



# Trasy Gold Ex Limited

## 卓施金網有限公司

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

# 2012

Interim 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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.*

## MANAGEMENT DISCUSSION & ANALYSIS

### FINANCIAL REVIEW

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

The Group recorded a loss attributable to owners of the Company of HK\$7,168,000 for the six months ended 30 June 2012 (for the six months ended 30 June 2011: HK\$6,052,000), representing basic loss per share of HK 5.74 cents (for the six months ended 30 June 2011: HK 5.00 cents).

### REVENUE AND PROFITABILITY

For the six months ended 30 June 2012, the consolidated revenue of the Group amounted to HK\$30,035,000, representing 40.7% increase compared to HK\$21,354,000 for the six months ended 30 June 2011.

#### Precious Metals Trading

For the six months ended 30 June 2012, revenue from trading in precious metals and precious metals contracts amounted to HK\$2,455,000 (for the six months ended 30 June 2011: HK\$4,619,000), while precious metals used amounted to HK\$2,435,000 (for the six months ended 30 June 2011: HK\$4,497,000). 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\$27,580,000 for the period (for the six months ended 30 June 2011: HK\$16,735,000). The rapid increase was mainly due to the inclusion of six-months revenue of S2T in the current period’s financial statements, while only three-months revenue of S2T was included in the financial statements last period from the completion date on 31 March 2011.

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.

### **Other income**

Other income for the six months ended 30 June 2012 amounted to HK\$758,000, representing 64.5% decrease compared to HK\$2,133,000 for the six months ended 30 June 2011. The decrease is primarily due to the decrease in the Group’s cash balance, and therefore the interest income, as a cash consideration of HK\$240,000,000 was paid upon the completion of acquisition of Harvest Well on 31 March 2011.

### **Expenditure**

For the reported period, staff costs amounted to HK\$19,807,000 (for the six months ended 30 June 2011: HK\$12,067,000). Depreciation and amortization expenses for the period amounted to HK\$6,676,000 (for the six months ended 30 June 2011: HK\$2,213,000). The rapid increase in the expenses was mainly due to the inclusion of six-months expenses of S2T in the current period financial statements, while only three-months expenses of S2T was included in the financial statements last period from the completion date on 31 March 2011.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group still maintains a strong and healthy financial position in term of liquidity. As at 30 June 2012, the working capital, calculated by current assets less current liabilities, of the Group was HK\$180,078,000 (as at 31 December 2011: HK\$183,981,000), representing a slight decrease of 2.1% as compared to 31 December 2011.

As at 30 June 2012, the Group's current ratio was 4.3 times (as at 31 December 2011: 4.7 times), calculated by current assets of HK\$234,629,000 (as at 31 December 2011: HK\$233,093,000) divided by current liabilities of HK\$54,551,000 (as at 31 December 2011: HK\$49,112,000). The Group has no bank borrowings as at 30 June 2012 and 31 December 2011, and therefore the gearing ratio is zero as at 30 June 2012 and 31 December 2011.

During the period, net cash used in operating activities amounted to HK\$24,344,000 compared to HK\$16,153,000 last period.

Net cash used in investing activities for the period was HK\$4,666,000 (for the six months ended 30 June 2011: HK\$225,679,000). The amounts last period mainly represented the cash consideration paid for the acquisition of Harvest Well, net of the cash acquired in S2T.

Net cash from financing activities last period was HK\$5,395,000 which mainly represented the proceeds from issuance of 5,100,000 ordinary shares as a result of the exercise of share options.

As a result, cash and cash equivalents of the Group as at 30 June 2012 was HK\$90,288,000, representing HK\$29,147,000 decrease compared with HK\$119,435,000 as at 31 December 2011.

## EXCHANGE RATE RISK

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

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

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2012, the total number of employees of the Group was 118. Total staff costs incurred by the Group in the reported period was HK\$19,807,000.

