

Trasy Gold Ex Limited

卓施金網有限公司

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

2013

First Quarterly Report



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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.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recorded a loss attributable to owners of the Company of HK\$7,072,000 for the three months ended 31 March 2013 (for the three months ended 31 March 2012: HK\$5,246,000), representing basic loss per share of HK5.661 cents (for the three months ended 31 March 2012: HK4.199 cents).

REVENUE AND PROFITABILITY

For the three months ended 31 March 2013, the consolidated revenue of the Group amounted to HK\$10,908,000, representing 8.8% decrease compared to HK\$11,955,000 for the last corresponding period.

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. 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.

Other income

Other income for the three months ended 31 March 2013 amounted to HK\$603,000 representing 32.8% increase compared to HK\$454,000 for the three months ended 31 March 2012. The increase mainly represented the increase in incentive from a global distribution system provider.

Expenditure

For the reported period, staff costs amounted to HK\$10,522,000 (for the three months ended 31 March 2012: HK\$10,913,000). Depreciation and amortization expenses for the period amounted to HK\$3,478,000 (for the three months ended 31 March 2012: HK\$3,145,000).

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

INTRODUCTION

We have reviewed the interim financial information of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 5 to 11, which comprises the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2013, and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with the basis set out in note 1. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion on the interim financial information solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
14 May 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2013

	NOTES	Three months ended 31 March	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Revenue	3	10,908	11,955
Other income	4	603	454
Staff costs		(10,522)	(10,913)
Depreciation and amortisation expenses		(3,478)	(3,145)
Other expenses		(4,841)	(3,858)
Loss before taxation		(7,330)	(5,507)
Taxation	5	258	261
Loss for the period		(7,072)	(5,246)
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation		(3,188)	7,384
Total comprehensive (expense) income for the period		(10,260)	2,138
Loss for the period attributable to owners of the Company		(7,072)	(5,246)
Total comprehensive (expense) income attributable to owners of the Company		(10,260)	2,138
Loss per share (<i>HK cents</i>)	6		
Basic and diluted		(5.661)	(4.199)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2013

1. BASIS OF PREPARATION

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

The principal accounting policies applied in preparing the interim financial information are set out in note 2.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the interim financial information for the three months ended 31 March 2013 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2012.

The interim financial information has been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and interpretation issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 — 2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Except for the presentational changes set out below, the application of other amendments to HKFRSs and interpretation in the current interim period has had no material effect on the amounts reported in the interim financial information and/or disclosures set out in the interim financial information.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* in the current period. The amendments introduced new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a “statement of comprehensive income” is renamed as a “statement of profit or loss and other comprehensive income”. In addition, the amendments to HKAS 1 require items of other comprehensive income to be 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 do not change the option to present items of other comprehensive income either before tax or net of tax.

The directors of the Company choose to rename the title of its condensed consolidated statement of comprehensive income to “condensed consolidated statement of profit or loss and other comprehensive income”. Other amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 has no material impact on the Group’s profit or loss, other comprehensive income and financial position in the current and prior periods.

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 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ¹
Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities ²
HKFRS 9	Financial Instruments ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²

¹ Effective for annual periods beginning on or after 1 January 2015.

² Effective for annual periods beginning on or after 1 January 2014.

The potential impacts on the application of the above new and revised HKFRSs are disclosed in the Group’s annual financial statements for the year ended 31 December 2012.

3. REVENUE

Revenue represents revenue arising on travel business for the period.

4. OTHER INCOME

	Three months ended 31 March	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Exchange gain	—	333
Incentive income	456	—
Interest income	6	34
Dividend income	14	7
Miscellaneous income	127	80
	<u>603</u>	<u>454</u>

5. TAXATION

	Three months ended 31 March	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
The tax charge (credit) comprises:		
Singapore Corporate Income Tax	132	116
Deferred taxation — current period	(390)	(377)
	<u>(258)</u>	<u>(261)</u>

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

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

6. LOSS PER SHARE

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

	Three months ended	
	31 March	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share	<u>(7,072)</u>	<u>(5,246)</u>
Number of shares		
Number of ordinary shares for the purposes of basic and diluted loss per share (in thousand of shares)	<u>124,932</u>	<u>124,932</u>

Diluted loss per share does not assume the exercise of the Company's share options because the exercise price of the options was higher than the average market price of shares for both periods.

7. INTERIM DIVIDEND

No dividends were paid during the three months ended 31 March 2013 (2012: Nil). The directors do not recommend the payment of an interim dividend.

8. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Merger reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2013 (audited)	1,249	349,134	32,589	5,000	852	6,142	(74,111)	320,855
Loss for the period	—	—	—	—	—	—	(7,072)	(7,072)
Exchange difference arising on translation of foreign operation	—	—	—	—	—	(3,188)	—	(3,188)
Total comprehensive expense for the period	—	—	—	—	—	(3,188)	(7,072)	(10,260)
At 31 March 2013 (unaudited)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>2,954</u>	<u>(81,183)</u>	<u>310,595</u>
At 1 January 2012 (audited)	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991
Loss for the period	—	—	—	—	—	—	(5,246)	(5,246)
Exchange difference arising on translation of foreign operation	—	—	—	—	—	7,384	—	7,384
Total comprehensive income (expense) for the period	—	—	—	—	—	7,384	(5,246)	2,138
At 31 March 2012 (unaudited)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>77</u>	<u>(45,772)</u>	<u>343,129</u>

9. SHARE-BASED PAYMENT TRANSACTIONS

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

For the three months ended 31 March 2013

Date of grant	Exercise price per share <i>HK\$</i>	Outstanding at 1 January and 31 March 2013
13 May 2011	1.058	<u>2,250,000</u>
Exercisable at the end of the period		<u>2,250,000</u>

For the three months ended 31 March 2012

Date of grant	Exercise price per share <i>HK\$</i>	Outstanding at 1 January and 31 March 2012
13 May 2011	1.058	<u>2,250,000</u>
Exercisable at the end of the period		<u>2,250,000</u>

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

No share options were granted or exercised for the three months ended 31 March 2013 and 2012.

OTHER INFORMATION

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

As at 31 March 2013, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

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

Name of Director	Capacity	Long position/ short position	Number of ordinary shares/ underlying shares held	Approximate percentage of the issued ordinary share capital of the Company
Mr. Tang Chi Ming	Beneficial owner	Long position	1,150,000	0.92
Mr. Tse Ke Li	Beneficial owner	Long position	1,150,000	0.92
Mr. Chung Koon Yan	Beneficial owner	Long position	300,000 (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 interests in share options granted by the Company.

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 March 2013.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 31 March 2013, the register of substantial shareholders/other persons 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
Ma Ho Man Hoffman	Beneficial owner	23,958,000	19.18
Harbinger Group Limited	Beneficial owner	7,592,000	6.08
Everland Group Limited	Beneficial owner	6,270,000 <i>(Note)</i>	5.02
Wong Yun Sang	Interest in controlled corporation	6,270,000 <i>(Note)</i>	5.02

Note: These 6,270,000 shares are held through Everland Group Limited, which is owned as to 50% by Wong Yun Sang. Therefore, Wong Yun Sang are deemed to be interested in these shares.

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 March 2013.

COMPETING INTERESTS

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

AUDIT COMMITTEE

The Audit Committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham, with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 31 March 2013.

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

The Company has not redeemed any of its shares during the three months ended 31 March 2013. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed securities during the period.

On behalf of the Board

Tse Ke Li

Executive Director

Hong Kong, 14 May 2013

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