



Trasy Gold Ex Limited 卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 08063



2010

Interim 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 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

FINANCIAL REVIEW

For the six months ended 30 June 2010, the consolidated revenue of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively, the “Group”) amounted to HK\$4,613,000, representing 27.0% increase compared to HK\$3,632,000 for the six months ended 30 June 2009.

Other income for the six months ended 30 June 2010 amounted to HK\$3,329,000 (for the six months ended 30 June 2009: HK\$3,324,000), which mainly represented interest income from banks.

The Group recorded a loss attributable to equity holders of the Company of HK\$996,000 for the six months ended 30 June 2010 (for the six months ended 30 June 2009: HK\$2,800,000), representing basic loss per share of HK 0.83 cents (for the six months ended 30 June 2009: HK 2.34 cents).

OPERATIONS REVIEW AND OUTLOOK

Precious Metals Trading

For the six months ended 30 June 2010, turnover from trading in precious metals and precious metals contracts amounted to HK\$4,613,000 (for the six months ended 30 June 2009: HK\$3,632,000), with a profit contribution amounted to HK\$72,000 (for the six months ended 30 June 2009: HK\$61,000). 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 and precious metals contract trading.

Securities Management

Due to the gradual recovery in the global and Hong Kong economies and the recent upturn in the financial market, for the six months ended 30 June 2010, the Group recorded a net gain on investments held for trading of HK\$1,514,000, which significantly improved compared to loss of HK\$670,000 in the corresponding period last year.

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.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to maintain a sound financial position in term of liquidity. As at 30 June 2010, the Group had net current assets of HK\$342,047,000 (as at 31 December 2009: HK\$342,633,000), representing a slight decrease of 0.2% as compared to 31 December 2009. Cash and cash equivalents as at 30 June 2010 also maintained at a steady level of HK\$337,439,000, compared with HK\$333,593,000 as at 31 December 2009.

As at 30 June 2010, the Group's current ratio was 86.5 times (as at 31 December 2009: 42.8 times) based on current assets of HK\$346,046,000 (31 December 2009: HK\$350,826,000) and current liabilities of HK\$3,999,000 (31 December 2009: HK\$8,193,000). The Group has no bank borrowings or banking facilities as at 30 June 2010 and 31 December 2009, and therefore the gearing ratio is zero as at 30 June 2010 and 31 December 2009. 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 the United States dollars. Therefore, 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 period.

CHARGES ON GROUP ASSETS

As at 30 June 2010, the carrying amount of investments held for trading which have been pledged amounted to HK\$2,239,000 (31 December 2009: HK\$10,953,000). The carrying amount of the associated liability amounted to HK\$210,000 (31 December 2009: HK\$4,807,000).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2010 and 31 December 2009.

FUTURE PLAN AND PROSPECTS

As set out in the Company's announcement dated 14 April 2010, the Company was in preliminary negotiations with an independent third party for the proposed acquisition of a business for which, as at the date of the aforesaid announcement and up to the date of this report, no agreement has been reached or entered into. Negotiations on the aforesaid acquisition are still going on and the Company will make necessary announcement in compliance with the GEM Listing Rules if the proposed acquisition materialises.

SIGNIFICANT ACQUISITION AND DISPOSAL DURING THE PERIOD

During the period, the Group neither had any significant acquisition nor disposal of investment. The Group maintains a strong asset base with a view to seizing on and grasping any investment opportunities efficiently once they arise. The Board will consider financing investment opportunities either by the Group's internal resources, external borrowings or other capital market fund raising exercise, or a combination of these, depending on the size of the investment, the financial capability of the Group and the funding alternatives then available to the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (2009: Nil).

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

Introduction

We have reviewed the interim financial information set out on pages 6 to 16, which comprises the condensed consolidated statement of financial position of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2010 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. 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 enquiries, 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 HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11 August 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2010

