



**Trasy Gold Ex Limited**

**卓施金網有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 08063

**2012**

Third Quarterly 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

Trasy Gold Ex Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recorded a loss attributable to owners of the Company of HK\$30,834,000 for the nine months ended 30 September 2012 (for the nine months ended 30 September 2011: HK\$5,637,000), representing basic loss per share of HK 24.68 cents (for the nine months ended 30 September 2011: HK 4.61 cents). The higher loss was attributable to the impairment loss of goodwill amounting to HK\$18,000,000 arising from acquisition of Harvest Well International Limited (“Harvest Well”).

### REVENUE AND PROFITABILITY

For the nine months ended 30 September 2012, the consolidated revenue of the Group amounted to HK\$42,006,000, representing 6.5% increase compared to HK\$39,433,000 for the nine months ended 30 September 2011.

#### Precious Metals Trading

For the nine months ended 30 September 2012, revenue from trading in precious metals and precious metals contracts amounted to HK\$2,455,000 (for the nine months ended 30 September 2011: HK\$7,322,000), while precious metals used amounted to HK\$2,435,000 (for the nine months ended 30 September 2011: HK\$7,264,000). 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

The Group recorded net revenue in travel business of HK\$39,551,000 for the period (for the nine months ended 30 September 2011: HK\$32,111,000).

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 nine months ended 30 September 2012 amounted to HK\$1,109,000 representing 63.1% decrease compared to HK\$3,008,000 for the nine months ended 30 September 2011. The decrease is primarily due to the decrease in Group’s cash balance, and therefore the interest income, as a cash consideration of HK\$240,000,000 was paid upon the completion of acquisition of Harvest Well on 31 March 2011.

### **Expenditure**

For the reported period, staff costs amounted to HK\$30,103,000 (for the nine months ended 30 September 2011: HK\$24,239,000). Depreciation and amortization expenses for the period amounted to HK\$10,286,000 (for the nine months ended 30 September 2011: HK\$4,190,000).

## 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 statements 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 comprehensive income for the nine-month period ended 30 September 2012, 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 these condensed consolidated financial statements in accordance with the basis set out in note 1. 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 the basis of the preparation as set out in note 1 to the condensed consolidated financial statements.

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

13 November 2012

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2012

	NOTES	Three months ended 30 September		Nine months ended 30 September	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	3	11,971	18,079	42,006	39,433
Other income	4	351	875	1,109	3,008
Precious metals used		—	(2,767)	(2,435)	(7,264)
Net loss on investments held for trading		—	(55)	—	(318)
Staff costs		(10,296)	(9,389)	(30,103)	(21,456)
Depreciation and amortization expenses		(3,610)	(1,977)	(10,286)	(4,190)
Impairment loss on goodwill	5	(18,000)	—	(18,000)	—
Share-based payments		—	—	—	(2,783)
Other expenses		(4,313)	(3,654)	(13,216)	(11,011)
Finance costs		—	—	—	(1)
(Loss) profit before taxation		(23,897)	1,112	(30,925)	(4,582)
Taxation	6	231	(697)	91	(1,055)
(Loss) profit for the period		(23,666)	415	(30,834)	(5,637)
<b>Other comprehensive (expense) income</b>					
Exchange differences arising on translation		7,737	(4,402)	13,121	(2,349)
Total comprehensive (expense) income for the period		(15,929)	(3,987)	(17,713)	(7,986)
(Loss) profit for the period attributable to owners of the Company		(23,666)	415	(30,834)	(5,637)
Total comprehensive (expense) income attributable to owners of the Company		(15,929)	(3,987)	(17,713)	(7,986)
(Loss) earnings per share (HK cent) Basic and diluted	7	(18.94)	0.33	(24.68)	(4.61)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2012*

## 1. BASIS OF PREPARATION

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

The principal accounting policies applied in preparing these condensed consolidated financial statements are set out in note 2.

## 2. PRINCIPAL ACCOUNTING POLICIES

The amounts included in these condensed consolidated financial statements 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 condensed consolidated financial statements for the nine months ended 30 September 2012 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011.

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.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS issued by the 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 HKFRS 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. PRINCIPAL 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. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Travel business	11,971	15,376	39,551	32,111
Precious metals trading	—	2,703	2,455	7,322
	<u>11,971</u>	<u>18,079</u>	<u>42,006</u>	<u>39,433</u>

### 4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Dividend income from investments held for trading	—	—	7	—
Interest income	6	554	45	2,750
Exchange gain	345	122	977	52
Miscellaneous income	—	199	80	206
	<u>351</u>	<u>875</u>	<u>1,109</u>	<u>3,008</u>

### 5. IMPAIRMENT LOSS ON GOODWILL

During the nine months ended 30 September 2012, the management assessed the recoverable amount of the cash generating units (“CGUs”) containing the goodwill and trade name with indefinite useful life associated with the travel business segment in Singapore, and determined the goodwill was impaired by HK\$18,000,000.

