



**TRADE**easy

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**TRADEEASY HOLDINGS LIMITED**

( 易 貿 通 集 團 有 限 公 司 \* )

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8163)

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2007**

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\* For identification purposes only

## **HIGHLIGHTS**

- Revenue for the three months ended 30 June 2007 amounted to HK\$10,992,000 as compared to HK\$10,522,000 for the corresponding period in 2006.
- Loss for the three months ended 30 June 2007 amounted to HK\$612,000 as compared to the profit of HK\$61,000 for the corresponding period in 2006.
- Loss per share attributable to ordinary equity holders of the Company for the three months ended 30 June 2007 amounted to HK0.06 cent as compared to earnings per share of HK0.01 cent for the corresponding period in 2006.
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2007.

# FIRST QUARTERLY UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2007

The board of directors (the “Directors” or the “Board”) of Tradeeasy Holdings Limited (the “Company”) is pleased to announce that the unaudited consolidated first quarterly results of the Company and its subsidiaries (collectively referred to as the “Group” or “Tradeeasy”) for the three months ended 30 June 2007, together with the comparative unaudited figures for the corresponding period in 2006, are as follows:

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>30 June</b>	
	<i>Notes</i>	<b>2007</b>	<b>2006</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>REVENUE</b>	2	<b>10,992</b>	10,522
Cost of sales		<u>(7,387)</u>	<u>(6,506)</u>
Gross profit		<b>3,605</b>	4,016
Other income and gains		<b>384</b>	156
Selling and distribution costs		<b>(679)</b>	(581)
General and administrative expenses		<b>(3,383)</b>	(2,879)
Advertising and promotion expenses		<b>(544)</b>	(531)
Other expenses		<b>(19)</b>	(69)
Share of profits and losses of associates		<u><b>24</b></u>	<u>(51)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(612)</b>	61
Tax	3	<u>–</u>	<u>–</u>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<u><b>(612)</b></u>	<u>61</u>
Attributable to:			
Equity holders of the parent		<b>(510)</b>	61
Minority interests		<u><b>(102)</b></u>	<u>–</u>
		<u><b>(612)</b></u>	<u>61</u>
<b>DIVIDEND</b>		<u>–</u>	<u>–</u>
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	4		
Basic		<u><b>HK(0.06) cent</b></u>	<u>HK0.01 cent</u>
Diluted		<u><b>HK(0.06) cent</b></u>	<u>HK0.01 cent</u>

Notes:

## 1 Basis of preparation and consolidation

The unaudited consolidated quarterly results have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) (which also include the Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the GEM Listing Rules. They have been prepared under the historical cost convention. These unaudited consolidated quarterly results are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2007. The accounts are unaudited but have been reviewed by the Company’s Audit Committee.

## 2. Revenue

Revenue, which is also the Group’s turnover, represents the value of services rendered during the three-month period under review.

An analysis of revenue is as follows:

	<b>Unaudited for the three months ended 30 June</b>	
	<b>2007</b>	<b>2006</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
Integrated marketing solution services	<b>3,012</b>	1,842
ASP services	<b>4,624</b>	5,516
Technical consultancy services	<b>3,356</b>	3,164
	<b>10,992</b>	10,522

## 3. Tax

No provision for Hong Kong profits tax has been made as the Group either did not generate any assessable profits arising in Hong Kong during the period (2006: Nil) or had available tax losses brought forward from prior years to offset the assessable profits generated during the period (2006: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "New CIT Law"), which will become effective from 1 January 2008. The Group is in the process of making an assessment of the impact of the New CIT Law. So far, it has concluded that the New CIT Law is unlikely to have any significant impact on the results and financial position of the Group for the period ended 30 June 2007. At the date of approval of these financial statements, detailed implementation and administrative requirements relating to the New CIT Law have yet to be announced. These detailed requirements include regulations concerning the computation of taxable income, as well as specific preferential tax treatments and their related transitional provisions. The Group will further evaluate the impact on its operating results and financial positions of future periods as more detailed requirements are issued.

#### 4. Earnings/(loss) per share attributable to ordinary equity holders of the parent

The calculation of basic earnings/(loss) per share attributable to ordinary equity holders of the parent for the three months ended 30 June 2007 is based on the loss attributable to ordinary equity holders of the parent for the three months ended 30 June 2007 of HK\$612,000 (2006: profit of HK\$61,000) and the weighted average number of 994,075,923 ordinary shares in issue (2006: 825,945,055 ordinary shares) during the period.

