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TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08063)

**VERY SUBSTANTIAL ACQUISITION
RELATING TO ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN
AND SHAREHOLDER'S LOAN OF
HARVEST WELL INTERNATIONAL LIMITED
AND
RESUMPTION OF TRADING**

THE ACQUISITION

After trading hours of the Stock Exchange on 17 September 2010, Durable Gold, a direct wholly-owned subsidiary of the Company, and the Company entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and Durable Gold has conditionally agreed to acquire, the Sale Share and the Sale Loan at a total cash consideration of HK\$240 million (subject to downward adjustment as described in this announcement). The Sale Share represents the entire issued share capital of Harvest Well. The Harvest Well Group is engaged in the business of licensed travel agent in Singapore.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Acquisition constitutes a very substantial acquisition for the Company under the GEM Listing Rules which requires the approval of the Shareholders by way of poll at the EGM. As no Shareholder has a material interest in the Acquisition which is different from the other Shareholders, no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder at the EGM.

The Company expects that a circular containing, among other things, details of the Agreement, detailed information relating to the business of the Harvest Well Group, financial information on the Group and the Harvest Well Group and other information as required under the GEM Listing Rules, as well as the notice of the EGM, will be despatched to the Shareholders on or before 19 November 2010, as additional time is required to prepare the financial information on the Harvest Well Group and the Group and information relating to the business of the Harvest Well Group for inclusion in the circular.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM was suspended with effect from 9:30 a.m. on 20 September 2010 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 24 September 2010.

As disclosed in the announcement of the Company dated 14 April 2010 and the first quarterly report of the Company dated 14 May 2010, the Company has been in preliminary discussions with an independent third party for a proposed acquisition. The Board is pleased to announce that Durable Gold, a direct wholly-owned subsidiary of the Company, and the Company entered into the Agreement with the Vendor to acquire the entire equity interest in and the shareholder's loan owing by Harvest Well at a total cash consideration of HK\$240 million (subject to downward adjustment as described in this announcement). The Harvest Well Group is engaged in the business of licensed travel agent in Singapore. Details of the Agreement are set out below.

THE AGREEMENT

Date

17 September 2010

Parties

- (a) Vendor: Mr. Zhang Rong
- (b) Purchaser: Durable Gold, a direct wholly-owned subsidiary of the Company
- (c) Guarantor: the Company (as guarantor to guarantee the obligations and liabilities of Durable Gold under the Agreement)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (has the meaning ascribed to it under the GEM Listing Rules).

Assets to be acquired

- (a) the Sale Share, being 1 issued ordinary share of US\$1 in the capital of Harvest Well, representing the entire issued share capital of Harvest Well as at the date of the Agreement; and
- (b) the Sale Loan, being the outstanding shareholder's loan owing by Harvest Well to the Vendor as at the date of Completion.

The Sale Share and the Sale Loan shall be acquired together with all rights attached thereto as of the date of the Agreement. As at the date of the Agreement, the total shareholder's loan owing by Harvest Well to the Vendor amounted to approximately HK\$52.3 million.

Consideration and payment terms

Pursuant to the Agreement, the Consideration (being the aggregate consideration for the Sale Share and the Sale Loan) shall be HK\$240 million (subject to downward adjustment as described in the sub-paragraph headed "Profit guarantee and adjustment to the Consideration" below) shall be apportioned as follows:

- (a) the portion of the Consideration attributable to the Sale Loan shall be equal to the face value of the Sale Loan; and
- (b) the remaining balance of the Consideration shall be attributable to the Sale Share.

The Consideration shall be satisfied in cash by Durable Gold at Completion.

Conditions precedent

Completion of the Agreement is conditional on the following conditions:

- (a) the Shareholders having passed an ordinary resolution at the EGM approving the Agreement and the transactions contemplated thereunder;
- (b) Durable Gold being solely and absolutely satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Harvest Well Group;

- (c) the representations, undertakings and warranties given by the Vendor in the Agreement remaining true and accurate and not misleading in any respect at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion;
- (d) Durable Gold having obtained a legal opinion issued by a firm of lawyers qualified to practise laws in Singapore in such form and substance to the satisfaction of Durable Gold covering such matters in relation to the transactions contemplated under the Agreement, including but not limited to the valid existence of Safe2Travel and the business carried on by it; and
- (e) all other necessary consent from third parties (including governmental or official or regulatory authorities) and all other necessary consents and approvals required pursuant to any legal or regulatory requirement in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained.

Durable Gold may in its absolute discretion waive conditions in (b) to (d) above. If the conditions set out above have not been satisfied or waived (as the case may be) on or before 30 June 2011 (or such later date as Durable Gold may agree in writing), the Vendor and Durable Gold shall not be bound to proceed with Completion, and the Agreement will cease and determine and neither party shall have any obligations under the Agreement save for any antecedent breach.