The Group fixes and reviews the emoluments of its directors and staff based on the qualification, experience, performance and the market rates from time to time so as to maintain the remunerations of the directors and staff at a competitive level. Salary increment is normally approved annually or by special adjustment depending on length of services and 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.

Under the Company's share option scheme, the Directors may, at their discretion, grant options to eligible participants which enable them to subscribe for shares in aggregate not exceeding 30% of the shares in issue of the Company from time to time (including shares which have been allotted and issued pursuant to any other share option scheme). During the period, no share options had been granted, exercised or lapsed. As at 30 June 2012, 2,250,000 share options were outstanding.

The Company's Singapore based subsidiary makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme, based on rates that vary among different age group stipulated by the Singapore government.

The Group's other companies in Hong Kong maintain a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group'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, which was increased to HK\$25,000 with effect from 1 June 2012) and in accordance with the requirements of the Mandatory Provident Fund Schemes.

### **PLEDGE OF ASSETS**

As at 30 June 2012, trade receivables amounting to Singapore Dollar ("S\$") 21,021,000 (equivalent to approximately HK\$128,708,000) (as at 31 December 2011: HK\$94,650,000) 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\$93,678,000) of which the amounts utilised as at 30 June 2012 were approximately S\$7,006,000 (equivalent to approximately HK\$42,898,000) (as at 31 December 2011: HK\$43,972,000). The performance guarantees have been given in favour of international airlines.

### **CONTINGENT LIABILITIES**

As at 30 June 2012, the Group had no material contingent liabilities.

### **SUBSEQUENT EVENTS**

There have been no matters that have occurred subsequent to the period-end date which have significantly affected, or may significantly affect the Group's operation, results or state of affairs as at 30 June 2012.

## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF TRASY GOLD EX LIMITED

### INTRODUCTION

We have reviewed the condensed consolidated financial statement of Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 8 to 21, which comprises the condensed consolidated statement of financial position as of 30 June 2012 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The GEM Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion on these condensed consolidated financial statements 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 these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

10 August 2012

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Notes	Three months ended 30 June		Six months ended 30 June	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue		18,080	19,129	30,035	21,354
Other income		304	467	758	2,133
Precious metals used		(2,435)	(2,366)	(2,435)	(4,497)
Net loss on investments held for trading		—	(119)	—	(263)
Staff costs		(8,894)	(10,530)	(19,807)	(12,067)
Depreciation and amortisation expense		(3,531)	(2,066)	(6,676)	(2,213)
Share-based payments		—	(2,783)	—	(2,783)
Other expenses		(5,045)	(2,791)	(8,903)	(7,357)
Finance costs		—	—	—	(1)
Loss before taxation		(1,521)	(1,059)	(7,028)	(5,694)
Taxation	4	(401)	(358)	(140)	(358)
Loss for the period	5	(1,922)	(1,417)	(7,168)	(6,052)
<b>Other comprehensive (expense) income</b>					
Exchange differences arising on translation		(2,000)	2,053	5,384	2,053
Total comprehensive (expense) income for the period		(3,922)	636	(1,784)	(3,999)
Loss for the period attributable to owners of the Company		(1,922)	(1,417)	(7,168)	(6,052)
Total comprehensive (expense) income attributable to owners of the Company		(3,922)	636	(1,784)	(3,999)
Loss per share (HK cent)	7				
Basic and diluted		(1.54)	(1.16)	(5.74)	(5.00)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

