Trasy Gold Ex Limited
卓 施 金 網 有 限 公 司

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

2011 Annual Report

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

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

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

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This report, for which the directors (the "Directors") of TRASY GOLD EX LIMITED (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

Contents

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

NOMINATION COMMITTEE

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

AUTHORIZED REPRESENTATIVES

Mr. Tse Kam Fai
Mr. Tse Ke Li

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

REGISTERED OFFICE

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Hopewell Centre
183 Queen's Road East
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WEBSITE

www.trasy.com

STOCK CODE

08063

Financial Summary

RESULTS

For the year ended 31 December

	2011	2010	2009	2008	2007
	HK'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 1)	*(Note 1)*	*(Note 1)*	*(Note 1)*
Revenue	**63,001**	10,823	8,359	8,007	5,398
Other income	**5,530**	7,139	6,711	6,931	5,426
Precious metal used	**(9,897)**	(10,643)	(8,195)	(7,924)	—
Net (loss)/gain on investments held for trading	**(170)**	548	(1,588)	(22,335)	4,809
Staff costs	**(28,735)**	(5,559)	(5,556)	(3,610)	(5,624)
Depreciation and amortization expenses	**(8,704)**	(817)	(690)	(157)	(195)
Share-based payments	**(2,783)**	—	(4)	(18)	(3,222)
Other expenses	**(15,918)**	(5,187)	(5,795)	(6,932)	(4,937)
Finance costs	**(1)**	(88)	(360)	(48)	(2,548)
Profit/(loss) before taxation	**2,323**	(3,784)	(7,118)	(26,086)	(893)
Taxation	**(2,496)**	—	—	—	—
Loss for the year	**(173)**	(3,784)	(7,118)	(26,086)	(893)
Loss per share (in HK cents) *(Note 2)*	**(0.14)**	(3.16)	(5.94)	(22.61)	(1.31)

Note 1: As a result of changes in presentation format of the consolidated statement of comprehensive income, the figures in 2010, 2009, 2008 and 2007 have been reclassified to conform to the current year's presentation.

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

ASSETS AND LIABILITIES

As at 31 December

	2011	2010	2009	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**408,890**	344,379	352,269	357,128	278,393
Total liabilities	**(67,899)**	(4,087)	(8,193)	(5,938)	(8,169)
Equity attributable to owners of the Company	**340,991**	340,292	344,076	351,190	270,224

Management Discussion and 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 year ended 31 December 2011, the consolidated revenue of Trasy Gold Ex Limited (the "Company") and its subsidiaries (collectively, the "Group") amounted to HK$63,001,000, representing 482% increase compared to HK$10,823,000 for the year ended 31 December 2010.

The Group recorded a loss attributable to owners of the Company of HK$173,000 for the year ended 31 December 2011 (for the year ended 31 December 2010: HK$3,784,000), representing basic loss per share of HK 0.14 cents (for the year ended 31 December 2010: HK 3.16 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 for the period compared to the same period last year was recorded.

Precious Metals Trading

For the year ended 31 December 2011, revenue from trading in precious metals and precious metals contracts amounted to HK$9,899,000 (for the year ended 31 December 2010: HK$10,823,000), whereas precious metal used during the year was HK$9,897,000 (for the year ended 31 December 2010: HK$10,643,000). 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$53,102,000 for the period starting from 1 April 2011 to 31 December 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 year ended 31 December 2011, the Group recorded a net loss on investments held for trading of HK$170,000 compared to a net gain on investments held for trading of HK$548,000 in the corresponding period last year.

Management Discussion and Analysis

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 year ended 31 December 2011 amounted to HK$5,530,000 representing 22.5% decrease compared to HK$7,139,000 for the year ended 31 December 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 year ended 31 December 2011, staff costs amounted to HK$28,735,000 (for the year ended 31 December 2010: HK$5,559,000). The rapid increase in the expenses is due to the inclusion of S2T's expenses since 1 April 2011. Depreciation and amortization expenses for the period amounted to HK$8,704,000 (for the year ended 31 December 2010: HK$817,000). Out of the amount, HK$6,643,000 (for the year ended 31 December 2010: HK$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 31 December 2011, the working capital, calculated by current assets less current liabilities, of the Group was HK$183,981,000 (as at 31 December 2010: HK$339,666,000), representing a decrease of 45.8% as compared to 31 December 2010, mainly due to HK$240,000,000 used in the acquisition of Harvest Well.

As at 31 December 2011, the Group's current ratio was 4.7 times (as at 31 December 2010: 84.1 times), calculated by current assets of HK$233,093,000 (31 December 2010: HK$343,753,000) divided by current liabilities of HK$49,112,000 (31 December 2010: HK$4,087,000). The Group has no bank borrowings as at 31 December 2011 and 31 December 2010, and therefore the gearing ratio is zero as at 31 December 2011 and 31 December 2010.

During the year, net cash from operating activities amounted to HK$10,400,000 compared to net cash used in operating activities of HK$3,803,000 last year.

Net cash used in investing activities for the year was HK$234,023,000 (for the year ended 31 December 2010: net cash from investing activities of HK$7,134,000), which mainly represented the cash consideration paid for the acquisition of Harvest Well, net of the cash acquired in S2T.

During the year, net cash from financing activities was HK$5,395,000 (for the year ended 31 December 2010: net cash used in financing activities of HK$88,000), 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 options.

