Trasy Gold Ex Limited
卓 施 金 網 有 限 公 司

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

Characteristics of the Growth Enterprises 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.

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.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors

Mr. Chung Koon Yan
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

COMPLIANCE OFFICER

Mr. Tse Ke Li

COMPANY SECRETARY

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

AUDIT COMMITTEE

Mr. Chung Koon Yan *(Chairman)*
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

REMUNERATION COMMITTEE

Mr. Chung Koon Yan *(Chairman)*
Mr. Tang Chi Ming
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

AUTHORIZED REPRESENTATIVES

Mr. Tse Kam Fai
Mr. Tse Ke Li

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKER

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

1/F., Talon Tower
38 Connaught Road West
Sheung Wan
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.trasy.com

STOCK CODE

08063

Financial Summary

RESULTS

For the year ended 31 December

	2010	2009	2008	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Restated)
					(note 1)
Revenue	**10,823**	8,359	8,007	5,398	74,817
Cost of sales	**(10,643)**	(8,195)	(7,924)	—	(69,395)
Gross profit	**180**	164	83	5,398	5,422
Other income	**7,139**	6,711	6,931	5,426	3,779
Net gain (loss) on investments held for trading	**548**	(1,588)	(22,335)	4,809	-
Administrative expenses	**(11,563)**	(12,045)	(10,717)	(13,978)	(11,751)
Finance costs	**(88)**	(360)	(48)	(2,548)	(1,053)
Loss for the year	**(3,784)**	(7,118)	(26,086)	(893)	(3,603)
Loss per share (in HK cents) (note 2)	**(3.16)**	(5.94)	(22.61)	(1.31)	(6.23)

Note 1: The presentation of revenue, cost of sales and net gain/(loss) on investments held for trading for the year ended 31 December 2006 has been changed to reflect the nature of sales of investments held for trading in a more appropriate manner, and these figures are thereafter different from those set out in the 2006 annual report.

Note 2: The loss per share in 2007 has been adjusted to reflect of the rights issue on 14 February 2008 and the share consolidation on 14 August 2008.

ASSETS AND LIABILITIES

As at 31 December

	2010	2009	2008	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	**626**	1,443	500	926	998
Current assets	**343,753**	350,826	356,628	277,467	57,956
Total assets	**344,379**	352,269	357,128	278,393	58,954
Current liabilities	**(4,087)**	(8,193)	(5,938)	(8,169)	(10,373)
Total equity	**340,292**	344,076	351,190	270,224	48,581

FINANCIAL REVIEW

For the year ended 31 December 2010, the consolidated revenue of Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively, the "Group") increased by 29.5% to HK$10,823,000 from HK$8,359,000 for the year ended 31 December 2009. After deduction of the cost of sales of HK$10,643,000, the gross profit increased to HK$180,000 compared to HK$164,000 for the preceding year.

Other income for the year amounted to HK$7,139,000, representing 6.4% increase from HK$6,711,000 last year, which mainly comprised dividend income from investments held for trading and interest income amounting of HK$423,000 and HK$6,711,000 respectively (for the year ended 31 December 2009: HK$47,000 and HK$6,648,000 respectively).

Under the gradual recovery of investment atmosphere, the Group recorded a net gain on investments held for trading, which were investment in securities listed in Hong Kong, of HK$548,000 this year compared to net loss of HK$1,588,000 last year.

The administrative expenses and finance costs for the year amounted to HK$11,563,000 and HK$88,000 respectively (for the year ended 31 December 2009: HK$12,045,000 and HK$360,000 respectively).

The Group recorded a loss attributable to equity holders of the Company of HK$3,784,000 for the year ended 31 December 2010 (for the year ended 31 December 2009: HK$7,118,000), representing a basic loss per share of HK3.16 cents (for the year ended 31 December 2009: HK5.94 cents).

BUSINESS REVIEW AND OUTLOOK

Precious Metals Trading

For the year ended 31 December 2010, revenue from trading in precious metals and precious metals contracts amounted to HK$10,823,000 (for the year ended 31 December 2009: HK$8,359,000), with a profit contribution amounted to HK$180,000 (for the year ended 31 December 2009: HK$164,000). 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 financial year ended 31 December 2010, the Group recorded a net gain on investments held for trading of HK$548,000 (for the year ended 31 December 2009: net loss of HK$1,588,000), which mainly represented net gain or loss on investments in securities listed in Hong Kong.

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

As at 31 December 2010, the Group has investments held for trading amounting to HK$2,038,000 (as at 31 December 2009: HK$14,229,000), which represented investments in securities listed in Hong Kong.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to maintain a sound financial position in term of liquidity. As at 31 December 2010, the Group has net current assets of HK$339,666,000 (as at 31 December 2009: HK$342,633,000), representing a slightly decrease of 0.9% as compared to 31 December 2009. Cash and cash equivalent as at 31 December 2010 also maintained at a steady level of HK$336,836,000, compared with HK$333,593,000 as at 31 December 2009.

As at 31 December 2010, the Group's current ratio, which was calculated on the basis of current assets over currents liabilities, was 84.1 times (as at 31 December 2009: 42.8 times). The Group's gearing ratio, which was calculated on the basis of total liabilities over total assets, was 1.2% (as at 31 December 2009: 2.3%). The Group has no bank borrowings or banking facilities as at both years ended 31 December 2010 and 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 year.

PLEDGE ON GROUP ASSETS

As at 31 December 2010, the carrying amount of investments held for trading which have been pledged as security for the borrowing of HK$Nil (as at 31 December 2009: HK$10,953,000). The carrying amount of the associated liability is approximately HK$Nil (as at 31 December 2009: HK$4,807,000).