		30 June 2012 <i>HK\$'000</i> (Unaudited)	31 December 2011 <i>HK\$'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	11,954	9,438
Available-for-sale investments		136	136
Goodwill		56,701	55,454
Intangible assets	9	108,540	110,519
Other non-current assets		250	250
		<b>177,581</b>	<b>175,797</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	144,341	113,658
Bank balances and cash		90,288	119,435
		<b>234,629</b>	<b>233,093</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(51,164)	(44,721)
Tax payable		(3,387)	(4,391)
		<b>(54,551)</b>	<b>(49,112)</b>
<b>NET CURRENT ASSETS</b>		<b>180,078</b>	<b>183,981</b>
<b>NON-CURRENT LIABILITY</b>			
Deferred tax liabilities		(18,452)	(18,787)
<b>NET ASSETS</b>		<b>339,207</b>	<b>340,991</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	12	1,249	1,249
Share premium and reserves		337,958	339,742
<b>TOTAL EQUITY</b>		<b>339,207</b>	<b>340,991</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Attributable to owners of the Company							Total HK\$ '000
	Share capital HK\$ '000	Share premium HK\$ '000	Distributable reserve HK\$ '000	Merger reserve HK\$ '000	Share option reserve HK\$ '000	Exchange reserve HK\$ '000	Accumulated losses HK\$ '000	
At 1 January 2012 (audited)	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991
Loss for the period	—	—	—	—	—	—	(7,168)	(7,168)
Exchange difference arising on translation of foreign operation	—	—	—	—	—	5,384	—	5,384
Total comprehensive income (expense) for the period	—	—	—	—	—	5,384	(7,168)	(1,784)
<b>At 30 June 2012 (unaudited)</b>	<b>1,249</b>	<b>349,134</b>	<b>32,589</b>	<b>5,000</b>	<b>852</b>	<b>(1,923)</b>	<b>(47,694)</b>	<b>339,207</b>
At 1 January 2011 (audited)	1,198	341,858	32,589	5,000	—	—	(40,353)	340,292
Loss for the period	—	—	—	—	—	—	(6,052)	(6,052)
Exchange difference arising on translation of foreign operation	—	—	—	—	—	2,053	—	2,053
Total comprehensive income (expense) for the period	—	—	—	—	—	2,053	(6,052)	(3,999)
Recognition of equity-settled share-based payments	—	—	—	—	2,783	—	—	2,783
Exercise of share options	51	7,276	—	—	(1,931)	—	—	5,396
<b>At 30 June 2011 (unaudited)</b>	<b>1,249</b>	<b>349,134</b>	<b>32,589</b>	<b>5,000</b>	<b>852</b>	<b>2,053</b>	<b>(46,405)</b>	<b>344,472</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Operating cash flows before movements in working capital	(398)	(2,533)
Increase in trade and other receivables	(27,541)	(11,441)
Decrease in investments held for trading	—	1,329
Increase (decrease) in trade and other payables	5,489	(1,122)
	<hr/>	<hr/>
Cash used in operations	(22,450)	(13,767)
Income tax paid	(1,894)	(2,386)
	<hr/>	<hr/>
Net cash used in operating activities	(24,344)	(16,153)
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<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,712)	—
Acquisition of a subsidiary	—	(228,960)
Other investing activities	46	3,281
	<hr/>	<hr/>
Net cash used in investing activities	(4,666)	(225,679)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>FINANCING ACTIVITIES</b>		
Exercise of share options	—	5,396
Interest expense paid	—	(1)
	<hr/>	<hr/>
Net cash from financing activities	—	5,395
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net decrease in cash and cash equivalents	(29,010)	(236,437)
Cash and cash equivalents at 1 January	119,435	336,836
Effect of foreign exchange rate changes	(137)	2,570
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June represented by bank balances and cash</b>	<b>90,288</b>	<b>102,969</b>
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2012*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computations used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle <sup>1</sup>
Amendments to HKFRS 1	Government Loans <sup>1</sup>
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>2</sup>
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance <sup>1</sup>
HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 10	Consolidated Financial Statements <sup>1</sup>
HKFRS 11	Joint Arrangements <sup>1</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>1</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income <sup>3</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>1</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>4</sup>
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2015.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2012.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2014.

The potential impacts on the applications of the above new and revised HKFRSs are disclosed in the Group's annual financial statements for the year ended 31 December 2011.