As a result, cash and cash equivalents of the Group as at 31 December 2011 was HK$119,435,000, 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 31 December 2011, the total number of employees of the Group was 109. Total staff costs incurred by the Group for the year was HK$31,518,000. Out of the staff costs of HK$31,518,000, HK$2,783,000 represented share-based payment 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 was adopted at the annual general meeting of the Company held on 30 April 2002) (the "Old Scheme") 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 year, 7,350,000 share options had been granted under the Old Scheme while 5,100,000 share options were exercised during the year. As at 31 December 2011, 2,250,000 share options were outstanding.

The employees of the Group's subsidiary in Singapore are members of the Central Provident Fund Scheme ("CPF Scheme") a state-managed retirement benefit scheme operated by Singapore Government. The Group is required to contribute, ranging from 4.9% to 16% of payroll costs to the CPF Scheme to fund the benefit. The only obligation of the Group with respect of the CPF Scheme is to make the specific contributions. Contributions to the national pension scheme are recognised as an expense in the period in which the related service is performed.

The Group's other 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 31 December 2011, trade receivables amounting to Singapore Dollar (“S$”)15,806,000 (equivalent to approximately HK$94,650,000) (31 December 2010: HK$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$91,620,000) of which the amounts utilised as at 31 December 2011 were approximately S$7,343,000 (31 December 2010: HK$Nil). The performance guarantees have been given in favour to international airlines.

CONTINGENT LIABILITIES

As at 31 December 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 31 December 2011.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Tang Chi Ming, aged 39, was appointed as an executive Director of the Company on 7 December 2007. He is a director of various subsidiaries of the Company, and also a member of the Remuneration Committee (the "Remuneration Committee") and the Nomination Committee (the "Nomination Committee") of the Company. He holds a Bachelor of Science degree in Business Administration from the Salem International University, the United States of America. Mr. Tang has developed considerable experience in corporate management, information technology consulting, and property and securities investments by serving key position and directorship in private enterprises. Mr. Tang 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 and 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 does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in 1,150,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").

Mr. Tse Ke Li, aged 55, was appointed as an executive Director of the Company on 26 October 2007. He is also the Compliance Officer of the Company and a director of several subsidiaries of the Company. Mr. Tse has over 10 years' business management experience in a food and beverage company in Canada and investment experience in automobile trading in Canada. He also has several years experience in property investment and trading. He specializes in marketing and business development. 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 and 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 does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. He is interested in 1,150,000 shares of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECVTIVE DIRECTORS

Mr. Chung Koon Yan, aged 48, 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 and a member of the Nomination 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 Chiu, Choy & Chung CPA Limited, and has more than 21 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, a company listed on the 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 and 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. He is interested in the share options of the Company exercisable into 300,000 shares of the Company within the meaning of Part XV of the SFO.

Ms. Chan Ling, Eva, aged 46, was appointed as an independent non-executive Director of the Company on 16 November 2007. She is also the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. She has over 23 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 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. 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 does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. She is interested in 500,000 shares of the Company within the meaning of Part XV of the SFO.

Biographies of Directors and Senior Management

Mr. Lam Ka Wai, Graham, aged 44, 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. 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 18 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 Financial Group Limited (formerly known as "China Fortune Group Limited") (stock code: 290), Nan Nan Resources Enterprise Limited (formerly known as "International Resources Enterprise Limited") (stock code: 1229), Pearl Oriental Oil Limited (formerly known as "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), a company listed on the GEM. In addition, Mr. Lam was the independent non-executive director of ZZNode Technologies Company Limited (now known as "China Oriental Culture Group Limited") (stock code: 2371) and Applied Development Holdings Limited (stock code: 519), companies listed on the main board of the Stock Exchange, from 29 January 2008 to 5 October 2010 and from 1 October 2005 to 12 December 2011, respectively; and Finet Group Limited (stock code: 8317) and Hao Wen Holdings Limited (stock code: 8019), companies listed on the GEM, from 5 August 2009 to 24 January 2011 and from 17 November 2010 to 16 May 2011, respectively. 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 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. He is interested in the share options of the Company exercisable into 200,000 shares of the Company within the meaning of Part XV of the SFO.

COMPANY SECRETARY

Mr. Tse Kam Fai, aged 48, 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 20 years' experience in handling listed company secretarial and compliance related matters.

Corporate Governance Report

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 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, 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 next following 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 2011.

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 2011.

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

Corporate Governance Report

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 8 to 10 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 next following 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 2011, the Board held 11 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	11/11
Mr. Tse Ke Li	11/11
Mr. Chung Koon Yan	11/11
Ms. Chan Ling, Eva	11/11
Mr. Lam Ka Wai, Graham#	10/11
Mr. Wong Kai Tat*	—

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, and no meeting was held before his resignation.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

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.

Before the Company established the Nomination Committee on 5 January 2012, the full Board was responsible for the selection and approval of candidate for appointment as Director to the Board.

The Nomination Committee was established on 5 January 2012 and currently consists of two independent non-executive Directors, namely Ms. Chan Ling, Eva (as chairman) and Mr. Chung Koon Yan, and an executive Director, namely Mr. Tang Chi Ming, with written terms of reference in compliance with the GEM Listing Rules.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for 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.

During the year ended 31 December 2011, 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*	—

Mr. Lam Ka Wai, Graham was appointed as a member of the Remuneration Committee on 24 March 2011, and no meeting was held after his appointment.

* Mr. Wong Kai Tat ceased to be a member of the Remuneration Committee with effect from 23 March 2011, and no meeting was held before his cessation.