The calculation of diluted loss per share attributable to ordinary equity holders of the parent for the three months ended 30 June 2007 is based on the loss attributable to ordinary equity holders of the parent for the three months ended 30 June 2007 of HK\$612,000. The weighted average number of ordinary shares used in the calculation is the ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the period.

The calculation of basic and diluted earnings/(loss) per share are based on:

	<b>Unaudited</b>	
	<b>for the three months</b>	
	<b>ended 30 June</b>	
	<b>2007</b>	<b>2006</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<u>Earnings/(loss)</u>		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation	<u>(612)</u>	<u>61</u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	<b>994,075,923</b>	825,945,055
Effect of dilution – weighted average number of ordinary shares:		
Share options	<u>99,038,853</u>	<u>4,023,276</u>
	<b><u>1,093,114,776</u></b>	<b><u>829,968,331</u></b>

## 5. Movement in reserves

	Share premium account (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Share option reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Minority Interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2006	17,125	66,710	302	(28)	(78,125)	5,984	–	5,984
Issue of shares, net of share issue expenses*	15,483	–	–	–	–	15,483	–	15,483
Equity-settled share option arrangements	–	–	16	–	–	16	–	16
Profit for the period	–	–	–	–	61	61	–	61
At 30 June 2006	<u>32,608</u>	<u>66,710</u>	<u>318</u>	<u>(28)</u>	<u>(78,064)</u>	<u>21,544</u>	<u>–</u>	<u>21,544</u>
At 1 April 2007	32,634	66,710	2,582	(8)	(88,347)	13,571	(51)	13,520
Exchange realignment	–	–	–	(2)	–	(2)	–	(2)
Loss for the period	–	–	–	–	(510)	(510)	(102)	(612)
At 30 June 2007	<u>32,634</u>	<u>66,710</u>	<u>2,582</u>	<u>(10)</u>	<u>(88,857)</u>	<u>13,059</u>	<u>(153)</u>	<u>12,906</u>

\* On 25 April 2006, 550,000,000 new ordinary shares were issued to CCT Telecom Holdings Limited (“CCT Telecom”) for cash at a subscription price of HK\$0.04 per share pursuant to the subscription agreement dated 7 March 2006 for a total cash consideration, before expenses, of HK\$22,000,000.

## **DIVIDEND**

No dividend has been paid or declared by the Company or any of its subsidiaries during the three months ended 30 June 2007 (2006: Nil).

## **BUSINESS REVIEW**

The Group recorded a turnover of approximately HK\$10,992,000 for three months ended 30 June 2007, as compared to approximately HK\$10,522,000 for the same period in year 2006, representing a slight increase of 4.5%. During the period under review, the Group reported a net loss of HK\$612,000, as compared to a net profit of HK\$61,000 last year.

In respect of the segment performance of the Group in the first quarter of this financial year, the turnover of integrated marketing solution services has increased by approximately 63.5% to HK\$3,012,000 (2006: HK\$1,842,000), the turnover of Application Service Provider services has decreased by approximately 16.2% to HK\$4,624,000 (2006: HK\$5,516,000) and the turnover of technical consultancy services has increased by approximately 6.1% to HK\$3,356,000 (2006: HK\$3,164,000).

For the three months ended 30 June 2007, the revenue generated from Mainland China grows by 6.1% to HK\$3,356,000 from HK\$3,164,000 in the corresponding period last year, while the revenue generated from Hong Kong market grows by 3.8% to HK\$7,636,000 from HK\$7,358,000 in the corresponding period last year.

## **OPERATION REVIEW**

Since the strategies and initiatives implemented during the financial year ended 31 March 2007 have been proved to be successful, the Group has continued with them in the first quarter of this financial year.

Substantial resources were devoted to the expansion of channel sales in Mainland China. The total number of agents engaged has been increased from ten to thirteen. Most of them have been undergoing the training and additional revenue generated thereof is expected commencing from next few months.

The Group also reported that the traffic of our portal [www.tradeeasy.com](http://www.tradeeasy.com) has increased noticeably since the launch of new version in early 2007. The Company's research and development team has started the Phrase Two development for our portal, which is focusing on the establishment of artificial intelligence for our proprietary developed search engine, as well as the improvement in its usability. The full development of the new portal is still on its way. The completed version is scheduled to be launched to the market by the end of 2007.

The final stage of data migration and hardware upgrading was completed in this quarter. Notwithstanding certain amount of unexpected challenges we have faced for this project in the last twelve months, resulting in a delay of the completion schedule for nearly a quarter, the management is pleased to see our research and development team has overcome all of the obstacles and be able to improve our hardware and software platform efficiently.

