilities			
Other payables	23	497	491
Net current liabilities			
		(277)	(445)
NET ASSETS			
		272,344	50,287
Capital and reserves			
Share capital	25	39,944	27,790
Reserves	27	232,400	22,497
TOTAL EQUITY			
		272,344	50,287

Tse Ke Li
Director

Tang Chi Ming
Director

The notes on pages 29 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2007

	Share capital HK\$'000 (note 25)	Share premium HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
1 January 2006	27,790	47,629	5,000	-	(28,235)	52,184
Loss for the year	-	-	-	-	(3,603)	(3,603)
31 December 2006 and 1 January 2007	27,790	47,629	5,000	-	(31,838)	48,581
Issue of shares	12,150	214,820	-	-	-	226,970
Share issuance costs	-	(7,750)	-	-	-	(7,750)
Equity settled share-based transactions	-	-	-	3,222	-	3,222
Shares issued under share option scheme	4	97	-	(7)	-	94
Loss for the year	-	-	-	-	(893)	(893)
31 December 2007	39,944	254,796	5,000	3,215	(32,731)	270,224

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.

The notes on pages 29 to 54 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2007

	Note	2007 HK\$'000	2006 HK\$'000
Cash flows from operating activities			
Loss before taxation		(893)	(3,603)
Adjustments for:			
Depreciation		195	174
Equity-settled share-based payment expenses		3,222	-
Interest income		(4,877)	(3,309)
Finance costs		2,548	1,053
Loss on disposal of property, plant and equipment		-	3
Net unrealized loss on investments held for trading		7,255	-
Dividend income from investments in securities		(129)	(65)
Net unrealized loss on precious metals contract trading		-	11
Operating profit/(loss) before changes in working capital		7,321	(5,736)
Increase in trade and other receivables		(1,143)	(6,782)
(Increase)/decrease in investments held for trading		(46,604)	2,654
(Decrease)/increase in trade and other payables		(2,204)	5,679
Net cash used in operating activities		(42,630)	(4,185)
Cash flows from investing activities			
Purchase of property, plant and equipment		(123)	(81)
Proceeds from disposal of property, plant and equipment		-	8
Investment in unlisted shares		-	(136)
Interest received		4,877	3,310
Dividend received from investments in securities		129	65
Net cash generated from investing activities		4,883	3,166
Cash flows from financing activities			
Proceeds from issuance of shares, net		219,314	-
Interest paid		(2,548)	(1,053)
Net cash generated from/(used in) financing activities		216,766	(1,053)
Net increase/(decrease) in cash and cash equivalents		179,019	(2,072)
Cash and cash equivalents at beginning of the year		45,968	48,040
Cash and cash equivalents at end of the year	22	224,987	45,968

The notes on pages 29 to 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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1. GENERAL INFORMATION

Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in the provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments.

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 (the "GEM") of The Stock Exchange of Hong Kong Limited since 7 December 2000.

The Group's functional currency is Hong Kong dollar. The financial statements are presented in thousands of Hong Kong dollars (HK\$'000), unless otherwise stated.

The financial statements were approved and authorized for issue by the board of directors on 14 March 2008.

2. BASIS OF PREPARATION

The consolidated financial information includes the financial statements of the Company and all its subsidiaries made up to 31 December.

The financial statements have been prepared under the historical cost convention (except for investments held for trading which have been measured at fair value) and in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term 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 and the disclosure requirements of the Hong Kong Companies Ordinance, and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

3. ACCOUNTING POLICIES

The accounting policies and method of computation used in the preparation of the financial statements for the year ended 31 December 2007 are consistent with those used in the financial statements for the year ended 31 December 2006, except for the adoption of the new and revised HKFRSs as explained below.

(a) Adoption of new and revised HKFRSs

The following new standards, amendments to standards and interpretations are mandatory for the financial year ending 31 December 2007.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) Int 7	Applying the Restatement Approach under HKAS29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) Int 8	Scope of HKFRS 2
HK(IFRIC) Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) Int 10	Interim Financial Reporting and Impairment

The adoption of above standards and interpretations has no material impact on the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(b) Standards, amendments to standards and interpretations that have been issued but are not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective from the period beginning on 1 January 2007 and have not been early adopted.