The Company adopted the Old Scheme on 30 April 2002 and terminated the same pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 19 May 2011, and the Company adopted the 2011 Scheme at the same meeting. The purpose of the both share option schemes is to enable the Board, at its discretion, to grant options to any eligible participants who include Directors and employees as incentives or rewards for their contribution to the Group. Details of the Old Scheme and the 2011 Scheme are set out in the Directors' Report and note 25 to the financial statements. Details of the Directors' remuneration are set out in note 10 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	800
Non-audit services	1,892

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 2011.

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.

During the financial year ended 31 December 2011, 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#	4/4
Mr. Wong Kai Tat*	—

\# 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, and no meeting was held before his cessation.

During the year ended 31 December 2011, 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 2011 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 except where the chairman, in good faith, decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the 2012 annual general meeting of the Company 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 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 2011, the Board has conducted a review of the system of internal control to ensure the effectiveness and adequacy of the system. The Board shall conduct such review at least once annually.

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2011 are set out in the consolidated statement of comprehensive income on page 24.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2011 (2010: 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 14 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 2011 were as follows:

	2011	2010
	HK$'000	*HK$'000*
Share premium	**349,134**	341,858
Distributable reserve	**32,589**	32,589
Accumulated losses	**(50,515)**	(35,353)
	331,208	339,094

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 of Association (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' Report

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)*

In accordance with Article 87(1) of the Articles, Mr. Tse Ke Li and Ms. Chan Ling, Eva shall retire by rotation at the forthcoming annual general meeting ("AGM") and, being eligible, offer themselves for re-election.

There is no specific length of the term of office for each of the independent non-executive Directors but they are subject to the retirement at the next following 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 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 CONFIRMATIONS 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 the independent non-executive Directors are independent.

SHARE OPTIONS

Particulars of the Old Scheme and the 2011 Scheme are set out in note 25 to the consolidated financial statements.

The following table discloses movements in the Company's share options granted under the Old Scheme during the year:

	Date of grant	Exercisable period	exercise price per share	Outstanding at 1 January 2011	Granted during the year	Exercised during the year	Outstanding at 31 December 2011
			HK$				
Category 1: Directors							
Mr. Tang Chi Ming	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	1,150,000	(1,150,000)	—
Mr. Tse Ke Li	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	1,150,000	(1,150,000)	—
Ms. Chan Ling, Eva	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	500,000	(500,000)	—
Mr. Chung Koon Yan	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	300,000	—	300,000
Mr. Lam Ka Wai, Graham	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	200,000	—	200,000
Total held by Directors				—	3,300,000	(2,800,000)	500,000
Category 2:							
Eligible participants (other than directors)	13.5.2011	13.5.2011 to 12.5.2014	1.058	—	4,050,000	(2,300,000)	1,750,000
Total of all categories				—	7,350,000	(5,100,000)	2,250,000

No option was granted under the 2011 Scheme since its adoption.

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

As at 31 December 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 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 *(Note)*	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 *(Note)*	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 OPTIONS" above.

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 31 December 2011.

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 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders 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 31 December 2011.

EMOLUMENT POLICY

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

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

The Company has adopted the 2011 Scheme as an incentive to Directors and eligible participants, details of the scheme is set out in note 25 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 2011.

MAJOR CUSTOMERS

During the year, the Group's aggregate sales attributable to its five largest customers were less than 30% of the Group's total revenue.

In addition, the Group's aggregate purchase attributable to its five largest suppliers was also less than 30% of the Group's total purchases of the year.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 11 to 15 of the annual report.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), 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 quarterly, interim and annual financial statements for the year ended 31 December 2011.

AUDITOR

A resolution will be submitted to the AGM 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
21 March 2012

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 24 to 72, which comprise the consolidated statement of financial position as at 31 December 2011, and the 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.

Independent Auditor's Report

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 2011, 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
21 March 2012

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000 (Restated)
Revenue	5	**63,001**	10,823
Other income		**5,530**	7,139
Precious metal used		**(9,897)**	(10,643)
Net (loss) gain on investments held for trading		**(170)**	548
Staff costs		**(28,735)**	(5,559)
Depreciation and amortisation expenses		**(8,704)**	(817)
Share-based payment expenses		**(2,783)**	—
Other expenses		**(15,918)**	(5,187)
Finance costs	7	**(1)**	(88)
Profit (loss) before taxation		**2,323**	(3,784)
Taxation	8	**(2,496)**	—
Loss for the year	9	**(173)**	(3,784)
Other comprehensive expense			
Exchange differences arising on translation		**(7,307)**	—
Total comprehensive expense for the year		**(7,480)**	(3,784)
Loss for the year attributable to owners of the Company		**(173)**	(3,784)
Total comprehensive expense attributable to owners of the Company		**(7,480)**	(3,784)
Loss per share (HK cents)	13		
Basic and diluted		**(0.14)**	(3.16)

Consolidated Statement of Financial Position

at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment	*14*	**9,438**	240
Available-for-sale investments	*15*	**136**	136
Goodwill	*16*	**55,454**	—
Intangible assets	*17*	**110,519**	—
Other non-current assets	*18*	**250**	250
		175,797	626
Current assets			
Trade and other receivables	*19*	**113,658**	4,879
Investments held for trading	*20*	**—**	2,038
Bank balances and cash	*21*	**119,435**	336,836
		233,093	343,753
Current liabilities			
Trade and other payables	*22*	**44,721**	4,087
Tax payable		**4,391**	—
		49,112	4,087
Net current assets		**183,981**	339,666
Total assets less current liabilities		**359,778**	340,292
Non-current liability			
Deferred tax liabilities	*23*	**18,787**	—
Net assets		**340,991**	340,292
Capital and reserves			
Share capital	*24*	**1,249**	1,198
Share premium and reserves		**339,742**	339,094
Total equity		**340,991**	340,292

