



Trasy Gold Ex Limited

卓施金網有限公司

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

A photograph of two hands shaking in a firm grip, symbolizing a business agreement. The hands are positioned in the lower-left and lower-right of the frame. The background is a vibrant blue with a large, semi-transparent globe in the center. The globe is overlaid with a complex network of white lines, representing a global financial or data network. The text 'Interim Report 2011' is printed in a white, sans-serif font across the middle of the globe.

Interim Report 2011

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This report, for which the directors (the “Directors”) of TRASY GOLD EX LIMITED (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

The acquisition of Harvest Well International Limited (“Harvest Well”) was completed on 31 March 2011 and therefore the results of Safe2Travel Pte Ltd (“S2T”) commence to be included into the consolidated financial statements from 1 April 2011.

For the six months ended 30 June 2011, the consolidated revenue of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively, the “Group”) amounted to HK\$21,354,000, representing 362.9% increase compared to HK\$4,613,000 for the six months ended 30 June 2010.

The Group recorded a loss attributable to owners of the Company of HK\$6,052,000 for the six months ended 30 June 2011 (for the six months ended 30 June 2010: HK\$996,000), representing basic loss per share of HK 5.00 cents (for the six months ended 30 June 2010: HK 0.83 cents).

Revenue and profitability

Due to the completion of acquisition of Harvest Well on 31 March 2011, the results of S2T consolidated into the Group’s financial statements commencing from 1 April 2011, a significant increase in revenue in the period compared to the same period last year was recorded.

Revenue by segments were analysed as follows:

	For the six month ended 30 June				
	2011		2010		Change
	HK\$'000	%	HK\$'000	%	
Precious metals trading	4,619	22%	4,613	100%	0%
Travel business	16,735	78%	—	—	N/A
	<u>21,354</u>	<u>100%</u>	<u>4,613</u>	<u>100%</u>	363%

Precious Metals Trading

For the six months ended 30 June 2011, revenue from trading in precious metals and precious metals contracts amounted to HK\$4,619,000 (for the six months ended 30 June 2010: HK\$4,613,000), with a profit contribution amounted to HK\$122,000 (for the six months ended 30 June 2010: HK\$72,000). 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.

Travel Business

S2T recorded net revenue of HK\$16,735,000 for the period starting from 1 April 2011 to 30 June 2011. As the travel business was only acquired on 31 March 2011, S2T's results in last corresponding period were not consolidated into the Group financial statements.

The revenue arising from travel business consists of agency commission and service income (both from customers and suppliers) generated from the provision of travel related products and services, including airtickets, hotel rooms, Free Independent Traveler ("FIT") packages and ground transportation handling services.

Corporate customers are business travelers who require travel products and services for their travel purposes. Wholesale customers are usually travel services providers who purchase airtickets, hotel rooms, FIT packages and other travel related products from S2T. Meetings, Incentives, Conventions and Exhibitions ("MICE") customers refer to customers who are mainly corporate customers, convention organizers and special projects organizers who require one stop professional MICE/special project/event management services.

Securities Management

Although the global and Hong Kong economies have gradually recovered and the financial market is recently upturned, the investment environment is still volatile and for the six months ended 30 June 2011, the Group recorded a net loss on investments held for trading of HK\$263,000, compared to a net gain on investments held for trading of HK\$1,514,000 in the corresponding period last year.



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

Other income

Other income for the six months ended 30 June 2011 amounted to HK\$2,133,000, representing 35.9% decrease compared to HK\$3,329,000 for the six months ended 30 June 2010. The decrease is primarily due to the decrease in Group's cash balance, and therefore the interest income, as a cash consideration of HK\$240,000,000 was paid upon the completion of acquisition of Harvest Well on 31 March 2011.

Expenditure

For the reported period, staff costs amounted to HK\$12,067,000 (for the six months ended 30 June 2010: HK\$2,874,000). The rapid increase in the expense is due to the inclusion of S2T's expense since 1 April 2011. Depreciation and amortization expenses for the period amounted to HK\$2,213,000 (for the six months ended 30 June 2010: HK\$410,000). Out of the amount, HK\$1,966,000 (for the six months ended 30 June 2010: HK\$Nil) represented amortization of intangible assets which were purchased as part of the acquisition of the S2T. Besides, an amount of HK\$2,783,000 was recorded as share-based payments for the share options granted on 13 May 2011.