HKAS 1 (revised)	Presentation of Financial Statements (effective from 1 January 2009)
HKAS 23 (revised)	Borrowing Costs (effective from 1 January 2009)
HKFRS 8	Operating Segments (effective from 1 January 2009)
HK(IFRIC) Int 11	HKFRS 2- Group and Treasury Share Transactions (effective from 1 March 2007)
HK(IFRIC) Int 12	Service Concession Arrangements (effective from 1 January 2008)
HK(IFRIC) Int 13	Customer Loyalty Programmes (effective from 1 July 2008)
HK(IFRIC) Int 14	HKAS 19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January 2008)

The Group anticipates that the adoption of these new standards and interpretations will not result in substantial changes to the Group's accounting policies.

(c) Judgment and estimates

The preparation of financial statements in conformity with HKFRSs requires the directors 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.

The directors have considered the development, selection and disclosure of the Group's critical accounting policies and estimates. Note 26 to the financial statements contains information about the assumptions relating to the fair value of share options granted by the Group. There are no critical accounting judgments in applying the Group's accounting policies.

(d) Basis of consolidation

The consolidated financial statement includes the financial statements of the Company and its subsidiaries made up to 31 December each year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(e) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Inter-company transactions, balances and unrealized gains on transaction between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses, if any. The results of subsidiaries are accounted for the Company on the basis of dividends received and receivable.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes the purchase price of the asset and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the cost less accumulated impairment losses of each asset to their residual values over their estimated useful lives. The annual rates used for this purpose are as follows:-

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net proceeds with carrying amount of the relevant assets and are included in the income statement.

(g) Other assets

Other assets have indefinite useful lives and are carried at cost less any impairment losses deemed appropriate by the directors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(h) 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.

Under the GEM Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year.

(i) Investments in securities

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognized in the income statement as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognized in the income statement.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized in the balance sheet at cost less impairment losses.

Investments are recognised/derecognized on the date the Group commits to purchase/sell the investments or they expire.

(j) Trade and other receivables

Trade and other receivables are initially recognized at fair value and thereafter stated at amortized cost less allowance for impairment of doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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3. ACCOUNTING POLICIES (continued)

(k) Trade and other payables

Trade and other payables are initially recognized at fair value. Trade and other payables are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:-

- i) transaction fees derived from the provision of an internet-based electronic trading system are recognized when a transaction is duly executed on the trade date basis;
- ii) sales of trading securities are recognized on a trade date basis;
- iii) interest income is recognised as it accrues using the effective interest method; and
- iv) dividend income from listed investments is recognized when the share price of the investment goes ex-dividend.

(m) Employee benefits

i) *Short term employee benefits and contributions to defined contribution retirement plans*
Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by the employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) *Retirement benefit costs*

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(m) Employee benefit (continued)

iii) Share-based payments

The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is charged/credit to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expenses is adjusted to reflect the actual number of option that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognized in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

iv) Termination benefits

Termination benefits are recognized when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(n) Borrowing costs

Borrowing costs are expensed in the income statement in the period which they are incurred.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(p) Income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognized in the income statement.

(q) Translation of foreign currencies

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

3. ACCOUNTING POLICIES (continued)

(r) Related parties

For the purposes of these financial statements, 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 has joint control over the Group;
- ii) the Group and the party are subject to common control;
- iii) the party is a member of the key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- iv) the party is a close family member of a party referred to in i) or is an entity under the control, joint control or significant influence of such individuals; or
- v) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family member of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(s) Cash and cash equivalents

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. 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 for the purpose of the consolidated cash flow statements.

(t) Provision and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligation, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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3. ACCOUNTING POLICIES (continued)

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary report format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment.

Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

4. TURNOVER AND OTHER REVENUE

Turnover arises from the provision and operation of an internet-based electronic trading system, precious metals contract trading and treasury investments.

	The Group	
	2007 HK\$'000	2006 HK\$'000
Turnover		
Provision and operation of an internet-based electronic trading system	5,538	4,192
Precious metals contract trading	(140)	12
Treasury investments	182,212	70,613
	187,610	74,817
Other revenue		
Dividend income	129	65
Interest income	4,877	3,309
Miscellaneous income	420	420
	5,426	3,794
Total revenue	193,036	78,611

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

5. SEGMENTAL INFORMATION

Primary reporting format - 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, treasury investments and precious metals contract trading.