Completion

Completion of the Agreement shall take place on the fifth business day following the fulfillment or waiver (as the case may be) of the conditions precedent to the Agreement (or such other date as Durable Gold shall agree in writing). Durable Gold is not obliged to complete the purchase of the Sale Share and the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

Profit guarantee and adjustment to the Consideration

Pursuant to the Agreement, the Vendor has warranted that the Net Profit shall not be less than S\$5.0 million (equivalent to approximately HK\$29.0 million). The guaranteed Net Profit was determined with reference to the audited profit before taxation of S\$4.1 million (equivalent to approximately HK\$23.8 million) of Safe2Travel for the year ended 31 December 2009.

In the event the Net Profit as reported on by the auditors of Safe2Travel (whose appointment shall have been consented by Durable Gold) is less than S\$5.0 million, the Vendor shall pay an amount to Durable Gold, which is equivalent to 6.5 times of

the shortfall between S\$5.0 million and the Net Profit, within three business days upon written demand from Durable Gold. The aforesaid adjustment ratio of 6.5 times was determined with reference to the price-earnings multiple of approximately 6.3 times represented by the adjusted consideration over the guaranteed Net Profit as set out in the section headed “Reasons for the Acquisition” below.

INFORMATION ON THE HARVEST WELL GROUP

Harvest Well is an investment holding company incorporated in the BVI on 2 July 2009 and is wholly owned by the Vendor. It became the holding company of Safe2Travel since 2 June 2010 and its principal asset is its 100% holding in Safe2Travel.

Safe2Travel is a company incorporated in Singapore on 8 April 2000 and is licensed under the Travel Agents Act in Singapore to carry on the business of a travel agent. Being one of the largest and most established travel and event management companies in Singapore, Safe2Travel provides business travel services, inbound and outbound events management and planning services to corporate clients, as well as offers a wide range of tailor-made leisure travel products and services ranging from group tours to free and easy packages.

Based on the audited financial statements of Safe2Travel (which were prepared in accordance with Singapore Financial Reporting Standards) provided by the Vendor, Safe2Travel recorded audited profit before tax of approximately S\$2.7 million (equivalent to approximately HK\$15.7 million) and audited profit after tax of approximately S\$2.2 million (equivalent to approximately HK\$12.8 million) for the year ended 31 December 2007. For the year ended 31 December 2008, Safe2Travel recorded audited profit before tax of approximately S\$4.0 million (equivalent to approximately HK\$23.2 million) and audited profit after tax of approximately S\$3.2 million (equivalent to approximately HK\$18.6 million). For the year ended 31 December 2009, the audited net profit before tax and audited net profit after tax of Safe2Travel were approximately S\$4.1 million (equivalent to approximately HK\$23.8 million) and S\$3.6 million (equivalent to approximately HK\$20.9 million) respectively. Based on the unaudited management accounts of Safe2Travel for the six-month period ended 30 June 2010, the unaudited net profit before tax and unaudited net profit after tax were approximately S\$1.0 million (equivalent to approximately HK\$5.8 million) and S\$0.8 million (equivalent to approximately HK\$4.6 million) respectively.

The unaudited consolidated net asset value of the Harvest Well Group as at 30 June 2010 was approximately HK\$4.6 million. Excluding the shareholder's loan owing by Harvest Well to the Vendor of approximately HK\$52.3 million as at the date of the Agreement, the unaudited consolidated net asset value of the Harvest Well Group would have been approximately HK\$56.9 million.

Following Completion, Harvest Well will be accounted for as a wholly-owned subsidiary of the Company and the results of the Harvest Well Group will be consolidated into the accounts of the Group. Based on the preliminary due diligence review on the Harvest Well Group conducted by the Company and the discussions between the management of the Company and Safe2Travel, the chief executive officer and other key personnel of Safe2Travel intend to continue their employment with Safe2Travel and the Company intends to rely on the expertise of the existing staff of Safe2Travel in managing and operating the business of Safe2Travel after Completion. The Company may also look for suitable personnel to enhance the management of the new business. It is intended that the Harvest Well Group will continue its existing business model after Completion and depending on the then financial position and market conditions, the Harvest Well Group may expand its business in travel and event management for corporate customers with a view to capitalising on business opportunities arising from the fast growing tourism industry in Singapore.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and the Group is principally engaged in the provision and operation of an internet-based electronic trading system, securities management and precious metals trading.

Affected by the global financial tsunami in previous years, the Group has been adopting a prudent approach in conducting its precious metals contract trading and securities management. Turnover of the Group has been maintained at a modest level, with losses of approximately HK\$26.1 million and HK\$7.1 million recorded for each of the two years ended 31 December 2008 and 2009 respectively. With a view to utilising its resources in a more efficient manner, the Company has been considering investment opportunities from time to time.