LIQUIDITY AND FINANCIAL RESOURCES

The Group still maintains a strong and healthy balance sheet after the acquisition of Harvest Well. As at 30 June 2011, the working capital, calculated by current assets less current liabilities, of the Group was of HK\$186,386,000 (as at 31 December 2010: HK\$339,666,000), representing a decrease of 45.1% as compared to 31 December 2010.

As at 30 June 2011, the Group's current ratio was 4.75 times (as at 31 December 2010: 84.1 times), calculated by current assets of HK\$236,151,000 (31 December 2010: HK\$343,753,000) divided by current liabilities of HK\$49,765,000 (31 December 2010: HK\$4,087,000). The Group has no bank borrowings as at 30 June 2011 and 31 December 2010, and therefore the gearing ratio is zero as at 30 June 2011 and 31 December 2010.

During the period, net cash used in operating activities amounted to HK\$16,153,000 compared to net cash from operating activities of HK\$3,846,000 last period.

Net cash used in investing activities for the period was HK\$225,679,000 (for the six months ended 30 June 2010: HK\$Nil), which mainly represented the cash consideration paid for the acquisition of Harvest Well, net of the cash acquired in S2T.

During the period, net cash from financing activities was HK\$5,395,000 (for the six months ended 30 June 2010: HK\$Nil), which mainly represented the proceeds from issuance of 5,100,000 ordinary shares at HK\$1.058 per share on 17 May 2011 as a result of the exercise of share option.

As a result, cash and cash equivalents of the Group as at 30 June 2011 was HK\$102,969,000, representing HK\$233,867,000 decrease compared with HK\$336,836,000 as at 31 December 2010.

EXCHANGE RATE RISK

Foreign currency transactions have been translated into the functional currencies using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies were recognized in the income statements.

In the event of fluctuating foreign exchange rates, there is a risk exposure to that settlement of payment for customers and suppliers may not be reconciled. The exposed amount of foreign currencies would be monitored regularly, forward contracts would be entered for hedging the risks if considered necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the total number of employees of the Group was 106. Total staff costs incurred by the Group in the reported period was HK\$14,850,000. Out of the staff costs of HK\$14,850,000, HK\$2,783,000 represented share-based payments for the share options granted on 13 May 2011.

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 individual performance. In addition to salaries, the Group provides employee benefits such as medical insurance and provident funds. Moreover, discretionary bonus and share options will be paid or granted to employees based on the Group's and individual performances.

The Company terminated the old share option scheme (which adopted at the annual general meeting of the Company held on 30 April 2002) and adopted a new share option scheme ("2011 Scheme") at the annual general meeting of the Company held on 19 May 2011. Under the 2011 Scheme, the directors of the Company may, at their discretion, grant options to 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). During the period, 7,350,000 share options had been granted while 5,100,000 share options were exercised during the period. As at 30 June 2011, 2,250,000 share options were outstanding.

A Company's Singapore based subsidiary makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme, based on rates that vary among different age group stipulated by the Singapore government. In the reported period, the contribution rate was 14.5% for employees below the age of 50 years old. For employees between the age of 50 and 55 years old, the contribution rate was 10.5%. These rates are charged over monthly salaries with a capped at SG\$4,500 (approximately HK\$28,000).



Other Group's companies in Hong Kong maintain 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

PLEDGE OF ASSETS

At 30 June 2011, trade receivables amounting to S\$16,067,000 (equivalent to approximately HK\$101,426,000) (31 December 2010: HK\$Nil) have been pledged to a bank by way of a floating charge. The bank has provided performance guarantees to a subsidiary of the Company amounting to approximately S\$15,300,000 (equivalent to approximately HK\$96,585,000) of which the amounts utilised as at 30 June 2011 were approximately S\$5,730,000 (31 December 2010: HK\$Nil). The performance guarantees have been given in favour to international airlines.