	Year ended 31 December 2007			Total HK\$'000
	Provision and operation of an internet-based electronic trading system HK\$'000	Treasury investments HK\$'000	Precious metals contract trading HK\$'000	
Turnover	5,538	182,212	(140)	187,610
Segment results	3,876	989	763	5,628
Unallocated corporate revenue				3,542
Unallocated corporate expenses				(7,515)
				1,655
Finance costs				(2,548)
Loss before income tax				(893)
Income tax				-
Loss for the year				(893)
ASSETS				
Segment assets	1,125	42,157	9,254	52,536
Unallocated corporate assets				225,857
Total assets				278,393
LIABILITIES				
Segment liabilities	-	6,756	22	6,778
Unallocated corporate liabilities				1,391
Total liabilities				8,169
Depreciation				
- Segmental	1	-	15	16
- Unallocated				179
				195
Capital expenditure				
- Segmental	-	-	-	-
- Unallocated				123
				123

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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5. SEGMENTAL INFORMATION (continued)

Primary reporting format - business segments (continued)

	Year ended 31 December 2006			
	Provision and operation of an internet-based electronic trading system HK\$'000	Treasury investments HK\$'000	Precious metals contract trading HK\$'000	Total HK\$'000
Turnover	4,192	70,613	12	74,817
Segment results	3,586	1,300	832	5,718
Unallocated corporate revenue				2,662
Unallocated corporate expenses				(10,930)
				(2,550)
Finance costs				(1,053)
Loss before income tax				(3,603)
Income tax				-
Loss for the year				(3,603)
ASSETS				
Segment assets	175	4,812	6,955	11,942
Unallocated corporate assets				47,012
Total assets				58,954
LIABILITIES				
Segment liabilities	-	-	8,021	8,021
Unallocated corporate liabilities				2,352
Total liabilities				10,373
Depreciation				
- Segmental	8	-	44	52
- Unallocated				122
				174
Capital expenditure				
- Segmental	-	-	68	68
- Unallocated				13
				81

Secondary reporting format - geographical segments

No geographical segment analysis is presented for the years ended 31 December 2007 and 2006 as more than 90% of the Group's turnover, segment results and the location of assets are derived from or located in Hong Kong.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

6. OTHER EXPENSES

	The Group	
	2007 HK\$'000	2006 HK\$'000
Net unrealized loss on precious metals contract trading	-	11
Net unrealized loss on investments in securities	7,725	4
	7,725	15

7. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is arrived at after charging:

	The Group	
	2007 HK\$'000	2006 HK\$'000
Auditors' remuneration		
– current year provision	562	800
– prior year underprovision	-	128
Retirement scheme contributions		
– directors	12	13
– others	95	119
Salaries, wages and other benefits		
– directors' emoluments	1,861	2,529
– others	3,668	3,939
Termination benefits	567	-
Equity-settled share-based payment expenses	3,222	-
Depreciation	195	174
Operating lease rentals in respect of land and buildings	448	624
Loss on disposal of property, plant and equipment	-	3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

8. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group are set out below.

2007

Name of director	Fee HK\$'000	Salaries, allowances and benefit in kinds HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Sub-total HK\$'000	Share- based payments HK\$'000 (note)	Total HK\$'000
Non-executive chairman:							
Yu Kam Kee, Lawrence (appointed on 16 November 2007)	15	-	-	-	15	-	15
Executive directors:							
Cheung Wing Chi, Winnie (resigned on 7 December 2007)	225	-	-	-	225	378	603
Francis J. Chang Chu Fai (resigned on 16 November 2007)	632	-	-	-	632	-	632
Leung Man Pok, John (resigned on 7 December 2007)	-	556	-	12	568	1,134	1,702
Tang Chi Ming (appointed on 7 December 2007)	-	-	-	-	-	-	-
Tse Ke Li (appointed on 26 October 2007)	-	66	-	-	66	-	66
Independent non-executive directors:							
Chan Ling, Eva (appointed on 16 November 2007)	15	-	-	-	15	-	15
Chung Koon Yan	120	-	-	-	120	113	233
Wong Kai Tat	120	-	-	-	120	113	233
Yue Wai Keung (resigned on 30 October 2007)	100	-	-	-	100	-	100
	1,227	622	-	12	1,861	1,738	3,599