Singapore is a popular travel destination in Asia, with annual tourist arrivals maintaining consistently in the region of 9 to 10 million in the last few years. With the gradual additions of new tourist attractions such as casino and the Universal Studio Singapore theme park, visitor arrivals to Singapore have seen continuous growth. According to latest figures from Singapore Tourism Board, tourist arrivals from January to July 2010 were approximately 6.6 million, registering a 22.9% year-on-year growth. Visitor arrivals and visitor days in July 2010 also recorded a

growth of 24.1% and 21.0% respectively in comparison with July 2009. The Directors believe that the efforts of the Singapore government in enhancing the transportation network of Singapore and developing new tourist attractions would continue to fuel the tourism industry in Singapore. In light of the profitable track record of Safe2Travel as described in the paragraph headed “Information on the Harvest Well Group” above, the Directors consider that the Acquisition represents an opportunity for the Group to enter into a profitable business that would meet the Group’s investment objectives and bring immediate contributions to the Group. The Company intends to continue with its existing business in internet trading platform, securities management and precious metals trading, and will allocate appropriate resources to different business segments of the Group depending on the then business environment and performance of each segment. The Directors believe that the Acquisition offers the Group a good opportunity to diversify into the tourism industry and is in the interests of the Company and the Shareholders as a whole.

The Consideration was determined taking into account the guaranteed Net Profit and the net asset value of the Harvest Well Group. The Consideration, less the unaudited net asset value of the Harvest Well Group of approximately HK\$4.6 million and the outstanding balance of the shareholder’s loan owing by Harvest Well of approximately HK\$52.3 million as at the date of the Agreement, represents a price-earnings multiple of about 6.3 times of the guaranteed Net Profit. The Directors consider the aforesaid price-earnings multiple reasonable, taking into consideration the price-earnings multiples of Singapore listed companies which are engaging in similar business as the Harvest Well Group and the information relating to recent comparable transaction available in the public domain. The Directors consider the terms of the Agreement including the Consideration to be fair and reasonable. The Consideration will be funded by internal resources of the Group.

GEM LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition for the Company under the GEM Listing Rules which requires the approval of the Shareholders by way of poll at the EGM. As no Shareholder has a material interest in the Acquisition which is different from the other Shareholders, no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder at the EGM.

The Company expects that a circular containing, among other things, details of the Agreement, detailed information relating to the business of the Harvest Well Group, financial information on the Group and the Harvest Well Group and other information as required under the GEM Listing Rules, as well as the notice of the EGM, will be

despatched to the Shareholders on or before 19 November 2010, as additional time is required to prepare the financial information on the Harvest Well Group and the Group and information relating to the business of the Harvest Well Group for inclusion in the circular.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM was suspended with effect from 9:30 a.m. on 20 September 2010 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 24 September 2010.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Share and the Sale Loan by Durable Gold pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 17 September 2010 entered into among the Vendor, Durable Gold and the Company in relation to the Acquisition
“Board”	the board of Directors
“business day(s)”	a day (days) (other than a Saturday) on which licensed banks are open for business in Hong Kong
“BVI”	British Virgin Islands
“Company”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration payable by Durable Gold for the Sale Share and the Sale Loan under the Agreement
“Director(s)”	director(s) of the Company

“Durable Gold”	Durable Gold Investments Limited, a company incorporated in the BVI and a direct wholly-owned subsidiary of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Harvest Well”	Harvest Well International Limited, a company incorporated in the BVI with limited liability
“Harvest Well Group”	Harvest Well and its subsidiary
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Net Profit”	the audited profit before tax attributable to shareholder of Safe2Travel for the year ending 31 December 2010 prepared in accordance with Singapore Financial Reporting Standards
“Safe2Travel”	Safe2Travel Pte Ltd, a company incorporated in Singapore and a direct wholly-owned subsidiary of Harvest Well
“Sale Loan”	the shareholder’s loan owing by Harvest Well to the Vendor as at the date of Completion
“Sale Share”	being 1 issued ordinary share of US\$1 in the capital of Harvest Well, representing the entire issued share capital of Harvest Well as at the date of the Agreement and Completion
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	Republic of Singapore

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Zhang Rong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

This announcement contains translation between S\$ and HK\$ at the rate of S\$1.00 = HK\$5.809. The translation should not be taken as a representation that the relevant amounts in S\$ could actually be converted into HK\$ at that rate or at all.

By Order of the Board
TRASY GOLD EX LIMITED
Tang Chi Ming
Executive Director

Hong Kong, 22 September 2010

As at the date of this announcement, the Directors are as follows: -

Executive Directors:

Mr. Tang Chi Ming

Mr. Tse Ke Li

Independent non-executive Directors:

Mr. Chung Koon Yan

Mr. Wong Kai Tat

Ms. Chan Ling, Eva

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least seven days from the date of its posting and on the Company’s website at www.trasy.com.