CONTINGENT LIABILITIES

As at 30 June 2011, the Group had no material contingent liabilities.

SUBSEQUENT EVENTS

There have been no matters that have occurred subsequent to the period-end date which have significantly affected, or may significantly affect the Group's operation, results or state of affairs as at 30 June 2011.



INDEPENDENT REVIEW REPORT

Deloitte.

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TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

Introduction

We have reviewed the interim financial information set out on pages 9 to 23, which comprises the condensed consolidated statement of financial position of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

5 August 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2011

	NOTES	Three months ended 30 June		Six months ended 30 June	
		2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited) (Restated)	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited) (Restated)
Revenue		19,129	2,826	21,354	4,613
Other income		467	1,675	2,133	3,329
Precious metals used		(2,366)	(2,778)	(4,497)	(4,541)
Net (loss) gain on investments held for trading		(119)	(535)	(263)	1,514
Staff costs		(10,530)	(1,454)	(12,067)	(2,874)
Depreciation and amortization expenses		(2,066)	(295)	(2,213)	(410)
Share-based payments		(2,783)	—	(2,783)	—
Other expenses		(2,791)	(1,211)	(7,357)	(2,558)
Finance costs		—	—	(1)	(69)
Loss before taxation		(1,059)	(1,772)	(5,694)	(996)
Taxation	4	(358)	—	(358)	—
Loss for the period	5	(1,417)	(1,772)	(6,052)	(996)
Other comprehensive income					
Exchange differences arising on translation		2,053	—	2,053	—
Total comprehensive income (expense) for the period		636	(1,772)	(3,999)	(996)
Loss for the period attributable to owners of the Company		(1,417)	(1,772)	(6,052)	(996)
Total comprehensive income (expense) attributable to owners of the Company		636	(1,772)	(3,999)	(996)
Loss per share (HK cent) Basic and diluted	7	(1.16)	(1.48)	(5.00)	(0.83)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	NOTES	30 June 2011 HK\$'000 (Unaudited)	31 December 2010 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,140	240
Available-for-sale investments		136	136
Goodwill		57,117	—
Intangible assets	8	118,606	—
Other non-current assets		250	250
		<u>178,249</u>	<u>626</u>
CURRENT ASSETS			
Trade and other receivables	9	132,735	4,879
Investments held for trading		447	2,038
Bank balances and cash		102,969	336,836
		<u>236,151</u>	<u>343,753</u>
CURRENT LIABILITIES			
Trade and other payables	10	(46,163)	(4,087)
Tax payable		(3,602)	—
		<u>(49,765)</u>	<u>(4,087)</u>
NET CURRENT ASSETS			
		<u>186,386</u>	<u>339,666</u>
NON-CURRENT LIABILITY			
Deferred tax liabilities		(20,163)	—
		<u>344,472</u>	<u>340,292</u>
CAPITAL AND RESERVES			
Share capital	11	1,249	1,198
Share premium and reserves		343,223	339,094
TOTAL EQUITY			
		<u>344,472</u>	<u>340,292</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2011

	Attributable to owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2011 (audited)	1,198	341,858	32,589	5,000	—	—	(40,353)	340,292
Loss for the period	—	—	—	—	—	—	(6,052)	(6,052)
Exchange difference arising on translation of foreign operation	—	—	—	—	—	2,053	—	2,053
Total comprehensive income (expense) for the period	—	—	—	—	—	2,053	(6,052)	(3,999)
Recognition of equity- settled share-based payments	—	—	—	—	2,783	—	—	2,783
Exercise of share options	51	7,276	—	—	(1,931)	—	—	5,396
At 30 June 2011 (unaudited)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>2,053</u>	<u>(46,405)</u>	<u>344,472</u>
At 1 January 2010 (audited)	1,198	341,858	32,589	5,000	385	—	(36,954)	344,076
Loss and total comprehensive expense for the period	—	—	—	—	—	—	(996)	(996)
Lapse of share options	—	—	—	—	(52)	—	52	—
At 30 June 2010 (unaudited)	<u>1,198</u>	<u>341,858</u>	<u>32,589</u>	<u>5,000</u>	<u>333</u>	<u>—</u>	<u>(37,898)</u>	<u>343,080</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2011