Note: These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options, which is measured according to the Group's accounting policies for share-based payment transactions, are set out in note 26.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 26.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

8. DIRECTORS' REMUNERATION (continued)

2006

Name of director	Fee HK\$'000	Salaries, allowances and benefit in kinds HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Sub-total HK\$'000	Share- based payments HK\$'000	Total HK\$'000
Executive directors:							
Chan Kee Chee, Keith (resigned on 20 January 2006)	-	684	-	1	685	-	685
Cheung Wing Chi, Winnie (resigned on 7 December 2007)	228	-	-	-	228	-	228
Francis J. Chang Chu Fai (Chairman) (resigned on 16 November 2007)	683	-	-	-	683	-	683
Leung Man Pok, John (Managing director) (resigned on 7 December 2007)	-	592	-	12	604	-	604
Independent non-executive directors:							
Chan Choi Ling (resigned on 20 January 2006)	-	-	-	-	-	-	-
Chung Koon Yan	114	-	-	-	114	-	114
Wong Kai Tat	114	-	-	-	114	-	114
Yue Wai Keung (resigned on 30 October 2007)	114	-	-	-	114	-	114
	1,253	1,276	-	13	2,542	-	2,542

No share options were granted to the Directors of the Company during the financial year ended 31 December 2006.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2006: three) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other one individual (2006: two individuals) are as follows:

	2007 HK\$'000	2006 HK\$'000
Salaries and other emoluments	967	1,200
Termination payments	306	-
Discretionary bonus	75	160
Share-based payments	174	-
Retirement scheme contributions	12	24
	1,534	1,384

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

The emoluments of the one individual (2006: two individuals) with the highest emoluments are within the following bands:

	Number of individuals	
	2007	2006
HK\$Nil - HK\$1,000,000	-	2
HK\$1,000,001 to HK\$2,000,000	1	-
	1	2

10. FINANCE COSTS

	The Group	
	2007 HK\$'000	2006 HK\$'000
Interest on securities margin accounts	1,614	-
Interest on precious metals contract trading	934	1,053
	2,548	1,053

11. INCOME TAX

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 the previous year to offset against its estimated assessable profit for the year.

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

	The Group	
	2007 HK\$'000	2006 HK\$'000
Loss before taxation	(893)	(3,603)
Notional tax at statutory rate of 17.5% (2006: 17.5%)	(156)	(631)
Tax effect of income that is not taxable in determining taxable profits	(233)	(414)
Tax effect of expenses that are not deductible in determining taxable profits	621	270
Tax effect of prior years' tax losses utilized	(543)	(278)
Tax effect of tax allowances over depreciation	(1)	(61)
Tax effect of unused tax losses not recognized	312	1,114
	-	-

12. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company includes a loss of HK\$479,000 (2006: HK\$1,521,000) which has been dealt with in the financial statements of the Company.

13. DIVIDEND

The board of directors resolved not to declare the payment of the dividend for the current year (2006: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

14. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Loss for the year (HK\$'000)	(893)	(3,603)
Weighted average number of ordinary shares for the purpose of basic loss per share (thousand of shares)	3,269,418	2,779,000
Basic loss per share (HK cents)	(0.027)	(0.130)

(b) Diluted

Diluted loss per share is the same as there were no potential dilutive ordinary shares outstanding during the years.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Computer equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
Cost					
1 January 2006	252	288	1,090	13	1,643
Additions	-	1	80	-	81
Disposals	-	-	(19)	(13)	(32)
31 December 2006 and 1 January 2007	252	289	1,151	-	1,692
Additions	-	19	104	-	123
Disposals	-	-	(12)	-	(12)
31 December 2007	252	308	1,243	-	1,803
Accumulated depreciation					
1 January 2006	15	58	852	2	927
Charge for the year	38	41	95	-	174
On disposals	-	-	(19)	(2)	(21)
31 December 2006 and 1 January 2007	53	99	928	-	1,080
Charge for the year	39	38	118	-	195
On disposals	-	-	(12)	-	(12)
31 December 2007	92	137	1,034	-	1,263
Net book value					
31 December 2007	160	171	209	-	540
31 December 2006	199	190	223	-	612