The consolidated financial statements on pages 24 to 72 were approved and authorised for issue by the board of directors on 21 March 2012 and are signed on its behalf by:

Tang Chi Ming
Director

Tse Ke Li
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2011

	Share capital HK$'000	Share premium HK$'000	Distributable reserve HK$'000 (Note 1)	Merger reserve HK$'000 (Note 2)	Share option reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2010	1,198	341,858	32,589	5,000	385	—	(36,954)	344,076
Loss and total comprehensive expense 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
Loss for the year	—	—	—	—	—	—	(173)	(173)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	(7,307)	—	(7,307)
Total comprehensive expense for the year	—	—	—	—	—	(7,307)	(173)	(7,480)
Recognition of equity-settled share-based payments	—	—	—	—	2,783	—	—	2,783
Exercise of share options	51	7,276	—	—	(1,931)	—	—	5,396
At 31 December 2011	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991

Notes:

(1) The distributable reserve represented the credit arising from the capital reduction effected by the Company during the year ended 31 December 2009.

(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 2011

	Note	2011 HK$'000	2010 HK$'000
OPERATING ACTIVITIES			
Profit (loss) before taxation		**2,323**	(3,784)
Adjustments for:			
Depreciation of property, plant and equipment		**2,061**	817
Amortisation of intangible assets		**6,643**	—
Share-based payment expenses		**2,783**	—
Interest income		**(3,121)**	(6,711)
Finance costs		**1**	88
Net loss (gain) on investments held for trading		**170**	(548)
Dividend income from investments held for trading		**—**	(423)
Loss on disposal of property, plant and equipment		**95**	—
Operating cash flows before movements in working capital		**10,955**	(10,561)
Decrease (increase) in trade and other receivables		**14,282**	(2,759)
Decrease in inventory		**—**	884
Decrease in investments held for trading		**1,868**	12,739
Decrease in trade and other payables		**(12,321)**	(4,106)
Cash generated from (used in) operating activities		**14,784**	(3,803)
Income tax paid		**(4,384)**	—
NET CASH FROM (USED IN) OPERATING ACTIVITIES		**10,400**	(3,803)
INVESTING ACTIVITIES			
Acquisition of a subsidiary	*26*	**(228,960)**	—
Purchase of property, plant and equipment		**(9,241)**	—
Proceeds on disposal of property, plant and equipment		**1,057**	—
Interest received		**3,121**	6,711
Dividend received from investments held for trading		**—**	423
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(234,023)**	7,134
FINANCING ACTIVITIES			
Exercise of share options		**5,396**	—
Interest paid		**(1)**	(88)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**5,395**	(88)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(218,228)**	3,243
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**336,836**	333,593
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**827**	—
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash		**119,435**	336,836

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 travel business, securities investments and precious metals trading.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

During the year, 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 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 year's presentation.

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

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

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

The application of the new and revised HKFRSs in current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 January 2012.
5 Effective for annual periods beginning on or after 1 July 2012.
6 Effective for annual periods beginning on or after 1 January 2014.

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

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 will affect the classification and measurement of the Group's available-for-sale investments and will not affect the classification on financial liabilities based on the Group's financial assets and financial liabilities as at 31 December 2011.

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

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that other than available-for-sale investments, the application of the new Standard will not affect the amounts reported in the consolidated financial statements but will result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors anticipate that the applications of other new and revised HKFRSs 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

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 share-based payment arrangement of the Group entered into to replace 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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 travel and other travel related services is recognised when the services are rendered.

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 income 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 in the consolidated statement of financial position 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 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.

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).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss.

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 each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 borrowings pending 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 state-managed retirement benefit scheme and Mandatory Provident Fund Scheme are recognised 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.

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 goodwill or the initial recognition (other than in a business combination) 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Current and 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 current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Effective interest method *(Continued)*

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 trade and 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).

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 considered to be 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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 certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with 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. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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 (including all fees and points 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

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

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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 are recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, 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 losses.

Impairment losses on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2011, the carrying amount of goodwill is approximately HK$55,454,000.

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2011, the carrying amount of trade receivable is approximately HK$94,650,000 (31 December 2010: carrying amount of HK$Nil).

5. REVENUE

Revenue represents revenue arising on travel business and precious metals trading for the year. An analysis of the Group's revenue for the year, is as follows:

	2011	2010
	HK$'000	*HK$'000*
Travel business	53,102	—
Precious metals trading	9,899	10,823
	63,001	10,823

6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

During the year, the Group acquired a subsidiary which is engaged in travel business in Singapore and resulted in a new operating segment. In addition, the business of provision and operation of an internet-based electronic trading system had been ceased since the CODM decided to allocate more resources into travel business. The business of provision and operation of an internet-based electronic trading system was discontinued accordingly. However, no discontinued operation was shown separately on the consolidated financial statements since the CODM considered the financial results contributed by such business was insignificant to the Group.

The Group's operations are currently organised into three operating divisions, namely travel business, precious metals trading and treasury investments. For the year ended 31 December 2010, there were also three operating divisions, namely precious metals trading, treasury investments, and, provision and operation of an internet-based electronic trading system.

6. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

	Segment revenue		Segment profit (loss)	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Travel business	**53,102**	—	**16,988**	—
Precious metals trading	**9,899**	10,823	**12**	188
Treasury investments	**—**	—	**(170)**	971
Provision and operation of an internet-based electronic trading system	**—**	—	**—**	(555)
Total	**63,001**	10,823	**16,830**	604
Unallocated income			**3,182**	6,716
Unallocated expense			**(20,184)**	(11,016)
Finance costs			**(1)**	(88)
Loss for the year			**(173)**	(3,784)

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 CODM for the purposes of resource allocation and assessment of segment performance.

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

	2011	2010
	HK$'000	*HK$'000*
Segment assets		
Travel business	**303,748**	—
Precious metals trading	**1,747**	2,155
Treasury investments	**—**	4,025
Provision and operation of an internet-based electronic trading system	**—**	89
Total segment assets	**305,495**	6,269
Unallocated bank balances	**96,778**	336,836
Unallocated assets	**6,617**	1,274
Consolidated assets	**408,890**	344,379
Segment liabilities		
Travel business	**63,174**	—
Precious metals trading	**14**	12
Treasury investments	**—**	—
Provision and operation of an internet-based electronic trading system	**—**	150
Total segment liabilities	**63,188**	162
Unallocated liabilities	**4,711**	3,925
Consolidated liabilities	**67,899**	4,087

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

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

6. SEGMENT INFORMATION *(Continued)*

Other information

Amounts included in the measure of segment results and segment assets:

	Travel business HK$'000	Precious metal trading HK$'000	Treasury Investments HK$'000	Provision and operation of an internet-based electronic trading system HK$'000
For the year ended 31 December 2011				
Additions to non-current assets *(Note)*	4,877	1,372	626	—
Depreciation for property, plant and equipment	333	160	104	—
Amortisation of intangible assets	6,643	—	—	—
Loss on disposal of property, plant and equipment	95	—	—	—
Interest income	118	5	—	—
For the year ended 31 December 2010				
Interest income	—	8	—	—
Dividend income from investments held for trading	—	—	423	—

Note: Additions to non-current assets represent the additions to property, plant and equipment.

6. SEGMENT INFORMATION *(Continued)*

Geographic information

The Group's current operations are mainly located in Singapore and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operation. Information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Singapore	**53,102**	—	**169,268**	—
Hong Kong *(Note)*	**9,899**	10,823	**6,393**	490
	63,001	10,823	**175,661**	490

Note: Non-current assets excluded available-for-sale investments.

Information about major customers

No revenue from customers contributes over 10% of the total sales of the Group for any of the two years ended 31 December 2011.

7. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on borrowings from securities margin accounts wholly repayable within five years	**1**	88

8. INCOME TAX EXPENSE

	2011 HK$'000	2010 HK$'000
The tax charge comprises:		
Singapore corporate income tax	**3,625**	—
Deferred taxation — current year	**(1,129)**	—
	2,496	—

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

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax at 16.5% has been made as the Company and its subsidiaries incurred tax losses 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:

	2011 HK$'000	2010 HK$'000
Profit (loss) before tax	**2,323**	(3,784)
Tax at domestic income tax rate at 17% (2010: 16.5%) *(Note)*	**383**	(624)
Tax effect of expenses not deductible for tax purpose	**1,886**	689
Tax effect of income not taxable for tax purpose	**(1,340)**	(1,176)
Tax effect of tax losses not recognised	**1,455**	1,111
Effect of different tax rates of subsidiaries operating in other jurisdictions	**112**	—
Tax charge for the year	**2,496**	—

Note: The domestic income tax rate is changed to 17% as the Group's operations are substantially based in Singapore for the year ended 31 December 2011.

9. LOSS FOR THE YEAR

	2011	2010
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**2,061**	817
Amortisation of intangible assets	**6,643**	—
Auditors' remuneration	**1,011**	600
Legal and professional fee on acquisition of subsidiaries	**1,987**	—
Loss on disposal of property, plant and equipment	**95**	—
Directors' emoluments *(Note 10)*	**2,236**	984
Salaries and allowances (excluding directors)	**25,321**	4,470
Retirement benefits scheme contribution (excluding directors)	**2,427**	105
Share-based payments (excluding directors) *(Note)*	**1,534**	—
	31,518	5,559
and after crediting:		
Interest income	**3,121**	6,711
Net exchange gain (loss)	**753**	(4)
Dividend income from investments held for trading	**—**	423

Note: The details of share-based payment, including the principal terms and number of share options granted, are disclosed in note 25 to the consolidated financial statements.

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the six (2010: five) directors were as follows:

2011

Name of director	Fees	Salary	Contribution to retirement benefits scheme	Share-based payment expenses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:					
Tang Chi Ming	240	—	12	435	687
Tse Ke Li	360	—	12	435	807
Independent non-executive directors:					
Chung Koon Yan	120	—	—	114	234
Lam Ka Wai, Graham *(Note a)*	93	—	—	76	169
Wong Kai Tat *(Note b)*	30	—	—	—	30
Chan Ling, Eva	120	—	—	189	309
	963	—	24	1,249	2,236

10. DIRECTORS' EMOLUMENTS *(Continued)*

2010

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

Notes:

(a) Mr. Lam Ka Wai, Graham was appointed as independent non-executive director of the Company on 24 March 2011.

(b) Mr. Wong Kai Tat resigned as independent non-executive director of the Company on 23 March 2011.