		Six months ended	
		30 June	
	<i>NOTE</i>	2011	2010
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
OPERATING ACTIVITIES			
Operating cash flows before movements in working capital		(2,533)	(2,100)
Decrease in inventory		—	884
Increase in trade and other receivables		(11,441)	(912)
Decrease in investments held for trading		1,329	10,168
Decrease in trade and other payables		(1,122)	(4,194)
Cash (used in) generated from operations		(13,767)	3,846
Income tax paid		(2,386)	—
Net cash (used in) from operating activities		(16,153)	3,846
INVESTING ACTIVITIES			
Acquisition of a subsidiary	<i>13</i>	(228,960)	—
Other investing activities		3,281	—
Net cash used in investing activities		(225,679)	—
FINANCING ACTIVITIES			
Exercise of share options		5,396	—
Interest expense paid		(1)	—
Net cash from financing activities		5,395	—
Net (decrease) increase in cash and cash equivalents		(236,437)	3,846
Cash and cash equivalents at 1 January		336,836	333,593
Effect of foreign exchange rate changes		2,570	—
Cash and cash equivalents at 30 June represented by bank balances and cash		102,969	337,439

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard “Interim Financial Reporting” (“HKAS 34”).

During the current period, the Group acquired a subsidiary which is engaged in travel business in Singapore and became a major business of the Group. The directors of the Company consider that it is more appropriate for the Group to present the condensed consolidated statement of comprehensive income according to the nature of expenses. The Group has previously presented its consolidated statement of comprehensive income according to the function of its expenses.

As a result of the changes in presentation format of the consolidated statement of comprehensive income, the comparative information has been reclassified to conform to the current period’s presentation.

2. SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2010. In addition, the Group has applied the following accounting policy for revenue recognition, goodwill, intangible assets acquired in a business combination and translation of foreign operations during the current interim period.

Revenue recognition

Revenue from travel and other travel related services is recognised when services are rendered.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.



For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Foreign currencies

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the exchange reserve.

In addition, the Group has applied, for the first time, the following new or revised standards and interpretations (“new or revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) in the current interim period.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Right Issues
HK(IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosures of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹

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

These five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that these five new or revised standards will be applied in the Group’s consolidated financial statements for financial year ending 31 December 2013.

The directors of the Company anticipate that the application of these five new or revised standards and HKFRS 13 Fair Value Measurement will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

During the current period, the Group acquired a subsidiary which is engaged in the travel business in Singapore and resulted in a new operating segment.

The Group's operations are currently organised into four operating divisions, namely provision and operation of an internet-based electronic trading system, precious metals trading, treasury investments and travel business. In the six months ended 30 June 2010, there were only three operating divisions, namely provision and operation of an internet-based electronic trading system, precious metals trading and treasury investments.

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

	Segment revenue		Segment (losses) profits	
	Six months ended		Six months ended	
	30 June		30 June	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Provision and operation of an internet-based electronic trading system	—	—	(295)	(258)
Precious metals trading	4,619	4,613	110	76
Treasury investments	—	—	(263)	1,529
Travel business	16,735	—	2,952	—
Total	21,354	4,613	2,504	1,347
Unallocated income			2,130	3,325
Unallocated expense			(10,327)	(5,599)
Finance costs			(1)	(69)
Loss before taxation			(5,694)	(996)
	Segment revenue		Segment (losses) profits	
	Three months ended		Three months ended	
	30 June		30 June	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Provision and operation of an internet-based electronic trading system	—	—	(147)	(113)
Precious metals trading	2,394	2,826	20	56
Treasury investments	—	—	(119)	(528)
Travel business	16,735	—	2,952	—
Total	19,129	2,826	2,706	(585)
Unallocated income			466	1,673
Unallocated expense			(4,231)	(2,860)
Loss before taxation			(1,059)	(1,772)

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

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

4. TAXATION

	Three months ended 30 June		Six months ended 30 June	
	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)
The tax charge comprises:				
Singapore Corporate Income Tax	692	—	692	—
Deferred taxation — current year	(334)	—	(334)	—
	<u>358</u>	<u>—</u>	<u>358</u>	<u>—</u>

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

Singapore Corporate Income Tax is calculated at 17% in accordance with the relevant laws and regulations in Singapore.