### 3. SEGMENT INFORMATION

The Group's operations are currently organised into three operating divisions, namely travel business, precious metals trading and treasury investments.

For the six months ended 30 June 2011, there were four operating divisions, namely travel business, precious metals trading, treasury investments, and provision and operation of an internet-based electronic trading system, in which the business of provision and operation of an internet-based electronic trading system had been ceased during the second-half of 2011 since the chief operating decision maker ("CODM"), representing the executive directors of the Company, decided to allocate more resources into travel business which was newly-acquired in 2011. 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 condensed consolidated financial statements since the CODM considered the financial results contributed by such business was insignificant to the Group.

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

	Segment revenue		Segment profits (losses)	
	Six months ended		Six months ended	
	30 June		30 June	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Travel business	27,580	16,735	492	2,952
Precious metals trading	2,455	4,619	(174)	110
Treasury investments	—	—	—	(263)
Provision and operation of an internet-based electronic trading system	—	—	—	(295)
Total	<u>30,035</u>	<u>21,354</u>	<u>318</u>	<u>2,504</u>
Unallocated income			123	2,130
Unallocated expense			(7,469)	(10,327)
Finance costs			—	(1)
Loss before taxation			<u>(7,028)</u>	<u>(5,694)</u>

### 3. SEGMENT INFORMATION (Continued)

	Segment revenue		Segment profit (losses)	
	Three months ended		Three months ended	
	30 June		30 June	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Travel business	15,625	16,735	2,381	2,952
Precious metals trading	2,455	2,394	(174)	20
Treasury investments	—	—	—	(119)
Provision and operation of an internet-based electronic trading system	—	—	—	(147)
Total	<u>18,080</u>	<u>19,129</u>	<u>2,207</u>	<u>2,706</u>
Unallocated income			6	466
Unallocated expense			<u>(3,734)</u>	<u>(4,231)</u>
Loss before taxation			<u>(1,521)</u>	<u>(1,059)</u>

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.

#### 4. TAXATION

Three months ended 30 June		Six months ended 30 June	
2012	2011	2012	2011
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

The tax charge comprises:

Singapore Corporate				
Income Tax	774	692	890	692
Deferred taxation				
— current year	(373)	(334)	(750)	(334)
	<u>401</u>	<u>358</u>	<u>140</u>	<u>358</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 as the Group entities either incurred tax losses or the estimated assessable profit is wholly absorbed by tax losses brought forward from prior periods.

#### 5. LOSS FOR THE PERIOD

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

Three months ended 30 June		Six months ended 30 June		
2012	2011	2012	2011	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Depreciation of property, plant and equipment	1,334	100	2,264	247
Amortisation of intangible assets	2,197	1,966	4,412	1,966
Share-based payments	—	2,783	—	2,783
(Reversal of) legal and professional fee on acquisition of subsidiaries	—	(1,356)	—	1,987
Interest income	(12)	(530)	(46)	(2,196)
	<u>(12)</u>	<u>(530)</u>	<u>(46)</u>	<u>(2,196)</u>

## 6. DIVIDENDS

No dividends were paid or proposed for the periods ended 30 June 2012 and 2011, nor has any dividend been proposed since the end of both reporting periods.

## 7. LOSS PER SHARE

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

	Three months ended 30 June		Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
<b>Loss</b>				
Loss for the purposes of basic and diluted loss per share	<u>(1,922)</u>	<u>(1,417)</u>	<u>(7,168)</u>	<u>(6,052)</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (in thousand shares)	<u>124,932</u>	<u>122,298</u>	<u>124,932</u>	<u>121,072</u>

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

## 8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment for a cash consideration of HK\$4,712,000 (for the six months ended 30 June 2011: HK\$Nil) mainly for leasehold improvements.