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

16. INTERESTS IN SUBSIDIARIES

	The Company	
	2007 HK\$'000	2006 HK\$'000
Unlisted shares, at cost	-	-
Amounts due from subsidiaries	294,974	73,321
Amount due to a subsidiary	-	(236)
Less: impairment loss	(22,353)	(22,353)
	272,621	50,732

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 wholly-owned subsidiaries of the Company as at 31 December 2007 and 2006:

Company	Place of incorporation	Issued and paid up capital	Principal activities/ place of operation
Directly held:			
Durable Gold Investments Limited	British Virgin Islands	Ordinary US\$1	Investment holding/ Hong Kong
Indirectly held:			
The Gold On-Line Trading Limited	Hong Kong	Ordinary HK\$2	Provision and operation of an internet precious metals trading system/ Hong Kong
G9999.Com Limited	Hong Kong	Ordinary HK\$2	Internet content provider/ Hong Kong
Wing Shing Loong Goldsmith & Refinery Co. Limited	Hong Kong	Ordinary HK\$15,000,000	Gold bullion licence holding and precious metals trading/ Hong Kong
Trasy Technology Limited	British Virgin Islands	Ordinary US\$1	Dormant
Trasy Holdings Limited	Hong Kong	Ordinary HK\$2	Management services/ Hong Kong
United Goldnet Limited	Hong Kong	Ordinary HK\$2	Treasury management and securities trading/ Hong Kong

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

17. AVAILABLE-FOR-SALE INVESTMENTS

	The Group	
	2007 HK\$'000	2006 HK\$'000
Unlisted equity shares, at cost	136	136

The cost of unlisted shares represents the investment cost in the shares of Hong Kong Precious Metals Exchange Limited, a subsidiary of The Chinese Gold & Silver Exchange Society.

18. OTHER ASSETS

	The Group	
	2007 HK\$'000	2006 HK\$'000
Membership licences, at cost	1,180	1,180
Less: Impairment loss	(930)	(930)
	250	250

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

19. DEFERRED INCOME TAX

The components of deferred tax (assets)/liabilities recognized in the consolidated balance sheet and the movements during the year are as follows:-

The Group

	Property, plant and equipment HK\$'000	Tax losses HK\$'000	Total HK\$'000
1 January 2006	(34)	34	-
Charged/(credited) to the income statement	34	(34)	-
31 December 2006, 1 January 2007 and 31 December 2007	-	-	-

Details of unrecognized deferred tax assets /(liabilities) at the balance sheet date are as follows:-

	2007 HK\$'000	2006 HK\$'000
Excess of depreciation over tax allowances	(52)	(61)
Tax losses	3,156	3,910
	3,104	3,849

The deferred tax assets have not been recognized in the financial statements due to the unpredictability of future profit streams.

Company

The Company did not have any unrecognized deferred tax assets and liabilities at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Trade receivable	1,090	2,616	-	-
Deposits in principals accounts	9,073	6,368	-	-
Deposits and prepayments	398	434	34	42
	10,561	9,418	34	42

An aging analysis of trade receivable is set out below:

	The Group	
	2007 HK\$'000	2006 HK\$'000
0-30 days	1,090	2,616
31-60 days	-	-
61-90 days	-	-
Over 90 days	-	-
	1,090	2,616

The Group generally grants a credit period of 30 days to the principals and customers who have agreed to contribute tradable prices to the Group's trading platform. Further details on the Group's credit policy are set out in note 28(d).

21. INVESTMENTS HELD FOR TRADING

	The Group	
	2007 HK\$'000	2006 HK\$'000
Equity securities listed in Hong Kong, at market value	35,819	2,570
Unlisted mutual funds, at market value	6,100	-
	41,919	2,570

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

22. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Terms deposits with initial terms of less than three months	7,910	45,148	-	-
Cash and bank balances	217,077	820	186	4
Cash and cash equivalents in consolidated cash flow statement	224,987	45,968	186	4

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
United States dollars	7,834	32,259	-	-
Hong Kong dollars	217,153	13,709	186	4
	224,987	45,968	186	4

Cash at banks earns interest at floating rates based on daily bank deposit rates. The weighted average effective interest rate of the Group on short-term bank deposits, with original maturity of three months or less, was 4.8% (2006: 4.4%).

23. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Trade payable	12	26	-	-
Deposits received from customers	6,767	7,995	-	-
Accruals and other payables	1,390	2,352	497	491
	8,169	10,373	497	491

An aging analysis of trade payable is set out below:

	The Group	
	2007 HK\$'000	2006 HK\$'000
0-30 days	-	-
31-60 days	-	2
61-90 days	-	12
Over 90 days	12	12
	12	26

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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24. EMPLOYEE RETIREMENT BENEFITS

The Group participates in a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

25. SHARE CAPITAL

	2007		2006	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.01 each	180,000,000,000	1,800,000	180,000,000,000	1,800,000
Issued and fully paid:				
At as 1 January	2,779,000,000	27,790	2,779,000,000	27,790
Issuance of shares	1,215,000,000	12,150	-	-
Shares issued under share option scheme	410,000	4	-	-
At as 31 December	3,994,410,000	39,944	2,779,000,000	27,790

On 22 June 2007, 550,000,000 ordinary shares were issued at HK\$0.200 per share for net consideration of approximately HK\$106.5 million. These shares rank pari passu in all respects with the shares in issue.

On 6 September 2007, 330,000,000 ordinary shares were issued at HK\$0.190 per share for net consideration of approximately HK\$60.4 million. These shares rank pari passu in all respects with the shares in issue.

On 21 September 2007, 335,000,000 ordinary shares were issued at HK\$0.162 per share for net consideration of approximately HK\$52.3 million. These shares rank pari passu in all respects with the shares in issue.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

26. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company adopted a share option scheme ("Scheme") at the annual general meeting of the Company held on 30 April 2002. Under the Scheme, the directors of the Company may, at their 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). Details of the Scheme are set out in the circular of the Company dated 28 March 2002.

Details of the share options outstanding during the years are as follows:

	Weighted average exercise price per share HK\$	Number of share options
Outstanding as at 1 January 2006, 31 December 2006, and 1 January 2007	-	-
Granted during the year	0.321	65,800,000
Lapsed during the year	0.326	(19,700,000)
Exercised during the year	0.215	(410,000)
Outstanding as at 31 December 2007	0.319	45,690,000
Exercisable as at 31 December 2007	0.327	42,500,000

Share options outstanding at 31 December 2007 have the following expiry date and exercise price.

	Exercise price per share HK\$	Number of share options
Expire date		
31 May 2010	0.2014	900,000
31 May 2010	0.2194	3,390,000
31 May 2010	0.3300	41,400,000
		45,690,000

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

26. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

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	9 July 2007
Number of share options granted	4,400,000	1,000,000	60,400,000
Exercise price per share	HK\$0.2194	HK\$0.2014	HK\$0.3300
Option period	Within 3 years from the grant date	Within 3 years from the grant date	Within 3 years from the grant date
Share price	HK\$0.231	HK\$0.163	HK\$0.238
Expected volatility	14.34%	14.34%	33.73%
Fair value of the share options determined at the grant date	HK\$159,000	HK\$25,000	HK\$4,566,000
Risk-free interest rate	4.355%	4.355%	4.471%
Expected dividend yield	Nil	Nil	Nil

The expected volatilities were estimated by the average annualised standard deviation of the continuously compounded rates of return on share prices of the Company or comparable companies as of the grant date.

27. RESERVES

The Group

Movements in the reserves of the Group are set out in the consolidated statements of changes in equity.

The Company

	Share premium HK\$'000	Capital reserve HK'000	Accumulated losses HK\$'000	Total HK\$'000
1 January 2006	47,629	-	(23,611)	24,018
Loss for the year	-	-	(1,521)	(1,521)
31 December 2006 and 1 January 2007	47,629	-	(25,132)	22,497
Issue of shares	214,820	-	-	214,820
Share issuance costs	(7,750)	-	-	(7,750)
Shares issued under share option scheme	97	(7)	-	90
Equity-settled share-based transactions	-	3,222	-	3,222
Loss for the year	-	-	(479)	(479)
31 December 2007	254,796	3,215	(25,611)	232,400

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 2007, in the opinion of the directors, the Company's reserves available for distribution to shareholders, comprising share premium account and accumulated losses, amounted to approximately HK\$232,400,000 (2006: HK\$22,497,000).