5. LOSS FOR THE PERIOD

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

	Three months ended 30 June		Six months ended 30 June	
	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	100	295	247	410
Amortisation of intangible assets	1,966	—	1,966	—
Share-based payments	2,783	—	2,783	—
(Reversal of) legal and professional fee on acquisition of subsidiaries	(1,356)	—	1,987	—
Interest income	(530)	(1,670)	(2,196)	(3,324)
	<u>(1,063)</u>	<u>(1,375)</u>	<u>(1,062)</u>	<u>(3,324)</u>

6. DIVIDENDS

No dividends were paid or proposed for the periods ended 30 June 2011 and 2010, nor has any dividend been proposed since the end of both reporting periods.

7. 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:

	Three months ended		Six months ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss				
Loss for the purposes of basic loss per share	<u>(1,417)</u>	<u>(1,772)</u>	<u>(6,052)</u>	<u>(996)</u>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic loss per share (in thousand shares)	<u>122,298</u>	<u>119,832</u>	<u>121,072</u>	<u>119,832</u>

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

8. INTANGIBLE ASSETS

The intangible assets were purchased as part of the acquisition of the Safe2Travel Pte Ltd ("Safe2Travel") and are initially recognised at their provisional fair value at the date of acquisition, details of which are set out in note 13. The intangible assets comprise trade name of approximately HK\$57,655,000 and customer relationship of approximately HK\$62,917,000.

The trade name has no legal life. The directors of the Company are of the opinion that the Group has the ability to use the trade name continuously. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trade name has no foreseeable limit to the period over which the services provided are expected to generate net cash flows for the Group.

As a result, the trade name is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trade name will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

Other than the trade name, the customer relationship has an estimated useful lives of 8 years and is amortised on a straight-line basis. During the period, amortisation expense of HK\$1,966,000 has been recognised.

As at 30 June 2011, the initial accounting for the acquisition of Safe2Travel was incomplete and the intangible assets were stated at their respective provisional values.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers of the travel business. Included in trade and other receivables are trade receivables of approximately HK\$101,426,000 (31 December 2010: HK\$Nil) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2011 HK\$'000 (Unaudited)	31 December 2010 HK\$'000 (Audited)
0 — 30 days	75,451	—
31 — 60 days	7,268	—
61 — 90 days	3,172	—
Over 90 days	15,535	—
	<u>101,426</u>	<u>—</u>

Trade receivables comprise of the gross amounts billed to customers.

10. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$22,666,000 (31 December 2010: approximately HK\$12,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	30 June 2011 HK\$'000 (Unaudited)	31 December 2010 HK\$'000 (Audited)
0 — 30 days	20,431	—
31 — 60 days	48	—
61 — 90 days	154	—
Over 90 days	2,033	12
	<u>22,666</u>	<u>12</u>

11. SHARE CAPITAL

Ordinary shares of HK0.01 each	Number of shares	Share capital HK\$ '000
Authorised:		
At 31 December 2010 and 30 June 2011	180,000,000,000	1,800,000
Issued and fully paid:		
At 1 January 2010 and 31 December 2010	119,832,300	1,198
Exercise of share options (<i>note</i>)	5,100,000	51
At 30 June 2011	124,932,300	1,249

note: During the current period, 5,100,000 share options were exercised at the exercise price of HK\$1.058 per share. Accordingly, a total of 5,100,000 ordinary shares of HK\$0.01 each were issued. The new shares rank pari passu in all respect with the then existing issued shares.

12. SHARE-BASED PAYMENT TRANSACTIONS

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

For the period ended 30 June 2011

Date of grant	Exercise price per share HK\$	Outstanding at 1 January 2011	Granted during the period	Exercised during the period	Outstanding at 30 June 2011
13 May 2011	1.058	—	7,350,000	(5,100,000)	2,250,000
Exercisable at the end of the period					2,250,000

For the period ended 30 June 2010

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

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

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

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

Share options granted on 13 May 2011 were fully vested and became exercisable on the grant date.