CONTINGENT LIABILITIES

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

FUTURE PLAN AND PROSPECTS

The Company endeavors to continue with its existing business in internet trading platform, securities management and precious metals trading after Completion, and will allocate appropriate resources to different business segments of the Group depending on the then business environment and performance of each segment. As at date of this report, the Company has no agreement, arrangement, understanding, intention or negotiation about any disposal, termination or scaling-down of its existing business.

The Board announced that after trading hours of the Stock Exchange on 17 September 2010, Durable Gold Investments Limited ("Durable Gold"), a direct wholly-owned subsidiary of the Company, and the Company entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and Durable Gold has conditionally agreed to acquire, the Sale Share and the Sale Loan at a total cash consideration of HK$240 million (subject to downward adjustment as described in the Company's announcement dated 22 September 2010 and circular dated 25 February 2011). The Sale Share represents the entire issued share capital of Harvest Well. The Harvest Well Group is engaged in the business of licensed travel agent in Singapore.

The Acquisition was approved on the EGM held on 15 March 2011 and as at the date of this report, has not been completed.

Terms used herein shall have the same meanings as defined in the Company's announcement dated 22 September 2010 (the "Announcement") and further details of the acquisition are set out in the Announcement and the circular dated 25 February 2011.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

Save as disclosed above, the Group neither had any significant acquisition nor disposal of investment during the year ended 31 December 2010.

OUTLOOK AND FUTURE PLANS RELATING TO MATERIAL INVESTMENTS

During the year, the Group continues to maintain a strong asset base to seize and grasp any investment opportunities once they arise. It is also the Company's corporate strategy to maintain sufficient cash balances for its business of securities investments and precious metals trading.

Saved as disclosed above, as at the end date, the Group has not identified specific investment opportunity or any new products and services which may utilize its significant cash balance on hand.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees was 10 as at 31 December 2010 (as at 31 December 2009: 9 employees). The total staff costs of the Group, including the Directors' emoluments, for the year ended 31 December 2010 amounted to HK$5,559,000 (for the year ended 31 December 2009: HK$5,560,000).

The Group fixes and reviews the emoluments of its directors and staff based on the qualification, experience, performance and the market rates from time to time so as to maintain the remunerations of the directors and staff at a competitive level. Salary increment is normally approved annually or by special adjustment depending on length of services and performance when warranted. In addition to salaries, the Group provides employee benefits including medical insurance and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the directors and depending upon the financial performance of the Group.

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). Neither share option has been granted nor exercised during the year while 125,635 share options were lapsed during the year. As at 31 December 2010, no share options were outstanding.

The Group maintains a mandatory provident fund (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK$20,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

EXECUTIVE DIRECTORS

Mr. Tang Chi Ming, aged 38, was appointed as an executive Director of the Company on 7 December 2007. He is a director of each of the subsidiaries of the Company, and also a member of the Remuneration Committee of the Company (the "Remuneration Committee"). 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 had been an executive director of Wonson International Holdings Limited (now known as "China Ocean Shipbuilding Industry Group Limited") which shares are listed on the Stock Exchange up to 8 May 2008. Save as aforesaid, Mr. Tang did not hold any directorship in other listed public companies in the past three years.

Mr. Tang has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries with Mr. Tang in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles of Association of the Company (the "Articles"). Mr. Tang is entitled to a director's fee of HK$240,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee. He neither has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor has any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").

Mr. Tse Ke Li, aged 54, was appointed as an executive Director of the Company on 26 October 2007. He is also the Compliance Officer of the Company. Mr. Tse has over 11 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. Mr. Tse did not hold any directorship in other listed public companies in the past three years.

Mr. Tse has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries with Mr. Tse in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Tse is entitled to a director's fee of HK$360,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. He is also entitled to any discretionary bonus which shall be determined by reference to comments of the Remuneration Committee. Mr. Tse is the younger brother of Mr. Tse Young Lai, the substantial shareholder of the Company. Save as aforesaid, he neither has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Koon Yan, aged 47, was appointed as an independent non-executive Director of the Company on 20 January 2006. He is also the chairman of the Audit Committee of the Company (the "Audited Committee") and the Remuneration Committee. Mr. Chung is a fellow member of The Hong Kong Institute of Certified Public Accountants and 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 Limited, and has more than 20 years' experience in accounting, auditing and taxation. Mr. Chung is currently an independent non-executive director of each of China Financial Leasing Group Limited and Shenzhen High-Tech Holdings Limited, companies listed on the main board of the Stock Exchange, and Great World Company Holdings Ltd ("Great World"), a company listed on GEM. Save as aforesaid, Mr. Chung did not hold any directorship in other listed public companies in the past three years.

Mr. Chung has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries with Mr. Chung in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an independent non-executive Director. He is subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Chung is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, he will not be entitled to any discretionary bonus payment. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Chan Ling, Eva, aged 45, was appointed as an independent non-executive Director of the Company on 16 November 2007. She is also a member of the Audit Committee and the Remuneration Committee of the Company. She has over 21 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 the managing director of Rosedale Hotel Holdings Limited (formerly known as "Wing On Travel (Holdings) Limited") and an executive director of China Strategic Holdings Limited, both companies' shares are listed on the Stock Exchange. She is also 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 were previously listed on the Australian Securities Exchange. The recommendation by the directors of MRI Holdings Limited to return the assets to its shareholders by way of members' voluntary liquidation was approved by its shareholders on 29 April 2010. Ms. Chan had been an independent non-executive director of Wonson International Holdings Limited (now known as "China Ocean Shipbuilding Industry Group Limited") which shares are listed on the Stock Exchange up to 13 August 2008. Save as aforesaid, Ms. Chan did not hold any directorship in other listed public companies in the past three years.