No directors waived any emoluments for the years ended 31 December 2010 and 2011.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none (2010: none) were directors of the Company whose emoluments are in note 10 above. The emoluments of the five (2010: five) highest paid individuals were as follows:

	2011	2010
	HK$'000	*HK$'000*
Salaries and other benefits	**5,670**	3,359
Contribution to retirement benefits scheme	**284**	60
Share-based payment expenses	**435**	—
	6,389	3,419

The emoluments were within the following bands:

	Number of employees	
	2011	2010
Nil — HK$1,000,000	**1**	4
HK$1,000,001— HK$1,500,000	**4**	1

12. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2011 and 2010, nor has any dividend been proposed since the end of the reporting periods.

13. 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:

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(173)**	(3,784)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**123,018,053**	119,832,300

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 both years.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Motor vehicle	Furniture, fixtures and equipment	Computer equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 January 2010	1,510	—	207	873	2,590
Additions	—	—	—	—	—
At 31 December 2010	1,510	—	207	873	2,590
Additions	5,633	3,575	—	33	9,241
Acquired on acquisition of a subsidiary	—	3,013	—	254	3,267
Disposals	—	(1,216)	—	—	(1,216)
Exchange adjustment	—	(93)	—	(8)	(101)
At 31 December 2011	7,143	5,279	207	1,152	13,781
DEPRECIATION					
At 1 January 2010	616	—	104	813	1,533
Provided for the year	755	—	23	39	817
At 31 December 2010	1,371	—	127	852	2,350
Provided for the year	1,430	484	24	123	2,061
Eliminated on disposals	—	(64)	—	—	(64)
Exchange adjustment	—	(2)	—	(2)	(4)
At 31 December 2011	2,801	418	151	973	4,343
CARRYING VALUES					
At 31 December 2011	4,342	4,861	56	179	9,438
At 31 December 2010	139	—	80	21	240

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
Motor vehicle	10% — 20%
Furniture, fixtures and equipment	15% — 33%
Computer equipment	30% — 33%

15. AVAILABLE-FOR-SALE INVESTMENTS

	2011	2010
	HK$'000	*HK$'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.

16. GOODWILL

	HK$'000
COST	
At 1 January, 2011	—
Acquired on acquisition of subsidiaries	57,117
Exchange realignment	(1,663)
At 31 December, 2011	55,454

For the impairment testing, goodwill and intangible assets with indefinite useful life is allocated to the Group's cash generating units ("CGU") identified according to business segment which is the business travel segment. During the year ended 31 December 2011, management of the Group determines that there are no impairments of any of its CGUs containing goodwill or trade name with indefinite useful life.

The recoverable amount of the travel business CGUs was based on its value-in-use and was determined with the assistance of Ascent Partners Transaction Service Limited, an independent professional qualified valuer not connected with the Group. These calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and at a discount rate of 16.92%. Cash flows for the five-year period were extrapolated using a 2.24% growth rate in considering the economic conditions of the market.

The estimated growth rates used are comparable to the growth rate for the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations for the market development.

The recoverable amount of the unit was determined to be higher than its carrying amount and no impairment loss is made as at the end of the reporting period.

17. INTANGIBLE ASSETS

The intangible assets were purchased as part of the acquisition of the Safe2Travel Pte Ltd ("Safe2Travel") and are recognised at their fair value at the date of acquisition, details of which are set out in note 26.

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 below has an estimated useful life of 7 years and is amortised on a straight-line basis.

	Trade name	**Customer relationship**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
COST			
At 1 January 2011	—	—	—
Acquired on acquisition of a subsidiary	57,655	62,917	120,572
Exchange adjustments	(1,677)	(1,831)	(3,508)
At 31 December 2011	55,978	61,086	117,064
AMORTISATION			
At 1 January 2011	—	—	—
Provided for the year	—	6,643	6,643
Exchange adjustments	—	(98)	(98)
At 31 December 2011	—	6,545	6,545
CARRYING VALUES			
At 31 December 2011	55,978	54,541	110,519
At 31 December 2010	—	—	—

18. OTHER NON-CURRENT ASSETS

	2011	2010
	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.

19. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**94,650**	—
Brokers receivables	**1,356**	3,751
Deposits and prepayments	**17,652**	1,128
	113,658	4,879

The Group allows an average credit period of 90 days to its trade customers of the travel business. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the report period.

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**61,102**	—
31-60 days	**9,508**	—
61-90 days	**8,509**	—
Over 90 days	**15,781**	—
	94,900	—

Trade receivables represent the gross amounts billed to customers.

19. TRADE AND OTHER RECEIVABLES *(Continued)*

These receivables relate to a number of independent customers that have a good track record with the Group. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

As at 31 December 2011, included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$15,781,000 (31 December 2010: HK$Nil) which are past due as at the reporting date for which the Group has not provided for impairment loss. The average age of these receivables is 100 days.

Aging of trade receivables which are past due but not impaired

	2011	2010
	HK$'000	*HK$'000*
91-180 days	**12,657**	—
181-360 days	**3,124**	—
Total	**15,781**	—

The Group's trade and other receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2011	2010
	HK$'000	*HK$'000*
United States dollar ("USD")	**1,356**	1,764

20. INVESTMENTS HELD FOR TRADING

	2011	2010
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong	**—**	2,038

21. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 4.15% (2010: 0.01% to 2%) per annum.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2011	2010
	HK$'000	*HK$'000*
USD	**530**	166
Australian dollar ("AUD")	**12,743**	—
New Zealand dollar ("NZD")	**102**	—

22. TRADE AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**24,229**	12
Accruals	**6,731**	3,582
Deposits received	**6,168**	—
Other payables	**7,593**	493
	44,721	4,087

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

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**23,877**	—
31-60 days	**341**	—
61-90 days	**7**	—
Over 90 days	**4**	12
	24,229	12

23. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movements thereon during the current and prior year.