	Notes	Three months ended 30 June		Six months ended 30 June	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Revenue		2,826	1,445	4,613	3,632
Cost of sales		(2,778)	(1,442)	(4,541)	(3,571)
Gross profit		48	3	72	61
Other income		1,675	1,673	3,329	3,324
Net (loss) gain on investments held for trading		(535)	5,632	1,514	(670)
Administrative expenses		(2,960)	(2,682)	(5,842)	(5,323)
Finance costs		—	(88)	(69)	(192)
(Loss) profit and total comprehensive (expense) income for the period attributable to owners of the Company	5	(1,772)	4,538	(996)	(2,800)
(Loss) earnings per share (HK cent)					
Basic and diluted	7	(1.48)	3.79	(0.83)	(2.34)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	30 June 2010	31 December 2009
Note	HK\$'000 (Unaudited)	HK\$'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	647	1,057
Available-for-sale investments	136	136
Other non-current assets	250	250
	<u>1,033</u>	<u>1,443</u>
CURRENT ASSETS		
Other receivables	3,032	2,120
Inventory	–	884
Investments held for trading	5,575	14,229
Bank balances and cash	337,439	333,593
	<u>346,046</u>	<u>350,826</u>
CURRENT LIABILITIES		
Trade and other payables	8 (3,999)	(8,193)
NET CURRENT ASSETS		
	<u>342,047</u>	<u>342,633</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<u>343,080</u>	<u>344,076</u>
CAPITAL AND RESERVES		
Share capital	1,198	1,198
Share premium and reserves	341,882	342,878
TOTAL EQUITY		
	<u>343,080</u>	<u>344,076</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2010

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2010 (audited)	1,198	341,858	32,589	5,000	385	(36,954)	344,076
Loss and total comprehensive expense for the period	-	-	-	-	-	(996)	(996)
Lapse of share options	-	-	-	-	(52)	52	-
At 30 June 2010 (unaudited)	1,198	341,858	32,589	5,000	333	(37,898)	343,080
At 1 January 2009 (audited)	1,198	341,858	32,589	5,000	381	(29,836)	351,190
Loss and total comprehensive expense for the period	-	-	-	-	-	(2,800)	(2,800)
Recognition of equity-settled share-based payment	-	-	-	-	4	-	4
At 30 June 2009 (unaudited)	1,198	341,858	32,589	5,000	385	(32,636)	348,394

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2010

	Six months ended	
	30 June	
	2010	2009
	HKS'000	HKS'000
	(unaudited)	(unaudited)
Operating cash flows before		
movements in working capital	(2,100)	(1,834)
Decrease (increase) in inventory	884	(740)
(Increase) decrease in other receivables	(912)	1,609
Decrease in investments held for trading	10,168	419
(Decrease) increase in trade and other payables	(4,194)	640
Net cash from operating activities	3,846	94
Net cash used in investing activities	—	(1,199)
Net increase (decrease) in cash and cash equivalents	3,846	(1,105)
Cash and cash equivalents at 1 January	333,593	333,170
Cash and cash equivalents at 30 June represented by bank balances and cash	337,439	332,065

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 June 2010

1. BASIS OF PREPARATION

The condensed consolidated financial statements have 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 and with Hong Kong Accounting Standard “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under 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 2009.

In the current interim period, the following revised Standards, Amendments and Interpretations (“new or revised HKFRSs”) issued by the HKICPA have become effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The adoption of the new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HKAS 32 (Amendment)	Classification of Rights Issues ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁴
HKFRS 9	Financial Instruments ⁵
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ²
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁴

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 February 2010

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

In both interim reporting periods, the Group's operations are organised into three operating divisions, namely provision and operation of an internet-based electronic trading system, precious metals trading and treasury investments.

The following is an analysis of the Group's revenue and results by operating segment:

	Segment revenue		Segment (losses) profits	
	Six months ended		Six months ended	
	30 June		30 June	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Provision and operation of an internet-based electronic trading system	–	–	(258)	(130)
Precious metals trading	4,613	3,632	76	30
Treasury investments	–	–	1,529	(660)
Total	<u>4,613</u>	<u>3,632</u>	<u>1,347</u>	<u>(760)</u>
Unallocated income			3,325	3,308
Unallocated expense			(5,599)	(5,156)
Finance costs			(69)	(192)
Loss for the period			<u>(996)</u>	<u>(2,800)</u>

3. SEGMENT INFORMATION *(Continued)*

	Segment revenue		Segment (losses) profits	
	Three months ended		Three months ended	
	30 June		30 June	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Provision and operation of an internet-based electronic trading system	–	–	(113)	(89)
Precious metals trading	2,826	1,445	56	(7)
Treasury investments	–	–	(528)	5,643
Total	2,826	1,445	(585)	5,547
Unallocated income			1,673	1,673
Unallocated expense			(2,860)	(2,594)
Finance costs			–	(88)
(Loss) profit for the period			(1,772)	4,538

All of the segment revenue reported above are from external customers.