Ms. Chan has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries and Ms. Chan in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to her engagement as an independent non-executive Director. She is subject to retirement by rotation at least once every three years and in accordance with the Articles. Ms. Chan is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, she will not be entitled to any discretionary bonus payment. She neither has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam Ka Wai, Graham, aged 43, was appointed as an independent non-executive Director of the Company on 24 March 2011. He is also a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Lam graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is a member of Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lam is currently the Managing Director and Head of Corporate Finance of an investment bank and has around 17 years experience in investment banking as well as around 4 years experience in accounting and auditing. He is also the independent non-executive director of Cheuk Nang (Holdings) Limited (stock code: 131), China Fortune Group Limited (stock code: 290), Applied Development Holdings Limited (stock code: 519), China Sonangol Resources Enterprise Limited (name to be changed to 'International Resources Enterprise Limited') (stock code: 1229), Pearl Oriental Innovation Limited (stock code: 632), and Value Convergence Holdings Limited (stock code: 821), companies listed on the Main Board of the Stock Exchange; and China Railway Logistics Limited (stock code: 8089) and Hao Wen Holdings Limited (stock code: 8019), companies listed on the GEM. In addition, Mr. Lam was the independent non-executive director of China Oriental Culture Group Limited (formerly known as 'ZZNode Technologies Company Limited') (stock code: 2371), a company listed on the Main Board of the Stock Exchange, from 29 January 2008 to 5 October 2010 and Finet Group Limited (stock code: 8317), a company listed on the GEM, from 5 August 2009 to 24 January 2011. Save as aforesaid, Mr. Lam did not hold any directorship in other listed public companies in the past three years.

Mr. Lam has not entered into any service contract with the Company or its subsidiaries. There is no agreement between the Company or its subsidiaries and Mr. Lam in respect of the proposed length of service or prior notice to be given by either party for termination of service with regard to his engagement as an independent non-executive Director. Mr. Lam is subject to retirement at the first general meeting after his appointment and thereafter subject to retirement by rotation at least once every three years and in accordance with the Articles. Mr. Lam is entitled to a director's fee of HK$120,000 per annum which is determined with reference to the recommendation of the Remuneration Committee and the prevailing market conditions. Apart from the above, he will not be entitled to any discretionary bonus payment. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

COMPANY SECRETARY

Mr. Tse Kam Fai, aged 47, 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 16 years' experience in handling listed company secretarial and compliance related matters.

The Company is committed to maintain 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 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.

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 2010.

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 2010.

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 five Directors:

Executive Directors

Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent non-executive Directors

Mr. Chung Koon Yan
Ms. Chan Ling, Eva
Mr. Lam Ka Wai, Graham

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 9 of herein under the section headed "Biographies of Directors and Senior Management".

Independent non-executive Directors

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

Board Meetings

The Board has four scheduled meetings a year at quarterly interval and additional meetings are held as and when required. The four scheduled Board meetings for a year are planned in advance. During regular meetings of the Board, the Directors review the operation and financial performances, and review and approve the annual, interim and quarterly results.

During the financial year ended 31 December 2010, the Board held 5 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. Tang Chi Ming	5/5
Mr. Tse Ke Li	5/5
Mr. Chung Koon Yan	5/5
Ms. Chan Ling, Eva	5/5
Mr. Lam Ka Wai, Graham#	—
Mr. Wong Kai Tat*	5/5

Mr. Lam Ka Wai, Graham was appointed as an independent non-executive Director on 24 March 2011.
* Mr. Wong Kai Tat resigned as an independent non-executive Director on 23 March 2011.

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.

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 2010, no Board meeting was held for approving the appointment of Directors.

REMUNERATION OF DIRECTORS

The Company established the Remuneration Committee on 20 January 2006 which currently consists of three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, and one executive Director, namely Mr. Tang Chi Ming, with written terms of reference in compliance with the GEM Listing Rules.

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.

During the year ended 31 December 2010, the Remuneration Committee held 1 meeting for reviewing the remuneration packages of the Directors and senior management.

Name of member	Number of attendance
Mr. Chung Koon Yan	1/1
Mr. Tang Chi Ming	1/1
Ms. Chan Ling, Eva	1/1
Mr. Lam Ka Wai, Graham#	—
Mr. Wong Kai Tat*	1/1

\# Mr. Lam Ka Wai, Graham was appointed as a member of the Remuneration Committee on 24 March 2011.
* Mr. Wong Kai Tat ceased to be a member of the Remuneration Committee with effect from 23 March 2011.

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 22 to the financial statements. Details of the Directors' remuneration are set out in note 9 to the financial statements.

AUDITOR'S REMUNERATION

During the year under review, the remuneration in respect of audit and non-audit services provided by the Company's auditor, Deloitte Touche Tohmatsu, is set out below:

Services rendered	**Fee paid/payable**
	HK$'000
Audit services	600
Non-audit services	1,600

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, 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 2010.

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 auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditors; reviewing the quarterly, interim and annual reports and financial statements 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.

During the financial year ended 31 December 2010, the Audit Committee held 4 meetings.

Name of member	**Number of attendance**
Mr. Chung Koon Yan	4/4
Ms. Chan Ling, Eva	4/4
Mr. Lam Ka Wai, Graham[#]	—
Mr. Wong Kai Tat*	4/4

Mr. Lam Ka Wai, Graham was appointed as a member of the Audit Committee on 24 March 2011.
* Mr. Wong Kai Tat ceased to be a member of the Audit Committee with effect from 23 March 2011.