	Fair value adjustments on business combination
	HK$'000
At 1 January 2011	—
Acquisition of a subsidiary	20,497
Credit to profit or loss	(1,129)
Exchange differences	(581)
At 31 December 2011	18,787

At the end of the reporting period, the Group has unutilised tax losses of approximately HK$72,994,000 (2010: HK$64,176,000) 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.

24. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2010, 31 December 2010 and 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 option *(Note)*	**5,100,000**	51
At 31 December 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.

25. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme (the "Old 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 (as defined in the Old Scheme).

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. Under the New 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 ten years from the date of acceptance.

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.

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. 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 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.

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

During the year ended 31 December 2011, 7,350,000 share options were granted on 13 May 2011, which were fully vested and became exercisable on the grant date. 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 year 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
Option life	3 years
Expected volatility	82.84%
Behaviors multiple	1.73
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.

The following tables disclose movements of the Company's share options held by the Directors and eligible participants during the years ended 31 December 2011 and 2010:

For the year ended 31 December 2011

Date of grant	Exercise price per share *HK$*	Outstanding at 1 January 2011	Granted during the year	Exercised during the year	Outstanding at 31 December 2011
Directors:					
13 May 2011	1.058	—	3,300,000	(2,800,000)	500,000
Eligible participants other than directors:					
13 May 2011	1.058	—	4,050,000	(2,300,000)	1,750,000
Grand total		—	7,350,000	(5,100,000)	2,250,000
Exercisable at the end of the year					2,250,000

In respect of the share options exercised during the year, the share price at the date of exercise is HK$1.10 (2010: HK$Nil).

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

For the year ended 31 December 2010

Date of grant	Exercisable period	Exercise price per share	Outstanding at 1 January 2010	Lapsed during the year	Outstanding at 31 December 2010
		HK$			
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			125,635	(125,635)	—
Adjusted weighted average exercise price (HK$)					—

26. 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.

26. ACQUISITION OF A SUBSIDIARY *(Continued)*

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

	Fair value *HK$'000*
Property, plant and equipment	3,267
Intangible assets	120,572
Trade and other receivables	126,579
Bank balances and cash	11,040
Trade and other payables	(52,786)
Shareholder's loan	(58,961)
Tax payable	(5,292)
Deferred tax liabilities	(20,497)
	123,922
Assignment of shareholder's loan to the Group	58,961
Goodwill	57,117
Total consideration satisfied by cash	240,000
Net cash flow arising on acquisition:	
Cash and cash equivalents acquired	11,040
Cash consideration paid	(240,000)
	(228,960)

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 subsidiary acquired contributed HK$53,102,000 and HK$16,988,000 to the Group's revenue and result for the year, respectively, between the date of acquisition and 31 December 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 year, within the other expense line item in the consolidated statement of comprehensive income.

26. ACQUISITION OF A SUBSIDIARY *(Continued)*

If the acquisition had been completed on 1 January 2011, the revenue of the Group for the year would have been HK$73,665,000, and loss for the year would have been HK$2,376,000. 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.

27. PLEDGE OF ASSETS

At 31 December 2011, trade receivable amounting to Singapore Dollar ("S$") 15,806,000 (equivalent to approximately HK$94,650,000) (31 December 2010: HK$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$91,620,000) of which the amounts utilised as at 31 December 2011 were approximately S$7,343,000 (31 December 2010: HK$Nil). The performance guarantees have been given in favour to international airlines.

28. OPERATING LEASES

The Group as lessee

	2011	2010
	HK$'000	*HK$'000*
Minimum lease payments recognised under operating leases for premises during the year	**4,853**	1,580

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:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**4,088**	195
In the second to fifth years inclusive	**5,626**	—
	9,714	195

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

29. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualified employees in Hong Kong. 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 employees of the Group's subsidiary in Singapore are members of the Central Provident Fund Scheme ("CPF Scheme") a state-managed retirement benefit scheme operated by Singapore Government. The Group is required to contribute, ranging from 4.9% to 16% of payroll costs to the CPF Scheme to fund the benefit. The only obligation of the Group with respect of the CPF Scheme is to make the specific contributions. Contributions to the national pension scheme are recognised as an expense in the period in which the related service is performed.

The total cost charged to consolidated statement of comprehensive income approximately of HK$2,451,000 (2010: HK$129,000) represents contributions payable to the MPF Scheme and CPF Scheme by the Group in respect of the year ended 31 December 2011.

30. 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	**2011** ***HK$'000***	2010 *HK$'000*
Total assets			
Interests in subsidiaries		**1**	1
Amount due from subsidiaries		**334,404**	341,121
Other receivables		**135**	865
Bank balances and cash		**15**	17
		334,555	342,004
Total liability			
Other payables		**(1,246)**	(1,712)
Net assets		**333,309**	340,292
Capital and reserves			
Share capital	*24*	**1,249**	1,198
Reserves	*(a)*	**332,060**	339,094
		333,309	340,292

30. FINANCIAL INFORMATION OF THE COMPANY *(Continued)*

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 2010	341,858	32,589	385	(5,617)	369,215
Loss and total comprehensive expense 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
Loss and total comprehensive expense for the year	—	—	—	(15,162)	(15,162)
Recognition of equity-settled share based payments	—	—	2,783	—	2,783
Exercise of share options	7,276	—	(1,931)	—	5,345
At 31 December 2011	349,134	32,589	852	(50,515)	332,060

Note: The distributable reserve represented credit arising from capital reduction effected by the Company during the year ended 31 December 2009.