## 9. INTANGIBLE ASSETS

	Trade name <i>HK\$ '000</i>	Customer relationship <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
<b>COST</b>			
At 1 January 2012 (audited)	55,978	61,086	117,064
Exchange adjustments	1,257	1,372	2,629
	<u>57,235</u>	<u>62,458</u>	<u>119,693</u>
At 30 June 2012 (unaudited)	<u>57,235</u>	<u>62,458</u>	<u>119,693</u>
<b>AMORTISATION</b>			
At 1 January 2012 (audited)	—	6,545	6,545
Provided for the year	—	4,412	4,412
Exchange adjustments	—	196	196
	<u>—</u>	<u>11,153</u>	<u>11,153</u>
At 30 June 2012 (unaudited)	<u>—</u>	<u>11,153</u>	<u>11,153</u>
<b>CARRYING VALUES</b>			
At 30 June 2012 (unaudited)	<u>57,235</u>	<u>51,305</u>	<u>108,540</u>
At 31 December 2011 (audited)	<u>55,978</u>	<u>54,541</u>	<u>110,519</u>

## 10. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers of the travel business. Included in trade and other receivables are trade receivables of approximately HK\$128,708,000 (31 December 2011: HK\$94,900,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	<b>30 June 2012 <i>HK\$ '000</i> (Unaudited)</b>	31 December 2011 <i>HK\$ '000</i> (Audited)
0 — 30 days	77,366	61,102
31 — 60 days	8,299	9,508
61 — 90 days	4,461	8,509
91 — 365 days	38,582	15,781
	<u>128,708</u>	<u>94,900</u>

Trade receivables comprise of the gross amounts billed to customers.

## 11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK\$26,320,000 (31 December 2011: approximately HK\$24,229,000) and an aged analysis presented based on the invoice date at the end of reporting period is as follows:

	<b>30 June 2012</b>	31 December 2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
0 — 30 days	<b>16,786</b>	23,877
31 — 60 days	<b>9,534</b>	341
61 — 90 days	—	7
91 — 365 days	—	4
	<u><b>26,320</b></u>	<u>24,229</u>

## 12. SHARE CAPITAL

	<b>Number of shares</b>	<b>Share capital <i>HK\$'000</i></b>
<b>Ordinary shares of HK\$0.01 each</b>		
<i>Authorised:</i>		
At 31 December 2011 and 30 June 2012	<u>180,000,000,000</u>	<u>1,800,000</u>
<i>Issued and fully paid:</i>		
At 1 January 2011	119,832,300	1,198
Exercise of share option ( <i>note</i> )	<u>5,100,000</u>	<u>51</u>
At 31 December 2011 and 30 June 2012	<u>124,932,300</u>	<u>1,249</u>

*note:* During the year of 2011, 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.

### 13. SHARE-BASED PAYMENT TRANSACTIONS

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

#### For the six months ended 30 June 2012

Date of grant	Exercise price per share HK\$	Outstanding at 1 January and 30 June 2012
13 May 2011	1.058	2,250,000
Exercisable at the end of the period		2,250,000

#### For the six months ended 30 June 2011

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

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

No share options were granted or exercised for the six months ended 30 June 2012.

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

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

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

The Binomial model had 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.

#### 14. PLEDGE OF ASSETS

At 30 June 2012, trade receivable amounting to Singapore Dollar (“S\$”) 21,021,000 (equivalent to approximately HK\$128,708,000) (31 December 2011: HK\$94,650,000) 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\$93,678,000) of which the amounts utilised as at 30 June 2012 were approximately S\$7,006,000 (equivalent to approximately HK\$42,898,000) (31 December 2011: HK\$43,972,000). The performance guarantees have been given in favour to international airlines.

#### 15. OPERATING LEASES

##### The Group as lessee

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

	<b>30 June 2012 HK\$'000 (Unaudited)</b>	31 December 2011 HK\$'000 (Audited)
Within one year	<b>4,047</b>	4,088
In the second to fifth year inclusive	<b>4,342</b>	5,626
	<b><u>8,389</u></b>	<u>9,714</u>

Operating lease payments represent rentals payable by the Group for certain of its office premises and office equipment. Leases are negotiated and rentals are fixed for lease terms of five years (31 December 2011: five years).