In the current period, 7,350,000 share options were granted on 13 May 2011. The fair values of the options determined at the dates of grant using the Binomial model was HK\$2,783,000. The Group recognised the total expense of approximately HK\$2,783,000 (2010: HK\$Nil) for the current period in relation to share options granted by the Company.

The following assumptions were used to calculate the fair values of share options:

Grant date share price	HK\$1.03
Exercise price	HK\$1.058
Expected life	3 years
Expected volatility	82.84%
Dividend yield	0%
Risk-free interest rate	0.903%

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

13. ACQUISITION OF A SUBSIDIARY

On 17 September 2010, Durable Gold Investments Limited ("Durable Gold"), a directly wholly-owned subsidiary of the Company, entered into an agreement to acquire the entire equity interest in Safe2Travel and shareholder's loan of Harvest Well International Limited ("Harvest Well") via the acquisition of the entire share of Harvest Well at a cash consideration of HK\$240,000,000 ("Acquisition"). Safe2Travel is engaged in the business of licensed travel agent in Singapore.

On 15 March 2011, the Company held an extraordinary general meeting in which the Shareholders approved the Acquisition. The Acquisition was completed on 31 March 2011.

The net assets acquired in the transactions and goodwill arising on the acquisition are as follows:

	Fair value <i>HK\$'000</i>
Property, plant and equipment	3,267
Intangible assets (provisional value)	120,572
Trade and other receivables	126,579
Bank balances and cash	11,040
Trade and other payables	(52,786)
Tax payable	(5,292)
Deferred tax liabilities (provisional value)	(20,497)
	<hr/>
	182,833
Goodwill (provisional value)	57,117
	<hr/>
Total consideration satisfied by cash	240,000
	<hr/> <hr/>
Net cash flow arising on acquisition:	
Cash and cash equivalents acquired	11,040
Cash consideration paid	(240,000)
	<hr/>
	(228,960)
	<hr/> <hr/>

According to the Acquisition agreement, the shareholder's loan of Harvest Well amounted to approximately HK\$58,961,000 was acquired by Durable Gold upon completion of the conditional sale and purchase agreement.

The fair value of trade and other receivables at the date of acquisition amounted to HK\$126,579,000. The gross contractual amounts of those trade and other receivables acquired amounted to HK\$126,935,000 at the date of acquisition. The best estimate at the date of acquisition date of the contractual cash flows not expected to be collected amounted to HK\$356,000.

The initial accounting for the intangible assets (and related deferred tax) of the Acquisition has been determined provisionally, awaiting the receipt of professional valuation. The goodwill were attributable to the difference between the consideration and the fair value or provisional fair value of underlying assets and liabilities acquired. Since the fair value of intangible assets (and related deferred tax) are determined provisionally, the amount of goodwill is subject to further changes upon finalisation of initial accounting.

The subsidiary acquired contributed HK\$16,735,000 and HK\$2,594,000 to the Group's revenue and result for the period, respectively, between the date of acquisition and 30 June 2011.

Acquisition-related costs amounting to HK\$1,987,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period, within the administrative expense line item in the condensed consolidated statement of comprehensive income.

If the acquisition had been completed on 1 January 2011, the revenue of the Group for the period would have been HK\$32,301,000, and loss for the period would have been HK\$6,042,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor is it intended to be a projection of future results.

14. PLEDGE OF ASSETS

At 30 June 2011, trade receivables amounting to Singapore Dollar (“S\$”) 16,067,000 (equivalent to approximately HK\$101,426,000) (31 December 2010: HK\$Nil) have been pledged to a bank by way of a floating charge. The bank has provided performance guarantees to a subsidiary of the Company amounting to approximately S\$15,300,000 (equivalent to approximately HK\$96,585,000) of which the amounts utilised as at 30 June 2011 were approximately S\$5,730,000 (31 December 2010: HK\$Nil). The performance guarantees have been given in favour to international airlines.