## **OUTLOOK**

The management will implement the expansion plan for the Company with caution. We will consolidate what have been developed in the past twelve months, materialize benefits generated from the projects that we executed and turn them into revenue in preparing for the next stage of expansion.

Mainland Chinese manufacturers have undergone tougher situation as the additional challenge, the appreciation of Renminbi against the US dollar keeping in motion. Given that the US buyers are usually price sensitive for the purpose of maintaining the competitive edge, they may either pay more effort in negotiating with Mainland Chinese manufacturers or simply switch the orders to other developing countries, for example, Vietnam. The pressure to Tradeeasy seller members is noticeable. In view of that, the Company decides to allocate more resources into European markets, namely increasing the marketing budget and participating more trade shows in Europe in the second and third quarters of this financial year, aiming at providing more opportunities to the sellers.

Looking ahead, the Company will continue to introduce a wider range of products, deploy latest technology and expand our services to meet the increasing demands from our buyers and sellers members, in order to sustain a healthy growth to the Group.

## DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2007, the Directors and the chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rule 5.46 of the GEM Listing Rules:

### (a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 30 June 2007

#### (i) Long positions in the shares of the Company:

None of the Directors of the Company had any interest and short position in respect of the shares, debentures, convertible bonds, equity derivatives of the Company as at 30 June 2007.

#### (ii) Long positions in the underlying shares of share options of the Company:

Name of the Director	Date of grant of share options	Exercise period of share options	Exercise price per share <i>HK\$</i>	Number of share options outstanding	Number of total underlying shares	Approximate
						percentage of the total issued share capital <i>(%)</i>
Mak Shiu Tong, Clement	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	45,000,000	45,000,000	4.47
Tam Ngai Hung, Terry	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	28,000,000	28,000,000	2.78
Cheng Yuk Ching, Flora	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	5,000,000	5,000,000	0.50
William Donald Putt	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	5,000,000	5,000,000	0.50
Lam Kin Kau, Mark	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	950,000	950,000	0.09
Fung Hoi Wing, Henry	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	950,000	950,000	0.09
Lau Ho Wai, Lucas	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	950,000	950,000	0.09
				85,850,000	85,850,000	8.52

**(b) Interests and short positions in the shares and the underlying shares of the convertible bonds of an associated corporation – CCT Telecom as at 30 June 2007**

(i) Long positions in the shares of CCT Telecom:

Name of the Director	Number of the shares beneficially held and nature of interest			Total	Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate		
Mak Shiu Tong, Clement	715,652	–	238,283,758	238,999,410	29.98
Cheng Yuk Ching, Flora ( <i>Note</i> )	14,076,713	120,000	–	14,196,713	1.78
Tam Ngai Hung, Terry	500,000	–	–	500,000	0.06
William Donald Putt	591,500	–	–	591,500	0.07

*Note:* Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 120,000 shares of CCT Telecom were held by the spouse of Ms. Cheng Yuk Ching, Flora, who is deemed to be interested in such shares under the provisions of Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

(ii) Long positions in the underlying shares of the convertible bonds of CCT Telecom:

Name of the Director	Description of equity derivatives	Notes	Number of the total underlying shares	Approximate percentage of the total issued share capital (%)
Mak Shiu Tong, Clement	2010 convertible bonds	(1)	29,942,649	3.76
	2009 convertible bonds	(2)	26,548,672	3.33

*Notes:*

- (1) The convertible bonds with an outstanding principal amount of HK\$18,085,360 as at 30 June 2007, were issued by CCT Telecom to New Capital Industrial Limited, a company controlled by Mr. Mak Shiu Tong, Clement, on 25 April 2005. The convertible bonds, due on 25 April 2010, are interest free and convertible into the shares of CCT Telecom at the conversion price of HK\$0.604 per share of CCT Telecom (subject to adjustments according to the terms of the convertible bonds).
- (2) The convertible bonds with an outstanding principal amount of HK\$30,000,000 as at 30 June 2007, were issued by CCT Telecom to Capital Winner Investments Limited, a company controlled by Mr. Mak Shiu Tong, Clement, on 23 June 2006. The convertible bonds, due on 23 June 2009, are interest free and convertible into the shares of CCT Telecom at the conversion price of HK\$1.13 per share of CCT Telecom (subject to adjustments according to the terms of the convertible bonds).