During the year ended 31 December 2010, the Audit Committee reviewed the first quarterly, interim, third quarterly and annual results of the Group together with the auditor 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.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognizes the importance of good communications with all shareholders. The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. Mr. Chung Koon Yan, the chairman of the Audit Committee and the Remuneration Committee attended the 2010 annual general meeting to answer questions at the meeting. The annual report together with the annual general meeting circular are distributed to all the shareholders at least 20 clear business days before the annual general meeting.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in the notice of the 2011 annual general meeting of the Company ("2011 AGM") will be voted by poll.

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 reports to all shareholders;

- publication of announcements on the quarterly, interim and annual results on the Stock Exchange website and of the Company's 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 the shareholders.

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 2010, 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.

The Directors present their annual report and the audited financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 29 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 22.

The directors do not recommend the payment of a dividend for the year ended 31 December 2010 (2009: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2010 were as follows:

	2010	2009
	HK$'000	*HK$'000*
Share premium	**341,858**	341,858
Distributable reserve	**32,589**	32,589
Accumulated losses	**(35,353)**	(5,617)
	339,094	368,830

Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum of Association and the Articles and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company.

DIRECTORS

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

Executive Directors

Mr. Tang Chi Ming
Mr. Tse Ke Li

Independent Non-executive Directors

Mr. Chung Koon Yan	
Ms. Chan Ling, Eva	
Mr. Lam Ka Wai, Graham	(appointed on 24 March 2011)
Mr. Wong Kai Tat	(resigned on 23 March 2011)

Mr. Lam Ka Wai, Graham was appointed as an independent non-executive Director of the Company on 24 March 2011, and he is subject to re-election at the 2011 AGM pursuant to Article 86(3) of the Articles of Association of the Company (the "Articles").

In accordance with the Article 87(1) of the Articles, Mr. Tang Chi Ming and Mr. Chung Koon Yan shall retire by rotation at the 2011 AGM, and being eligible, offer themselves for re-election at the 2011 AGM.

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

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the 2011 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).

INDEPENDENCE CONFORMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 22 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1 January 2010	Lapsed during the year	Outstanding at 31 December 2010
			HK$			
Category 1: Directors						
Mr. Chung Koon Yan	9.7.2007	9.7.2007 to 8.7.2010	16.125	30,693	(30,693)	—
Mr. Wong Kai Tat *(note)*	9.7.2007	9.7.2007 to 8.7.2010	16.125	30,693	(30,693)	—
Total held by Directors				61,386	(61,386)	—
Category 2: Eligible participants						
Eligible participants other than directors	1.6.2007	1.6.2007 to 31.5.2010	10.720	17,187	(17,187)	—
	6.6.2007	6.6.2007 to 5.6.2010	9.840	18,416	(18,416)	—
	9.7.2007	9.7.2007 to 8.7.2010	16.125	28,646	(28,646)	—
Total held by eligible participants other than directors				64,249	(64,249)	—
Total of all categories				125,635	(125,635)	—

Note: Resigned on 23 March 2011.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, none of the Directors, chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contracts of significance, to which the Company or 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.

INTERESTS IN COMPETITORS

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.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows 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 31 December 2010.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's and Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible participants, details of the scheme is set out in note 22 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2010.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, with written terms of reference in compliance with the GEM Listing Rules.

The Audit Committee has reviewed the Company's first quarterly, interim, third quarterly and annual financial statements for the year ended 31 December 2010.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

APPRECIATION

We would like to take this opportunity to thank the management and staff members of the Group for their hard work and valuable contributions to the Group in the past year. We would also like to thank our shareholders for their continuous support to the Group. The Group will keep on doing its best with an aim to provide good return to shareholders.

On behalf of the Board

Tse Ke Li
Executive Director
24 March 2011

Deloitte.
德勤

TO THE MEMBERS OF TRASY GOLD EX LIMITED
卓施金網有限公司
(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 22 to 54, which comprise the consolidated statement of financial position as at 31 December 2010, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010, 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 March 2011

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Revenue	4	**10,823**	8,359
Cost of sales		**(10,643)**	(8,195)
Gross profit		**180**	164
Other income		**7,139**	6,711
Net gain (loss) on investments held for trading		**548**	(1,588)
Administrative expenses		**(11,563)**	(12,045)
Finance costs	6	**(88)**	(360)
Loss and total comprehensive loss for the year attributable to owners of the Company	8	**(3,784)**	(7,118)
Loss per share (HK cents)	12		
Basic and diluted		**(3.16)**	(5.94)

Consolidated Statement of Financial Position

at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	*13*	**240**	1,057
Available-for-sale investments	*14*	**136**	136
Other non-current assets	*15*	**250**	250
		626	1,443
Current assets			
Other receivables	*16*	**4,879**	2,120
Inventory	*17*	**—**	884
Investments held for trading	*18*	**2,038**	14,229
Bank balances and cash	*19*	**336,836**	333,593
		343,753	350,826
Current liabilities			
Trade and other payables	*20*	**(4,087)**	(8,193)
Net current assets		**339,666**	342,633
Total assets less current liabilities		**340,292**	344,076
Capital and reserves			
Share capital	*21*	**1,198**	1,198
Share premium and reserves		**339,094**	342,878
Total equity		**340,292**	344,076

The consolidated financial statements on pages 22 to 54 were approved and authorised for issue by the board of directors on 24 March 2011 and are signed on its behalf by:

Tang Chi Ming
Executive Director

Tse Ke Li
Executive Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2010

	Share capital HK$'000	Share premium HK$'000	Distributable reserve HK$'000 (note 1)	Merger reserve HK$'000 (note 2)	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2009	1,198	341,858	32,589	5,000	381	(29,836)	351,190
Loss and total comprehensive loss for the year	—	—	—	—	—	(7,118)	(7,118)
Recognition of equity-settled share-based payment	—	—	—	—	4	—	4
At 31 December 2009	1,198	341,858	32,589	5,000	385	(36,954)	344,076
Loss and total comprehensive loss for the year	—	—	—	—	—	(3,784)	(3,784)
Transfer to accumulated losses upon lapse of share options	—	—	—	—	(385)	385	—
At 31 December 2010	1,198	341,858	32,589	5,000	—	(40,353)	340,292

Notes:

(1) The distributable reserve represented the credit arising from the capital reduction effected by the Company during the year ended 31 December 2008.

(2) The merger reserve represented the difference between the net worth of the subsidiaries acquired and the value of the consideration shares pursuant to the group reorganisation completed on 31 March 2000.

Consolidated Statement of Cash Flows

for the year ended 31 December 2010

	2010	2009
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Loss for the year	**(3,784)**	(7,118)
Adjustments for:		
Depreciation of property, plant and equipment	**817**	690
Share-based payment expense	**—**	4
Interest income	**(6,711)**	(6,648)
Finance costs	**88**	360
Net (gain) loss on investments held for trading	**(548)**	1,588
Dividend income from investments held for trading	**(423)**	(47)
Operating cash flows before movements in working capital	**(10,561)**	(11,171)
(Increase) decrease in other receivables	**(2,759)**	3,496
Decrease (increase) in inventory	**884**	(884)
Decrease in investments held for trading	**12,739**	2,025
(Decrease) increase in trade and other payables	**(4,106)**	2,255
NET CASH USED IN OPERATING ACTIVITIES	**(3,803)**	(4,279)
INVESTING ACTIVITIES		
Interest received	**6,711**	6,648
Dividend received from investments held for trading	**423**	47
Purchase of property, plant and equipment	**—**	(1,633)
NET CASH FROM INVESTING ACTIVITIES	**7,134**	5,062
CASH USED IN FINANCING ACTIVITY		
Interest paid	**(88)**	(360)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,243**	423
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**333,593**	333,170
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash	**336,836**	333,593

1. GENERAL

Trasy Gold Ex Limited (the "Company") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 1st Floor, Talon Tower, 38 Connaught Road West, Sheung Wan, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the "Group") are the provision and operation of an internet-based electronic trading system, securities investments and precious metals trading.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of the new and revised Standards, Amendments and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

The Group has not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK (IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 July 2011.
4 Effective for annual periods beginning on or after 1 January 2013.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 February 2010.

The directors of the Company anticipate that the application of the new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Business combinations

Business combinations that took place on or after 1 January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Business combinations that took place on or after 1 January 2010 *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventory

Inventory is stated at lower of cost and net realisable value. Cost is calculated using the weighted average method.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

The Group's financial assets at FVTPL comprise financial assets held for the trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including other receivables and bank balances) are carried at amortised cost using the effective interest method, less any impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL or loans and receivables.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy in respect of impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. If, in a subsequent period, the amount of impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities

Financial liabilities of the Group include trade and other payables, which are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of direct issue cost.

Derecognition

Financial assets are derecognised when the rights to receive the cash flows from the asset expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Membership licences

Membership licences with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Share-based payment transactions

Equity-settled share-based payment transaction

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share option reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its 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, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. REVENUE

Revenue represents revenue arising on provision and operation of an internet-based electronic trading system and precious metals trading for the year. An analysis of the Group's revenue for the year, is as follows:

	2010	2009
	HK$'000	*HK$'000*
Provision and operation of an internet-based electronic trading system	—	—
Precious metals trading	**10,823**	8,359
	10,823	8,359

5. SEGMENT INFORMATION

In both 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.

5. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

The following is an analyse of the Group's revenue and results by operating segment.

	Segment revenue		Segment (losses) profits	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Provision and operation of an internet-based electronic trading system	**—**	—	**(555)**	(739)
Precious metals trading	**10,823**	8,359	**188**	158
Treasury investments	**—**	—	**971**	(1,541)
Total	**10,823**	8,359	**604**	(2,122)
Unallocated income			**6,716**	6,665
Unallocated expense			**(11,016)**	(11,301)
Finance costs			**(88)**	(360)
Loss for the year			**(3,784)**	(7,118)

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. 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.

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

	2010	2009
	HK$'000	*HK$'000*
Segment assets		
Provision and operation of an internet-based electronic trading system	**89**	216
Precious metals trading	**2,155**	2,825
Treasury investments	**4,025**	14,340
Total segment assets	**6,269**	17,381
Bank balances	**336,836**	333,593
Unallocated assets	**1,274**	1,295
Consolidated assets	**344,379**	352,269
Segment liabilities		
Provision and operation of an internet-based electronic trading system	**150**	150
Precious metals trading	**12**	14
Treasury investments	**—**	4,807
Total segment liabilities	**162**	4,971
Unallocated liabilities	**3,925**	3,222
Consolidated liabilities	**4,087**	8,193

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, certain deposits and prepayments and bank balances and cash.
- all liabilities are allocated to operating segments other than certain accruals and other payables.

6. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on borrowings from securities margin accounts wholly repayable within five years	**88**	360

7. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries either incurred tax losses or the assessable profit is wholly absorbed by tax losses brought forward for both years.