15. OPERATING LEASES

The Group as lessee

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

	30 June 2011 HK\$'000 (Unaudited)	31 December 2010 HK\$'000 (Audited)
Within one year	2,084	195
In the second to fifth year inclusive	926	—
	<u>3,010</u>	<u>195</u>

Operating lease payments represent rentals payable by the Group for certain of its office premises and office equipment. Leases are negotiated and rentals are fixed for an average term of one to five years (31 December 2010: 2 years).

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

As at 30 June 2011, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ short position	Number of ordinary shares/ underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tang Chi Ming	Beneficial Owner	Long position	1,150,000	0.92
Mr. Tse Ke Li	Beneficial Owner	Long position	1,150,000	0.92
Mr. Chung Koon Yan	Beneficial Owner	Long position	300,000 <i>(Note)</i>	0.24
Ms. Chan Ling, Eva	Beneficial Owner	Long position	500,000	0.40
Mr. Lam Ka Wai, Graham	Beneficial Owner	Long position	200,000 <i>(Note)</i>	0.16

Note: These shares are derived from the interest in share options granted by the Company, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2011.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholder had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tse Young Lai	Beneficial owner	23,966,460	19.18

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2011.

SHARE OPTION SCHEME

Under the share option scheme of the Company adopted on 30 April 2002 (the “Old Scheme”), the board of Directors (the “Board”) may, at its discretion, grant options to the Directors and eligible participants (as defined in the Old Scheme) pursuant to the Old Scheme to enable them to subscribe for shares of the Company as incentives or rewards for their contribution to the Group.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, a new share option scheme (the “New Scheme”) was adopted by the Company and the Old Scheme was terminated. Since the adoption of the New Scheme, no further options can be granted under the Old Scheme. No options have been grant under the New Scheme since its adoption.

Details of the movements in the share options of the Company during the six months ended 30 June 2011 under the Old Scheme are as follows:

Name or category of participants	Number of share options				Outstanding as at 30 June 2011	Exercise price (HK\$)	Date of Grant	Exercisable Period
	Balance as at 1 January 2011	Granted during the period	Exercised during the period	Lapsed during the period				
Directors								
Mr. Tang Chi Ming	—	1,150,000	(1,150,000)	—	—	1.058	13 May 2011	13 May 2011 to 12 May 2014
Mr. Tse Ke Li	—	1,150,000	(1,150,000)	—	—	1.058	13 May 2011	13 May 2011 to 12 May 2014
Mr. Chung Koon Yan	—	300,000	—	—	300,000	1.058	13 May 2011	13 May 2011 to 12 May 2014
Ms. Chan Ling, Eva	—	500,000	(500,000)	—	—	1.058	13 May 2011	13 May 2011 to 12 May 2014
Mr. Lam Ka Wai, Graham	—	200,000	—	—	200,000	1.058	13 May 2011	13 May 2011 to 12 May 2014
Sub-total	—	3,300,000	(2,800,000)	—	500,000			
Others	—	4,050,000	(2,300,000)	—	1,750,000	1.058	13 May 2011	13 May 2011 to 12 May 2014
Sub-total	—	4,050,000	(2,300,000)	—	1,750,000			
Total	—	7,350,000	(5,100,000)	—	2,250,000			

COMPETING INTERESTS

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

CODE ON CORPORATE GOVERNANCE PRACTICES

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

During the six months ended 30 June 2011, 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, the roles and functions of the chairman and chief executive officer have been performed by the two executive Directors of the Company collectively; and
2. code provision A.4.1 of the CG Code provides that the non-executive directors should be appointed for a specific term. The non-executive Directors of the Company are not appointed for a specific term but they are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the six months ended 30 June 2011.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings regarding securities by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standards set out in the GEM Listing Rules during the six months ended 30 June 2011.

AUDIT COMMITTEE

The Audit Committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as Chairman), 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 unaudited consolidated results of the Group for the six months ended 30 June 2011.

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

The Company has not redeemed any of its shares during the six months ended 30 June 2011.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

On behalf of the Board

Tse Ke Li

Executive Director

Hong Kong, 5 August 2011

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