



Trasy Gold Ex Limited  
卓施金網有限公司

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

TRASY

**2009** THIRD QUARTERLY REPORT

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of TRASY GOLD EX LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

## FINANCIAL REVIEW

For the nine months ended 30 September 2009, the consolidated revenue of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively, the “Group”) amounted to HK\$11,600,000 (for the nine months ended 30 September 2008: HK\$11,088,000), which represented proceeds from precious metals trading, dividend income from investments held for trading and interest income.

Dividend income from investments held for trading and interest income for the nine months ended 30 September 2009 amounted to HK\$15,000 and HK\$4,968,000 respectively (for the nine months ended 30 September 2008: HK\$120,000 and HK\$4,119,000 respectively). During the period, most listed companies significantly cut their dividend payouts under the continuing turmoil in global economic environment, thus the Group recorded a significant decrease in dividend income. The increase in interest income during the period compared to the corresponding period in 2008 was primarily due to the increase in bank balances during the period resulted from the funds raised amounting to HK\$107,034,000 from the rights issue on 14 February 2008.

The Group recorded a loss attributable to equity holders of the Company of HK\$4,521,000 for the nine months ended 30 September 2009 (for the nine months ended 30 September 2008: HK\$19,493,000), representing basic loss per share of HK 3.773 cent (for the nine months ended 30 September 2008: HK 17.310 cent).

## OPERATIONS REVIEW AND OUTLOOK

### Precious Metals Trading

For the nine months ended 30 September 2009, revenue from precious metals trading amounted to HK\$6,602,000 (for the nine months ended 30 September 2008: HK\$6,719,000), with profit contribution amounting to HK\$95,000 (for the nine months ended 30 September 2008: HK\$78,000). The Group will continue to adopt prudent risk management and internal control policies to monitor and minimize the Group’s risk exposures in precious metals trading.

### Securities Investments

During the period, the global financial crisis continued to adversely affect economies and financial markets of Hong Kong and globally. Due to the gradual recovery in the global and Hong Kong economies and the recent upturn in the financial market, for the nine months ended 30 September 2009, the Group recorded a net loss on investments held for trading of HK\$1,053,000, which significantly decreased compared with the net loss of HK\$17,680,000 for the last corresponding period.

Looking ahead, global economic and financial uncertainties will persist. As a part of risk management philosophy, the Group will continue to adopt a prudent and vigilant attitude towards securities investments policy with a view to achieving better returns on its financial resources and maintaining a more balanced and healthy portfolio of investments.

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

# Deloitte.

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## TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

**Introduction**

We have reviewed the interim financial information set out on pages 4 to 9, which comprises the condensed consolidated statement of comprehensive income for the nine months period ended 30 September 2009 and certain explanatory notes. The interim financial information has been prepared solely for the purpose and on the basis set out in note 1 to the interim financial information. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 1 to the interim financial information.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
11 November 2009

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2009

	NOTES	Three months ended 30 September		Nine months ended 30 September	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)
Revenue		2,970	2,209	6,602	6,719
Cost of sales		(2,936)	(2,143)	(6,507)	(6,641)
<b>Gross profit</b>		<b>34</b>	<b>66</b>	<b>95</b>	<b>78</b>
Other income	3	1,674	2,486	4,998	4,369
Administrative expenses		(2,954)	(2,703)	(8,277)	(6,249)
Net loss on investments held for trading		(383)	(22,233)	(1,053)	(17,680)
Finance costs		(92)	—	(284)	(11)
Loss before tax		(1,721)	(22,384)	(4,521)	(19,493)
Income tax expense	4	—	—	—	—
<b>Total comprehensive expense for the period attributable to owners of the Company</b>		<b>(1,721)</b>	<b>(22,384)</b>	<b>(4,521)</b>	<b>(19,493)</b>
<b>Loss per share</b>	5				
Basic (HK cent)		(1.436)	(18.679)	(3.773)	(17.310)

NOTES:**1. BASIS OF PREPARATION**

The interim financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The amounts included in this interim financial information have been computed in accordance with Hong Kong Financial Report Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2008.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“new or revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

The adoption of the new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

**2. PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 <sup>1</sup>
HKFRSs (Amendments)	Improvements to HKFRSs 2009 <sup>2</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKAS 32 (Amendment)	Classification of Rights Issues <sup>3</sup>
HKAS 39 (Amendment)	Eligible Hedged Items <sup>1</sup>
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions <sup>4</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners <sup>1</sup>
HK(IFRIC) - Int 18	Transfers of Assets from Customers <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

<sup>3</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2010

<sup>5</sup> Effective for transfers on or after 1 July 2009

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

**3. OTHER INCOME**

	Three months ended		Nine months ended	
	30 September		30 September	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Dividend income from investments				
held for trading	—	—	15	120
Interest income	1,674	2,465	4,968	4,119
Miscellaneous income	—	21	15	130
	<u>1,674</u>	<u>2,486</u>	<u>4,998</u>	<u>4,369</u>

**4. INCOME TAX EXPENSE**

No provision for Hong Kong Profits Tax has been made as the group entities either incurred tax losses or the estimated assessable profit is wholly absorbed by tax losses brought forward from prior years.

