

### **TRASYS GOLD EX LTD : NOT FOR THE FAINT OF HEART**

With only one customer to date, one of the latest companies to seek a listing on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd appears to be counting more on the magic of Mr Li Ka Shing than in anything else.

The Company, to which TARGET is referring, is Trasy Gold Ex Ltd, Code Number 8063, a spin-off of the Main Board's publicly listed Tem Fat Hing Fung (Holdings) Ltd (Code: 661), via another publicly listed company, also on the Main Board.

Trasy issued its Prospectus on the last day of November and saw its shares traded, for the first time, yesterday.

This Company describes itself as being a facilitator of *'trading of precious metals on existing international markets through a proprietary "real time" electronic trading system ...'*.

TRASYS is a software package, which was developed by the Group, *'as a modern alternative to the (tele)phone-based trading which currently dominates business in the market for spot delivery ...'* (Page 9)

This Company facilitates trading in gold, silver, platinum and palladium through existing, international metals markets.

It has 2 websites and the Company plans *'to revolutionize the way precious metals dealing is carried out by providing through TRASYS a global electronic communications and trading system which offers participants throughout the world superior trading efficiency, transparency, accessibility and liquidity.'* (Page 10)

Trasy has Placed a total of 242.80 million, one-cent shares at a Premium of 20 cents per share.

In addition, various parties have lent money to Trasy and these parties have converted these loans into Ordinary Shares in the Issued and Fully Paid-Up Share Capital of the Company.

In all, Trasy raked in about \$HK67 million from the flotation on The GEM.

It plans to make use of this money as follows:

1. \$HK16 million to be used as capital expenditure, including the purchases of computer equipment and the development of network infrastructure;
2. \$HK10 million to be used for research and development;
3. \$HK10 million to be used for promotion and marketing activities;
4. \$HK11 million to be used to retire debts; and,
5. \$HK20 million to be used as General Working Capital.

As for profits, the Company has never earned a nickel.

The following is the Trading Record of the Company for the past 28 months:

	All Figures are Denominated in Hongkong Dollars		
	1998 (Year ended December 31)	1999 (Year ended December 31)	Four Months to April 30, 2000

		31)	
Revenue	Nil	Nil	441,799
Other Revenues	38,136	17,794	1,460
Software Research and Development Costs	(132,000)	(3,272,000)	(780,000)
Staff Costs	Nil	(120,000)	(1,563,342)
Marketing Expenses	(5,800)	(396,938)	(218,616)
Depreciation	Nil	Nil	(86,774)
Other Operating Expenses	(54,033)	(53,807)	(1,962,935)
Loss before Taxation	(153,697)	(3,824,951)	(4,168,408)
Taxation (charge)/credit	Nil	(1,526)	2,901
Loss for the Year/Period	(153,697)	(3,826,477)	(4,165,507)
Loss Per Share – Cents Hongkong	0.009	0.217	0.236

## **The History**

This Company has only been trading for the first 4 months of the 2000 Year, as is only too obvious from the above table.

Prior to January 2000, it was still trying to get its act together.

RNA Holdings Ltd (Code: 501—Main Board) is the parent company of Trasy while another Main Board company, Tem Fat Hing Fung, has a controlling stake in RNA, owning about 37.74 percent of the Issued and Fully Paid-Up Share Capital.

The RNA/Tem Fat Hing Fung relationship is somewhat convoluted in that, technically, Trasy is a spin-off of RNA, not Tem Fat Hing Fung, but, on the other hand, there exists an option agreement via another company, Rasam Ltd, a British Virgin Islands company which is 49 percent controlled by Tem Fat Hing Fung, 49 percent by publicly listed Cheung Kong (Holdings) Ltd (Code: 1 – Main Board) and 2 percent by Mr Li Ka Shing ...

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