#### 16. RELATED PARTY TRANSACTIONS

##### Compensation of key management personnel

The remuneration of directors during the period is as follows:

	<b>Six months ended 30 June 2012 HK\$'000 (Unaudited)</b>	2011 HK\$'000 (Unaudited)
Short-term employee benefits	<b>480</b>	483
Post-employment benefits	<b>12</b>	12
Share-based payment expenses	<b>—</b>	1,249
Short-term benefits	<b><u>492</u></b>	<u>1,744</u>

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

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

As at 30 June 2012, 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 interest in share options granted by the Company, details of which are set out in the section headed "SHARE OPTION SCHEME" below.

Save as disclosed above, none of the Directors and chief executives of the Company nor their associates had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 30 June 2012.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, 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*

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of ordinary shares of the Company held</b>	<b>Approximate percentage of the issued ordinary share capital of the Company</b>
Tse Young Lai	Beneficial owner	23,966,460	19.18
Harbinger Group Limited	Beneficial owner	7,592,000	6.08
Everland Group Limited	Beneficial owner	6,270,000	5.02
Chair Sai Sui	Interest in a controlled corporation	6,270,000 (Note)	5.02
Wong Yun Sang	Interest in a controlled corporation	6,270,000 (Note)	5.02

*Note:* These 6,270,000 shares are held by Everland Group Limited, which is owned as to 50% by Chair Sai Sui and Wong Yun Sang respectively. Therefore, Chair Sai Sui and 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 30 June 2012.

## SHARE OPTION SCHEME

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

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

Details of the movements in the share options of the Company during the six months ended 30 June 2012 under the Old Scheme are as follows:

	Date of grant	Exercisable period	Exercise price per share <i>HK\$</i>	Outstanding at 1 January 2012	Granted during the period	Exercised during the period	Outstanding at 30 June 2012
<i>Category 1: Directors</i>							
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				500,000	—	—	500,000
<i>Category 2:</i>							
Eligible participants (other than Directors)	13.5.2011	13.5.2011 to 12.5.2014	1.058	1,750,000	—	—	1,750,000
Total of all categories				<u>2,250,000</u>	<u>—</u>	<u>—</u>	<u>2,250,000</u>

## 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.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (“Former CG Code”) as set out in Appendix 15 to the GEM Listing Rules, which came into effect on 1 January 2005 and was revised and renamed as Corporate Governance Code and Corporate Governance Report (“New CG Code”) with effect from 1 April 2012.

During the six months ended 30 June 2012, the Company was in compliance with the code provisions set out in the Former CG Code except for the following:

- code provision A.2.1 of the Former 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 collectively; and
- code provision A.4.1 of the Former CG Code provides that the non-executive directors should be appointed for a specific term. The non-executive Directors are not appointed for a specific term but they are subject to retirement at the first general meeting after their appointment and thereafter subject to retirement by rotation at least once every three years in accordance with the Articles of Association of the Company (the “Articles”).

During the period from 1 April 2012 to 30 June 2012, the Company has also complied with the code provisions set out in the New CG Code except for the following:

- Code provision D.1.4 of the New CG Code provides that the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Save as those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the Former CG Code and the New CG Code during the six months ended 30 June 2012.

## **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. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standards as set out in the GEM Listing Rules during the six months ended 30 June 2012.

## AUDIT COMMITTEE

The Audit Committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Chung Koon Yan (as chairman), Ms. Chan Ling, Eva and Mr. Lam Ka Wai, Graham with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated results of the Group for the six months ended 30 June 2012.

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

The Company has not redeemed any of its shares during the six months ended 30 June 2012.

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, 10 August 2012

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