**5. LOSS PER SHARE**

The calculation of the basic loss per share is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Loss</b>				
Loss for the purposes of basic loss per share for the period attributable to owners of the Company	<u>(1,721)</u>	<u>(22,384)</u>	<u>(4,521)</u>	<u>(19,493)</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic loss per share (in thousand shares)	<u>119,832</u>	<u>119,832</u>	<u>119,832</u>	<u>112,614</u>

The weighted average number of ordinary shares for the purposes of calculating basic loss per share for the three months and nine months ended 30 September 2008 have been retrospectively adjusted to reflect the effect of rights issue and share consolidation during the year ended 31 December 2008.

Diluted loss per share is not presented because the exercise prices of the outstanding share options are higher than the average market price of its shares and the effect would be anti-dilutive for both periods.

**6. INTERIM DIVIDEND**

The Board resolved not to declare the payment of an interim dividend for the nine months ended 30 September 2009 (2008: Nil).

**7. SHARE CAPITAL, SHARE PREMIUM AND RESERVES**

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Distributable reserve <i>HK\$'000</i> <i>(Note ii)</i>	Merger reserve <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2009 (audited)	1,198	341,858	32,589	5,000	381	(29,836)	351,190
Total recognised expense for the period	—	—	—	—	—	(4,521)	(4,521)
Recognition of equity-settled share-based payments	—	—	—	—	4	—	4
At 30 September 2009 (unaudited)	<u>1,198</u>	<u>341,858</u>	<u>32,589</u>	<u>5,000</u>	<u>385</u>	<u>(34,357)</u>	<u>346,673</u>
At 1 January 2008 (audited)	39,944	254,796	—	5,000	3,215	(32,731)	270,224
Total recognised expense for the period	—	—	—	—	—	(19,493)	(19,493)
Recognition of equity-settled share-based payments	—	—	—	—	15	—	15
Transfer to accumulated losses upon lapse of share options	—	—	—	—	(2,852)	2,852	—
Issue of rights shares ( <i>note i</i> )	19,972	89,874	—	—	—	—	109,846
Transaction costs attributable to issue of rights shares	—	(2,812)	—	—	—	—	(2,812)
At 30 September 2008 (unaudited)	<u>59,916</u>	<u>341,858</u>	<u>—</u>	<u>5,000</u>	<u>378</u>	<u>(49,372)</u>	<u>357,780</u>

**Notes:**

- (i) On 14 February 2008, 1,997,205,000 ordinary shares of HK\$0.01 each was issued and allotted by way of rights issue, on the basis of one rights share of every two existing shares held, at a subscription price of HK\$0.055 per rights share (“Rights Issue”). The net proceeds of approximately HK\$107,034,000 from the Rights Issue were intended to be used for possible diversified investments or projects in property or natural resources business or general working capital of the Company. The new shares rank pari passu with the existing shares in all respects.
- (ii) The distributable reserve of the Group at 1 January 2009 represented the amount arising from the capital reduction by reducing the nominal value of share from HK\$0.50 each to HK\$0.01 each. The capital reduction was carried out by the Company during the year ended 31 December 2008.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2009, 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.

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Date of grant</b>	<b>Exercisable period</b>	<b>Exercise price per share (HK\$)</b>	<b>Number of ordinary shares to be issued under share options</b>	<b>Approximate percentage of the issued ordinary share capital of the Company</b>
Mr. Chung Koon Yan	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	16.125	30,693	0.03
Mr. Wong Kai Tat	Personal interest	9 July 2007	9 July 2007 to 8 July 2010	16.125	30,693	0.03

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to 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 as at 30 September 2009.

## SUBSTANTIAL SHAREHOLDERS

As at 30 September 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

### Long positions

*Ordinary shares of HK\$0.01 each of the Company*

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Percentage of the issued ordinary share capital of the Company
Mr. Tse Young Lai	Beneficial owner	23,966,460	20.00

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2009.

## COMPETING INTERESTS

None of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

## AUDIT COMMITTEE

The Audit Committee of the Company 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 of the Company has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2009.

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

The Company has not redeemed any of its shares during the nine months ended 30 September 2009. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

On behalf of the Board

**Tse Ke Li**

*Executive Director*

Hong Kong, 11 November 2009

*As at the date of this report, the Board comprises Mr. Tang Chi Ming and Mr. Tse Ke Li as executive Directors, and Mr. Chung Koon Yan, Mr. Wong Kai Tat and Ms. Chan Ling, Eva as independent non-executive Directors.*