The recoverable amount of the travel business CGUs was based on its value-in-use and was determined with reference to the valuation performed by Ascent Partners Valuation Service Limited, an independent professional qualified valuer not connected with the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. The growth rates used to extrapolated cash flow projections beyond the five-year period do not exceed the long-term average 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.

The main factor contributable to the impairment of goodwill was the slow down in travel business in the current economic environment. As a result, both sales and profit generated from the travel business segment in Singapore have fallen below expectation.

## 6. TAXATION

	Three months ended		Nine months ended	
	30 September		30 September	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The tax charge comprises:				
Singapore Corporate				
Income Tax	162	1,031	1,052	1,723
Deferred taxation —				
current year	(393)	(334)	(1,143)	(668)
	<u>(231)</u>	<u>697</u>	<u>(91)</u>	<u>1,055</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.

## 7. (LOSS) EARNINGS PER SHARE

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>(Loss) profit</b>				
(Loss) profit for the purposes				
of basic and diluted (loss)				
earnings per share	(23,666)	415	(30,834)	(5,637)
	<u>(23,666)</u>	<u>415</u>	<u>(30,834)</u>	<u>(5,637)</u>
<b>Number of shares</b>				
Number of ordinary shares for				
the purposes of basic and				
diluted (loss) earnings per				
share (in thousand shares)	124,932	124,932	124,932	122,373
	<u>124,932</u>	<u>124,932</u>	<u>124,932</u>	<u>122,373</u>

Diluted (loss) earnings 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.

## 8. INTERIM DIVIDEND

No dividends were paid during the nine months period ended 30 September 2012 (2011: Nil). The directors do not recommend the payment of an interim dividend.

## 9. 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 2012 (audited)	1,249	349,134	32,589	5,000	852	(7,307)	(40,526)	340,991
Loss for the period	—	—	—	—	—	—	(30,834)	(30,834)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	13,121	—	13,121
Total comprehensive expense for the period	—	—	—	—	—	13,121	(30,834)	(17,713)
At 30 September 2012 (unaudited)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>5,814</u>	<u>(71,360)</u>	<u>323,278</u>
At 1 January 2011 (audited)	1,198	341,858	32,589	5,000	—	—	(40,353)	340,292
Loss for the period	—	—	—	—	—	—	(5,637)	(5,637)
Exchange differences arising on translation of foreign operation	—	—	—	—	—	(2,349)	—	(2,349)
Total comprehensive expense for the period	—	—	—	—	—	(2,349)	(5,637)	(7,986)
Recognition of equity-settled share-based payments	—	—	—	—	2,783	—	—	2,783
Exercise of share options	51	7,276	—	—	(1,931)	—	—	5,396
At 30 September 2011 (unaudited)	<u>1,249</u>	<u>349,134</u>	<u>32,589</u>	<u>5,000</u>	<u>852</u>	<u>(2,349)</u>	<u>(45,990)</u>	<u>340,485</u>

## 10. 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 nine months ended 30 September 2012

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

## 10. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

For the nine months ended 30 September 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 nine months ended 30 September 2012.

During the nine months ended 30 September 2011, 7,350,000 share options were granted on 13 May 2011. The fair values of the options determined at the date of grant using the Binomial model was HK\$2,783,000. The Group recognised the total expense of approximately HK\$2,783,000 last 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.

## OTHER INFORMATION

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

As at 30 September 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 <i>(Note)</i>	0.24
Ms. Chan Ling, Eva	Beneficial owner	Long position	500,000	0.40
Mr. Lam Ka Wai, Graham	Beneficial owner	Long position	200,000 <i>(Note)</i>	0.16

*Note:* These shares are derived from the interest in share options granted by the Company.

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 September 2012.

## SUBSTANTIAL SHAREHOLDERS

As at 30 September 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 <i>(Note)</i>	5.02
Wong Yun Sang	Interest in a 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 is 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 September 2012.

## COMPETING INTERESTS

None of the Directors, the management shareholders of the Company or 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 (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 nine months ended 30 September 2012.

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

The Company has not redeemed any of its shares during the nine months ended 30 September 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, 13 November 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.*