Segment profit (loss) represents the profit (loss) earned (incurred) by each segment without allocation of unallocated income (which mainly includes bank interest income), unallocated expenses (which mainly include central administration costs and directors' salaries) and finance costs. This is the measure reported to the board of directors for the purposes of resource allocation and assessment of segment performance.

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 periods.

5. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period is arrived at after charging (crediting):

	Three months ended 30 June		Six months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	295	208	410	274
Interest income	(1,670)	(1,658)	(3,324)	(3,294)

6. DIVIDENDS

No dividends were paid or proposed for the periods ended 30 June 2010 and 2009, nor has any dividend been proposed since the end of both reporting periods.

7. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
(Loss) earnings				
(Loss) earnings for the purposes of basic (loss) earnings per share	(1,772)	4,538	(996)	(2,800)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share (in thousand shares)	119,832	119,832	119,832	119,832

7. (LOSS) EARNINGS PER SHARE (Continued)

Diluted (loss) earnings per share does not assume the exercise of the Company's options because the exercise price of the options was higher than the average market price of shares for all periods and the assumed exercise of the share option would result in an increase in earnings per share or decrease in loss per share.

8. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$12,000 (31 December 2009: HK\$12,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2010 HK\$'000 (Unaudited)	31 December 2009 HK\$'000 (Audited)
Over 90 days	<u>12</u>	<u>12</u>

9. SHARE-BASED PAYMENT TRANSACTIONS

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

For the period ended 30 June 2010

Date of grant	Exercise price per share HK\$	Outstanding at 1 January 2010	Lapsed during the period	Outstanding at 30 June 2010
1 June 2007	10.720	17,187	(17,187)	–
6 June 2007	9.840	18,416	(18,416)	–
9 July 2007	16.125	<u>90,032</u>	<u>–</u>	<u>90,032</u>
Total		<u>125,635</u>	<u>(35,603)</u>	<u>90,032</u>
Exercisable at the end of the period		<u>125,635</u>		<u>90,032</u>

9. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

For the period ended 30 June 2009

Date of grant	Exercise price per share HK\$	Outstanding at 1 January and 30 June 2009
1 June 2007	10.720	17,187
6 June 2007	9.840	18,416
9 July 2007	16.125	<u>90,032</u>
Total		<u><u>125,635</u></u>
Exercisable at the end of the period		<u><u>125,635</u></u>

Share options granted on 1 June 2007 and 6 June 2007 are vested and exercisable in stages during the option period in the following manner:

- (i) first one-third of share options granted may be vested and exercised at any time from the grant date;
- (ii) second one-third of share options granted may be vested and exercised from one year from the grant date; and
- (iii) third one-third of share options granted may be vested and exercised from two years from the grant date.

Share options granted on 9 July 2007 were fully vested and became exercisable on the grant date.

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

As at 30 June 2010, 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 of Directors (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.

Name of Director	Nature of interest	Date of grant	Exercisable period	Exercise price per share (HK\$)	Number of ordinary shares to be issued under the 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	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 and short positions in the shares, underlying shares and 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 June 2010.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2010, 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 June 2010.

SHARE OPTIONS

Details of the movements in the share options of the Company during the six months ended 30 June 2010 are set out in note 9 to the condensed consolidated financial statements.

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

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

During the six months ended 30 June 2010, the Company was in compliance with the code provisions set out in the CG Code except for the following:

1. code provision A.2.1 of the CG Code provides that the roles and responsibilities of chairman and chief executive officer should be divided. The Company has not appointed chairman and chief executive officer, and the roles and functions of the chairman and chief executive officer have been performed by the two executive Directors of the Company collectively; and
2. code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term. The non-executive Directors of the Company are not appointed for a specific 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 in accordance with the Articles of Association of the Company.

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 six months ended 30 June 2010.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standards set out in the GEM Listing Rules during the six months ended 30 June 2010.

AUDIT COMMITTEE

The Audit Committee of the Company (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 unaudited consolidated results of the Group for the six months ended 30 June 2010.

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

The Company has not redeemed any of its shares during the six months ended 30 June 2010. 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 August 2010

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.