31. 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.

32. FINANCIAL INSTRUMENTS

32a. Categories of financial instruments

	2011 HK$'000	2010 HK$'000
Financial assets		
Investments held for trading	—	2,038
Loans and receivables (including cash and cash equivalents)	**215,441**	340,699
Available-for-sale investments	**136**	136
Financial liability		
Amortised cost	**31,822**	2,448

32. FINANCIAL INSTRUMENTS *(Continued)*

32b. Financial risk management objectives and polices

The Group's major financial instruments include investments held for trading, available-for-sale investments, trade and 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.

Market risk

(i) Currency risk

Certain subsidiaries of the Group have trade and other receivables, bank balances in foreign currencies, which expose the Group to currency risk.

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

	Assets		**Liabilities**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
USD	**1,886**	1,930	**14**	12
AUD	**12,743**	—	**—**	—
NZD	**102**	—	**—**	—

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2010: 5%) increase and decrease in the functional currencies of each group entity against the above foreign currencies. 5% (2010: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than the items denominated in USD as the directors consider that the Group's exposure to USD is insignificant on the ground that HKD is pegged to USD. A positive number below indicates an increase in loss for the year where functional currency of each group entity strengthen 5% (2010: 5%) against the relevant currencies. For a 5% (2010: 5%) weakening of functional currency of each group entity against the relevant currencies, there would be an equal and opposite impact on the profit and the balances below would be negative.

32. FINANCIAL INSTRUMENTS *(Continued)*

32b. Financial risk management objectives and polices *(Continued)*

Market risk *(Continued)*

(i) Currency risk *(Continued)*

	2011	2010
	HK$'000	*HK$'000*
AUD	**532**	—
NZD	**4**	—

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 21). 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 2011 would decrease by approximately HK$511,000 (2010: decrease by approximately HK$1,685,000). 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.

(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. At 31 December 2011, all investment held for trading have been disposed, and therefore no sensitivity analysis was prepared.

32. FINANCIAL INSTRUMENTS *(Continued)*

32b. Financial risk management objectives and polices *(Continued)*

Market risk *(Continued)*

(iii) Other price risk *(Continued)*

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at 31 December 2010.

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 HK$102,000 as a result of the changes in fair value of the investments through profit or loss.

In management's opinion, the sensitivity analysis were not necessarily representative of the inherent other price risk as the year end exposure did not reflect the exposure for the year ended 31 December 2010.

Credit risk

As at 31 December 2011, 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 Group credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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. Trade receivables consist of a large number of customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. As at 31 December 2011 and 2010, the Group had no external borrowings.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

32. FINANCIAL INSTRUMENTS *(Continued)*

32b. Financial risk management objectives and polices *(Continued)*

Liquidity risk

Liquidity tables

	Weighted average interest rate	Less than one month or on demand and total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*
2011			
Non-derivative financial liabilities			
Trade and other payables	—	31,822	31,822
2010			
Non-derivative financial liabilities			
Trade and other payables	—	2,448	2,448

32c. 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.

Fair value measurements recognised in the consolidated statement of financial position

The financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. FINANCIAL INSTRUMENTS *(Continued)*

32c. Fair values *(Continued)*

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2011				
Financial assets at FVTPL				
Investments held for trading	—	—	—	—
As at 31 December 2010				
Financial assets at FVTPL				
Investments held for trading	2,038	—	—	2,038

There were no transfers between Level 1 and 2 in current and prior years.

There is no transfer into/out of Level 3 in the current and prior years.

33. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors during the year was as follows:

	2011	2010
	HK$'000	*HK$'000*
Short-term employee benefits	**963**	960
Post-employment benefits	**24**	24
Share-based payment expenses	**1,249**	—
Short-term benefits	**2,236**	984

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2011 and 31 December 2010 are as follows:

Name of subsidiary	Place of incorporation	Issued and paid up capital	Proportion ownership interest held by the Company				Principal activities/ place of operation
			Direct		Indirect		
			2011 %	2010 %	**2011** %	2010 %	
Durable Gold Investments Limited	British Virgin Islands	Ordinary USD1	**100**	100	**—**	—	Investment holding/ Hong Kong
Wing Shing Loong Goldsmith & Refinery Co Limited	Hong Kong	Ordinary HK$15,000,000	**—**	—	**100**	100	Gold bullion licence holding and precious metals trading/Hong Kong
Trasy Holdings Limited	Hong Kong	Ordinary HK$ 2	**—**	—	**100**	100	Management services/Hong Kong
United Goldnet Limited	Hong Kong	Ordinary HK$ 2	**—**	—	**100**	100	Treasury management and securities trading/Hong Kong
Harvest Well International Limited	British Virgin Islands	Ordinary USD1	**—**	N/A	**100**	N/A	Investment holding
Safe2Travel Pte Ltd	Singapore	Ordinary SG$9,981,000	**—**	N/A	**100**	N/A	Licensed travel agent/ Singapore

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.