(c) **Interests and short positions in the shares and the underlying shares of the share options of an associated corporation – CCT Tech International Limited (“CCT Tech”), which is a fellow subsidiary of the Company, as at 30 June 2007.**

(i) Long positions in the shares of CCT Tech:

<b>Name of the Director</b>	<b>Nature of interest</b>	<b>Number of the shares beneficially held</b>	<b>Approximate percentage of the total issued share capital</b> (%)
Mak Shiu Tong, Clement	Beneficial owner	120,000,000	0.18
Cheng Yuk Ching, Flora	Beneficial owner	18,000,000	0.03
Tam Ngai Hung, Terry	Beneficial owner	20,000,000	0.03

(ii) Long positions in the underlying shares of share options of CCT Tech:

<b>Name of the Director</b>	<b>Date of grant of share options</b>	<b>Exercise period of share options</b>	<b>Exercise price per share</b> <i>HK\$</i>	<b>Number of share options outstanding</b>	<b>Number of total underlying shares</b>	<b>Approximate percentage of the total issued share capital</b> (%)
William Donald Putt	8 Jun 2007	8 Jun 2007 to 7 Dec 2007	0.055	10,000,000	10,000,000	0.02

In addition to the above, as at 30 June 2007, certain Directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2007, none of the Directors and the chief executive of the Company and/or any of their respective associates had registered an interest in the shares and the underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' Interests in Shares and Underlying Shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

At 30 June 2007, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in the ordinary shares of the Company:

<b>Name of the shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of the ordinary shares held</b>	<b>Approximate percentage of the Company's total issued share capital (%)</b>
Manistar Enterprises Limited ( <i>Note</i> )	Directly beneficially owned	643,364,070	63.89
CCT Telecom Holdings Limited ( <i>Note</i> )	Through a controlled corporation	643,364,070	63.89

*Note:* The ordinary shares are held by Manistar Enterprises Limited, which is wholly-owned by CCT Telecom.

Save as disclosed above, as at 30 June 2007, there were no other persons who had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The Scheme was approved by the then sole shareholder of the Company on 20 February 2002 by way of a written resolution. The board of directors of the Company may, at their discretion, offer options to any full-time or part-time employee or director of any member of the Group, and any consultant of or adviser to any member of the Group (the “Participants”) to subscribe for shares of the Company. The Scheme became effective on 7 March 2002 and shall be valid and effective for a period of 10 years from that date, subject to early termination by the Company in a general meeting or by the board of directors.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30% of the shares in issue from time to time.

The maximum number of shares available for issue under options which may be granted under the Scheme adopted by the Company must not in aggregate exceed 10% of the shares in issue. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each Participant (including both exercised and outstanding options) in any 12-month period up to the date of grant must not exceed 1% of the shares in issue at the date of grant. Any further grant of options in excess of the above limit must be subject to shareholders’ approval with such Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

If options are granted to a connected person (as defined in the GEM Listing Rules) or his associates, the granting of such options will be subject to all independent non-executive directors’ (excluding independent non-executive director who is a grantee) approval; where options are proposed to be granted to a connected person who is also a substantial shareholder or independent non-executive director or any of their respective associates which will result in the total number of shares issued and to be issued upon exercise of the options granted or to be granted (including options exercised, cancelled and outstanding) to such person under the Scheme in the past 12-month period up to and including the date of such grant: (1) exceeding 0.1% of the total issued shares for the time being; and (2) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, the granting of such options will be subject to approval of the independent shareholders of the Company taken on a poll. All connected persons will abstain from voting (except that any connected person may vote against the resolution).

Upon acceptance of the option, the grantee shall pay HK\$1 to the Company as consideration for the grant. The option will be offered for acceptance for a period of 28 days (or such shorter period as the board of directors may from time to time determine) from the date on which the option is granted. The exercise period of the share options granted is determinable by the directors and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The subscription price of a share in respect of any particular option granted under the Scheme shall be such price as the board of directors in its absolute discretion shall determine, save that such price shall be the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets on the five business days immediately preceding the date of the grant of the option; and (iii) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 14 August 2006, a grant of 117,850,000 options beyond the limit under the Scheme was duly passed by the shareholders at the Extraordinary General Meeting. Upon the grant of 117,850,000 options, the aggregate number of options in issue and outstanding will be 12.14% of the 971,000,000 shares in issue on the date of grant and did not exceed the overall limit of 30% of the shares in issue.