Capital management

The capital structure of the Group primarily consists of shareholders' equity, comprising issued capital and various reserves.

The Group's capital management objectives are:

- (i) to ensure the Group's ability to continue as a going concern;
- (ii) to provide an adequate return of shareholders;
- (iii) to support the Group's sustainable growth; and
- (iv) to provide capital for the purpose of potential mergers and acquisitions.

As at both years ended 31 December 2007 and 2006, the Group had no external financing.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and price risks, which result from both its operating and investing activities. Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group's risk management is coordinated at its headquarter, in close monitor with the board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate lasting returns.

(a) Currency risk

Currency risk to the Group is minimal as most of the Group's transactions are carried out in Hong Kong dollars and United States dollars. The Group considers the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies; and therefore the currency risk exposed by the Group is insignificant.

(b) Interest rate risk

As the Group has no significant, interest-bearing assets, other than cash and cash equivalents, and interest-bearing liabilities, the Group's income and operation cash flows are substantially independent of changes in market interest rates.

(c) Liquidity risk

As at both financial years ended 31 December 2007 and 2006, the Group has no significant borrowings.

(d) Credit risk

The Group's exposure on credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarized below:-

	2007 HK'000	2006 HK'000
Class of financial assets- carrying amounts		
Available-for-sale investments	136	136
Other assets	250	250
Trade and other receivables	10,560	9,418
Investments held for trading	41,919	2,570
Cash and cash equivalents	224,987	45,968
	277,852	58,342

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluation focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining the economic environment in which the customer operates.

The Group generally grants a credit period of 30 days to the principals and customers who have agreed to contribute tradable prices to the Group's trading platform. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

28. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Credit risk *(continued)*

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Investments are normally only in liquid securities quoted on a recognised stock exchange or counterparty of sound credit standing, except where entered into for long term strategic purposes.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(e) Price risk

The Group is exposed to equity and mutual fund price changes arising from equity and mutual fund investments classified as available-for-sale investments (note 17), other assets (note 18) and investments held for trading (note 21).

Available-for-sale investments and other assets are entered into for long term strategic purposes.

Investments held for trading are equity securities listed on the Stock Exchange of Hong Kong and a mutual fund which counterparty is an international investment bank with sound credit standing. Decisions to buy or sell investments held for trading are based on group's liquidity needs. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

(f) Fair value estimation

The fair value of financial assets traded in active markets (such as investments held for trading) is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. Fair values for unquoted equity investments are estimated by the directors.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

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29. OPERATING LEASE COMMITMENTS

At 31 December 2007, the future aggregate minimum lease payments of in respect of office facilities under non-cancellable operating lease were as follows:-

	The Group	
	2007 HK\$'000	2006 HK\$'000
Within one year	466	140
In the second to fifth years, exclusive	233	-
	699	140

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosure in note 9, is as follows:-

	2007 HK\$'000	2006 HK\$'000
Short-term employee benefits	2,915	3,382
Termination payments	305	-
Equity compensation benefits	3,198	-
	6,418	3,382

(b) Other related party transactions

During the year, the Group paid staff secondment charges amounting to HK\$26,000 (2006: HK\$308,000) to ITC Management Limited, a then fellow subsidiary.

During the year, the Group made rental payments of HK\$168,000 (2006: HK\$336,000) to Central Town Limited, an associate company of the Company's then ultimate holding Company.

The above transaction was entered into at rates and terms between the parties under normal commercial terms.

31. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2007 (31 December 2006: Nil).

32. SUBSEQUENT EVENT

On 12 February 2008, the Company issued and allotted 1,997,205,000 ordinary shares of HK\$0.01 each at a price of HK\$0.055 per share (the "Rights Share") upon completion of the rights issue (the "Rights Issue") on the basis of one Rights Share for every two shares held on 11 January 2008. The net proceeds of the Rights Issue are HK\$107.4 million. These shares rank pari passu in all respects with the shares in issue.