The tax charge for the year can be reconciled to the loss for the year per the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss for the year	**(3,784)**	(7,118)
Tax at Hong Kong Profits Tax rate of 16.5%	**(624)**	(1,174)
Tax effect of expenses not deductible for tax purpose	**689**	751
Tax effect of income not taxable for tax purpose	**(1,176)**	(1,103)
Tax effect of tax losses not recognised	**1,111**	1,526
Tax charge for the year	**—**	—

At the end of the reporting period, the Group has unutilised tax losses of approximately HK$64,176,000 (2009: HK$57,443,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profits stream. Such tax losses can be carried forward indefinitely.

8. LOSS FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**817**	690
Auditors' remuneration	**600**	550
Cost of inventories recognised as an expense	**10,643**	8,195
Directors' emoluments (note 9)	**984**	1,074
Salaries and allowances (excluding directors)	**4,470**	4,373
Retirement benefits scheme contribution (excluding directors)	**105**	109
Share-based payments (excluding directors) (note)	**—**	4
	5,559	5,560
and after crediting:		
Interest income	**6,711**	6,648
Dividend income from investments held for trading	**423**	47

Note: The details of share-based payment, including the principal terms and number of share options granted, are disclosed in note 22 to the consolidated financial statements.

9. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the directors in both years were as follows:

2010

Name of director	Fees	Salary	Contribution to retirement benefits scheme	Share-based payment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Mr. Tang Chi Ming	**240**	**—**	**12**	**—**	**252**
Mr. Tse Ke Li	**360**	**—**	**12**	**—**	**372**
Independent non-executive directors:					
Mr. Chung Koon Yan	**120**	**—**	**—**	**—**	**120**
Mr. Wong Kai Tat *(note 1)*	**120**	**—**	**—**	**—**	**120**
Ms. Chan Ling, Eva	**120**	**—**	**—**	**—**	**120**
	960	**—**	**24**	**—**	**984**

2009

Name of director	Fees	Salary	Contribution to retirement benefits scheme	Share-based payment	Total
Non-executive director:					
Mr. Yu Kam Kee, Lawrence *(note 2)*	90	—	—	—	90
Executive directors:					
Mr. Tang Chi Ming	240	—	12	—	252
Mr. Tse Ke Li	360	—	12	—	372
Independent non-executive directors:					
Mr. Chung Koon Yan	120	—	—	—	120
Mr. Wong Kai Tat *(note 1)*	120	—	—	—	120
Ms. Chan Ling, Eva	120	—	—	—	120
	1,050	—	24	—	1,074

Note: 1. Mr. Wong Kai Tat resigned as independent non-executive director of the Company on 23 March 2011.

2. Mr. Yu Kam Kee, Lawrence resigned as non-executive director of the Company on 1 October 2009.

No directors waived any emoluments for the years ended 31 December 2009 and 2010.

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none (2009: none) were directors of the Company whose emoluments are in note 9 above. The emoluments of the five (2009: five) highest paid individuals were as follows:

	2010	2009
	HK$'000	*HK$'000*
Salaries and other benefits	**3,359**	3,230
Contribution to retirement benefits scheme	**60**	60
	3,419	3,290

The emoluments were within the following bands:

	Number of employees	
	2010	2009
Nil — HK$1,000,000	**4**	4
HK$1,000,001 — HK$1,500,000	**1**	1

11. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2010 and 2009, nor has any dividend been proposed since the end of the reporting periods.

12. LOSS PER SHARE

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

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share	**(3,784)**	(7,118)
Number of shares		
Number of ordinary shares for the purpose of basic loss per share	**119,832,300**	119,832,300

The computation of diluted loss per share does not assume the exercise of the Company's options since their exercise would result in a decrease in loss per share. Therefore, the basic and diluted loss per share is the same.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
COST				
At 1 January 2009	—	118	839	957
Additions	1,510	89	34	1,633
At 31 December 2009 and 31 December 2010	1,510	207	873	2,590
DEPRECIATION				
At 1 January 2009	—	83	760	843
Provided for the year	616	21	53	690
At 31 December 2009	616	104	813	1,533
Provided for the year	755	23	39	817
At 31 December 2010	1,371	127	852	2,350
CARRYING VALUES				
At 31 December 2010	139	80	21	240
At 31 December 2009	894	103	60	1,057

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	15% or over the term of the lease, whichever is shorter
Furniture, fixtures and equipment	15%
Computer equipment	30%

14. AVAILABLE-FOR-SALE INVESTMENTS

	2010 ***HK$'000***	2009 *HK$'000*
Unlisted equity shares, at cost	**136**	136

The cost of unlisted investments represents investment in unlisted equity securities issued by a private entity. They are measured at cost less accumulated impairment loss at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

15 OTHER NON-CURRENT ASSETS

	2010	2009
	HK$'000	*HK$'000*
Membership licences, at cost	**1,180**	1,180
Less: Impairment loss	**(930)**	(930)
	250	250

The membership licenses are measured at cost less accumulated impairment loss at the end of the reporting period.

16. OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Brokers receivables	**3,751**	1,663
Deposits and prepayments	**1,128**	457
	4,879	2,120

17. INVENTORY

	2010	2009
	HK$'000	*HK$'000*
Gold bars	**—**	884

18. INVESTMENTS HELD FOR TRADING

	2010	2009
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong	**2,038**	14,229

At 31 December 2009, the carrying amount of investments held for trading which have been pledged as security is approximately HK$10,953,000. The carrying amount of the associated liabilities is approximately HK$4,807,000. At 31 December 2010, no investments held for trading have been pledged as security.

The investments held for trading are measured at quoted market bid prices, which is under Level 1 of the fair value hierarchy.

19. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 2% (2009: 0.01% to 3%) per annum.

20. TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**12**	12
Brokers payables	**—**	4,807
Accruals and other payables	**4,075**	3,374
	4,087	8,193

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

	2010	2009
	HK$'000	*HK$'000*
Over 90 days	**12**	12

21. SHARE CAPITAL OF THE COMPANY

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2009, 31 December 2009 and 2010	180,000,000,000	1,800,000
Issued and fully paid:		
At 1 January 2009, 31 December 2009 and 2010	119,832,300	1,198

22. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme ("Scheme") at the annual general meeting of the Company held on 30 April 2002 for the primary purpose of providing incentives to directors, and eligible participants. Under the Scheme, the directors of the Company may grant options to eligible participants, including directors of the Company, its subsidiaries, to subscribe for shares in the Company. A share option may be exercised in accordance with the terms of the scheme prior to the expiry of three years from the date of acceptance.

As at 31 December 2009, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 125,635, representing 0.1% of the shares of the Company in issue at that date. During the year, the remaining outstanding share options at the beginning of the year all lapsed at the end of the options' life. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 30% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Details of the Scheme are set out in the circular of the Company dated 28 March 2002.

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 exercised at any time from the grant date;

(ii) second one-third of share options granted may be exercised from one year from the grant date; and

(iii) third one-third of share options granted may be exercised from two years from the grant date.

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

Share options are exercisable until the third anniversary of the date of grant.

The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

The following tables disclose movements of the Company's share options held by the Directors and eligible participants during the years ended 31 December 2010 and 2009:

22. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

For the year ended 31 December 2010

Date of grant	Exercisable period	Exercise price per share *HK$*	Outstanding at 1 January 2010	Lapsed during the year	Outstanding at 31 December 2010
Directors					
9 July 2007	9 July 2007 to 8 July 2010	16.125	61,386	(61,386)	—
Eligible participants other than Directors:					
1 June 2007	1 June 2007 to 31 May 2010	10.720	17,187	(17,187)	—
6 June 2007	6 June 2007 to 5 June 2010	9.840	18,416	(18,416)	—
9 July 2007	9 July 2007 to 8 July 2010	16.125	28,646	(28,646)	—
Total for eligible participates other than Directors			64,249	(64,249)	—
Grand total			125,635	(125,635)	—
Exercisable at the end of the year					—
Adjusted weighted average exercise price (HK$)					—

22. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

For the year ended 31 December 2009

Date of grant	**Exercisable period**	**Exercise price per share**	**Outstanding at 1 January and 31 December 2009**
		HK$	
Directors			
9 July 2007	9 July 2007 to 8 July 2010	16.125	61,386
Eligible participants other than Directors:			
1 June 2007	1 June 2007 to 31 May 2010	10.720	17,187
6 June 2007	6 June 2007 to 5 June 2010	9.840	18,416
9 July 2007	9 July 2007 to 8 July 2010	16.125	28,646
Total for eligible participates other than Directors			64,249
Grand total			125,635
Exercisable at the end of the year			125,635
Adjusted weighted average exercise price (HK$)			14.464

No share options were exercised during the years ended 31 December 2010 and 2009.

The Group recognised the total expense of approximately HK$Nil (2009: HK$4,000) for the year ended 31 December 2010 in relation to share options granted by the Company.

23. OPERATING LEASES

	The Group as lessee	
	2010	2009
	HK$'000	*HK$'000*
Minimum lease payments recognised under operating leases for premises during the year	**1,580**	1,491

23. OPERATING LEASES *(Continued)*

At the end of reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2010	2009
	HK$'000	*HK$'000*
Within one year	**195**	600
In the second to fifth years inclusive	**—**	—
	195	600

Operating lease payments represent rentals paid or payable by the Group for certain of its office properties. Leases are negotiated for a term of 2 years and rentals are fixed for 2 years.

24. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualified employees. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant salaries and allowances to the MPF Scheme subject to a cap of monthly relevant salaries and allowances of HK$20,000, which contribution is matched by the employees.

The total cost charged to consolidated statement of comprehensive income of approximately HK$129,000 (2009: HK$133,000) represents contributions payable to the MPF Scheme by the Group in respect of the year ended 31 December 2010.

25. FINANCIAL INFORMATION OF THE COMPANY

The information about the statement of financial position of the Company at the end of reporting period is as follows:

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Interests in subsidiaries		**341,122**	371,673
Current assets			
Other receivables		**865**	95
Bank balances and cash		**17**	19
		882	114
Current liabilities			
Other payables		**(1,712)**	(1,374)
Net current liabilities		**(830)**	(1,260)
		340,292	370,413
Capital and reserves			
Share capital	21	**1,198**	1,198
Reserves	(a)	**339,094**	369,215
		340,292	370,413

Note:

(a) Reserves

	Share premium HK$'000	Distributable reserve HK$'000 (note)	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2009	341,858	32,589	381	(1,432)	373,396
Loss for the year	—	—	—	(4,185)	(4,185)
Recognition of equity-settled share-based payment	—	—	4	—	4
At 31 December 2009	341,858	32,589	385	(5,617)	369,215
Loss for the year	—	—	—	(30,121)	(30,121)
Transfer to accumulated losses upon lapse of share options	—	—	(385)	385	—
At 31 December 2010	341,858	32,589	—	(35,353)	339,094

Note: The distributable reserve represented credit arising from Capital Reduction effected by the Company during the year ended 31 December 2008.

26. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and various reserves.

At the end of both reporting periods, the Group had no external financing.