Details of the movements of share options under the Scheme during the three months ended 30 June 2007:

Category of participant	At 1 April 2007	Number of share options			At 30 June 2007	Date of grant of share options	Exercise period of share options*	Exercise price of share options**	Price of the Company's shares at grant date of options***
		Granted during the period	Forfeited during the period	Exercised during the period				HK\$ per share	HK\$ per share
<b>Directors</b>	85,850,000	–	–	–	85,850,000	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
<b>Employees</b> (including ex-employees and a past director) In aggregate	11,000,000	–	–	(11,000,000)	–	22 Apr 2003	23 Jun 2003 to 22 Jun 2008	0.037	–
	4,000,000	–	–	(2,000,000)	2,000,000	6 Oct 2004	4 Nov 2004 to 3 Nov 2009	0.030	–
	2,100,000	–	–	(2,100,000)	–	27 Sep 2005	26 Oct 2005 to 25 Oct 2010	0.043	0.040
	3,246,000	–	–	(2,547,000)	699,000	20 Dec 2005	18 Jan 2006 to 19 Feb 2012	0.043	0.047
	1,581,000	–	–	(882,000)	699,000	20 Dec 2005	18 Jan 2007 to 19 Feb 2012	0.043	0.047
	30,000,000	–	–	(12,200,000)	17,800,000	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
	51,927,000	–	–	(30,729,000)	21,198,000				

Category of participant	At 1 April 2007	Number of share options			At 30 June 2007	Date of grant of share options	Exercise period of share options*	Exercise price of share options** HK\$ per share	Price of the Company's shares at grant date of options*** HK\$ per share
		Granted during the period	Forfeited during the period	Exercised during the period					
<b>Others</b>									
In aggregate	20,000,000	–	–	–	20,000,000	22 Apr 2003	23 Jun 2003 to 22 Jun 2008	0.037	–
	4,000,000	–	–	(4,000,000)	–	27 Sep 2005	26 Oct 2005 to 25 Oct 2010	0.043	0.040
	400,000	–	–	–	400,000	20 Dec 2005	18 Jan 2006 to 19 Feb 2012	0.043	0.047
	400,000	–	–	–	400,000	20 Dec 2005	18 Jan 2007 to 19 Feb 2012	0.043	0.047
	2,000,000	–	–	(200,000)	1,800,000	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
	<u>26,800,000</u>	<u>–</u>	<u>–</u>	<u>(4,200,000)</u>	<u>22,600,000</u>				
	<u>164,577,000</u>	<u>–</u>	<u>–</u>	<u>(34,929,000)</u>	<u>129,648,000</u>				

Notes to the reconciliation of share options outstanding as at 30 June 2007:

- \* *The vesting period of the share options is from the date of the grant until the commencement of the exercise period.*
- \*\* *The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.*
- \*\*\* *The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.*

The 34,929,000 share options exercised during the period resulted in the issue of 34,929,000 shares and new share capital of HK\$349,290 and share premium of HK\$998,657 (before issue expenses).

As at 30 June 2007, the Company had 129,648,000 share options outstanding under the Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 129,648,000 additional ordinary shares of the Company and additional share capital of approximately HK\$1,296,480 and share premium of approximately HK\$3,605,134 (before the share issue expenses).

At the date of approval of these unaudited consolidated quarterly results, 6,600,000 share options were further exercised subsequent to the balance sheet date. As a result, taking into account the exercise of share options after the balance sheet date, the Company had 123,048,000 share options outstanding under the Scheme, which represented approximately 12.14% of the Company's shares in issue as at that date.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SHARES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed shares during the period under review.

### **AUDIT COMMITTEE**

The Company has established the Audit Committee in 2001 with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee is mainly responsible for (i) reviewing the Company's quarterly results, half-yearly results and annual financial statements and making recommendations as to the approval of the Company's quarterly results, half-yearly results and annual financial statements by the Board; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standard; (v) reviewing and monitoring financial reporting and the reporting judgement contained in them; and (vi) reviewing financial and internal controls, accounting policies and practices with management of the Group, internal and external auditors of the Company.

During the period ended 30 June 2007, the Audit Committee consisted of three members comprising all the three independent non-executive directors ("INEDs"), Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have completed and unrestricted access to the external auditors and all employees of the Company.

The Audit Committee has reviewed the Group's unaudited consolidated results for the three months ended 30 June 2007, and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company, the requirements of the Stock Exchange and adequate disclosures had been made.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Directors of the Company are:

*Executive Directors:*

Mr Mak Shiu Tong, Clement (*Chairman & Chief Executive Officer*)

Mr Tam Ngai Hung, Terry

Ms Cheng Yuk Ching, Flora

Dr William Donald Putt

*Independent Non-executive Directors:*

Mr Lam Kin Kau, Mark

Mr Fung Hoi Wing, Henry

Mr Lau Ho Wai, Lucas

By Order of the Board of  
**Tradeeasy Holdings Limited**  
**Mak Shiu Tong, Clement**  
*Chairman*

Hong Kong, 13 August 2007

*This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at [www.tradeeasy.com](http://www.tradeeasy.com).*