27. FINANCIAL INSTRUMENTS

27a. Categories of financial instruments

	2010	2009
	HK$'000	*HK$'000*
Financial assets		
Investments held for trading	**2,038**	14,229
Loans and receivables (including cash and cash equivalents)	**340,699**	335,417
Available-for-sale investments	**136**	136
Financial liabilities		
Amortised cost	**2,448**	7,159

27b. Financial risk management objectives and polices

The Group's major financial instruments include investments held for trading, available-for-sale investments, other receivables, bank balances and cash and trade and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

27. FINANCIAL INSTRUMENTS *(Continued)*

27b. Financial risk management objectives and polices *(Continued)*

Market risk

(i) Currency risk

Certain subsidiaries of the Group have bank balances in foreign currency, which expose the Group to currency risk whilst over 90% of the Group's transactions are denominated in Hong Kong Dollar, the respective group entities' functional currencies.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currency at the reporting date are as follows:

	Assets		Liabilities	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
USD	**1,930**	1,597	**12**	14

Sensitivity analysis

The directors consider that the Group is not exposed to any significant foreign currency risk as the Hong Kong dollar is pegged to USD.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 19). The Group's cash flow interest rate is mainly resulted from the fluctuation of market interest rate.

The sensitivity analysis below have been determined based on the exposure to interest rates on bank balances. The analysis is prepared assuming the amounts at the end of reporting date were deposited with the bank for the whole year.

A 50 basis point increase is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 50 basis points higher and all other variables were held constant, the Group's loss for the year ended 31 December 2010 would decrease by approximately HK$1,685,000 (2009: decrease by approximately HK$1,669,000). Management does not expect a significant decrease of interest rate.

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

27. FINANCIAL INSTRUMENTS *(Continued)*

27b. Financial risk management objectives and polices *(Continued)*

Market risk *(Continued)*

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity securities quoted in the Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective equity instruments had been 5% higher/lower, loss for the year ended 31 December 2010 would decrease/increase by approximately HK$102,000 (2009: decrease/increase by approximately HK$711,000) as a result of the changes in fair value of the investments through profit or loss.

In management's opinion, the sensitivity analysis are not necessarily representative of the inherent other price risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Other than concentration of credit risk on liquid funds which are deposited with several banks with good reputation, the Group does not have any other significant concentration of credit risk.

27. FINANCIAL INSTRUMENTS *(Continued)*

27b. Financial risk management objectives and polices *(Continued)*

Liquidity risk

At the end of reporting period, the Group has net current assets of HK$339,666,000 (2009: HK$342,633,000) mainly comprises of bank balances and cash of approximately HK$336,836,000 (2009: HK$333,593,000) and financial liabilities of approximately HK$2,448,000 (2009: HK$7,159,000) which are repayable on demand. The directors are of the view that the Group is not exposed to material liquidity risk.

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents considered adequate by the management to finance the Group's investment plans and existing operations and mitigate the effects of fluctuations in cash flows. As at 31 December 2010 and 2009, the Group had no external borrowings.

27c. Fair values

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.

The directors consider that the carrying amounts of other financial assets and financial liabilities at amortised cost in the consolidated financial statements approximate their fair values due to short maturity.

28. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and other members of key management compensation during the year was as follows:

	2010	2009
	HK$'000	*HK$'000*
Short-term benefits	**984**	1,074

The remuneration of directors and other members of key management is determined by the remuneration committee having regards to the performance of individuals and market trends.

29. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2010 and 31 December 2009 are as follows:

Name of subsidiary	Place of incorporation	Issued and paid up capital	Proportion ownership interest held by the Company Direct %	Indirect %	Principal activities/ place of operation
Durable Gold Investments Limited	British Virgin Islands	Ordinary USD1	100	—	Investment holding/Hong Kong
The Gold On-Line Trading Limited	Hong Kong	Ordinary HK$2	—	100	Provision and operation of an internet precious metals trading system/Hong Kong
Wing Shing Loong Goldsmith & Refinery Co Limited	Hong Kong	Ordinary HK$15,000,000	—	100	Gold bullion licence holding and precious metals trading/Hong Kong
Trasy Holdings Limited	Hong Kong	Ordinary HK$2	—	100	Management services/Hong Kong
United Goldnet Limited	Hong Kong	Ordinary HK$2	—	100	Treasury management and securities trading/ Hong Kong

The above table listed the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

30. EVENTS AFTER THE REPORTING PERIOD

The Company has been looking for opportunities to diversify its income and asset base with a view to enhance the shareholders' value. During the year, Durable Gold Investments Limited, a direct wholly-owned subsidiary of the Company, entered into an agreement to acquire the entire equity interest in Safe2Travel Pte Ltd ("Safe2Travel") via the acquisition of the entire share capital of Harvest Well International Limited at a cash consideration of HK$240,000,000 ("Acquisition"). Safe2Travel is engaged in the business of licensed travel agent in Singapore. The directors of the Company is of the view that the Acquisition would provide a good opportunity for the Group to diversify its business.

On 15 March 2011, the Company held a special general meeting in which the shareholders approved the Acquisition. At the date of this report, the Acquisition is not yet completed. The completion of the Acquisition is subject to various conditions, which include the necessary consent from governmental, official or regulatory authorities.

Details of the Acquisition are set out in the Company's circular dated 25 February 2011.

The Acquisition is to be accounted for as acquisition of business as the companies to be acquired constitutes a business under HKFRS 3 "Business Combinations". The principal assets of Safe2Travel are intangible assets (including goodwill, trade name and customer relationship), trade and other receivables as well as bank and cash balances. The fair value of the assets and liabilities acquired will be assessed at the date of completion of the Acquisition.