

The background of the entire page is a repeating pattern of orange squares in two shades, creating a checkered effect. The squares are arranged in a grid that covers the entire area.

TRADEeasy
third quarterly report 2007

HIGHLIGHTS

- Revenue of the Group for the nine months ended 31 December 2007 was HK\$31,402,000, decreased 8.7% as compared to HK\$34,381,000 for the corresponding period in the previous financial year.
- Loss for the nine months ended 31 December 2007 amounted to HK\$2,234,000 as compared to loss of HK\$3,303,000 for the corresponding period in the previous financial year.
- Loss per share attributable to ordinary equity holders of the parent of the Group amounted to HK0.20 cent for the nine months ended 31 December 2007 as compared to loss per share attributable to ordinary equity holders of the parent of the Group of HK0.34 cent for the corresponding period in the previous financial year.
- The Company announced, on 23 October 2007, that conditional agreement was entered into involving the acquisition of two forestry projects in Papua, Indonesia with natural forest concession of 613,500 hectares (approximately 5 times the size of Hong Kong). The acquisition is still pending the issue of a circular in respect thereof and is subject to, inter alia, approval by independent shareholders of the Company.
- The Company entered into a placing and subscription agreement on 13 November 2007. The Company intends to use the net proceeds of the subscription amounting to approximately HK\$41 million as general working capital of the Group.
- The board of directors does not recommend the payment of any dividend for the nine months ended 31 December 2007.

UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2007

The board of directors (the "Directors" or "Board") of Tradeeasy Holdings Limited (the "Company") is pleased to announce that the unaudited condensed consolidated third quarterly results of the Company and its subsidiaries (collectively referred to as the "Group" or "Tradeeasy") for the three months and the nine months ended 31 December 2007, together with the comparative unaudited figures for the corresponding periods in 2006, are as follows:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
REVENUE	2	9,236	11,114	31,402	34,381
Cost of sales		(5,793)	(7,491)	(19,782)	(21,852)
Gross profit		3,443	3,623	11,620	12,529
Other income and gains		1,024	172	1,744	511
Selling and distribution costs		(606)	(1,014)	(1,981)	(2,596)
General and administrative expenses		(4,189)	(3,281)	(11,347)	(9,162)
Equity-settled share option expenses		-	(18)	-	(2,278)
Advertising and promotion expenses		(570)	(599)	(2,302)	(2,214)
Other expenses		-	-	(41)	(49)
Share of profits and losses of associates		83	(14)	73	(44)
LOSS BEFORE TAX		(815)	(1,131)	(2,234)	(3,303)
Tax	3	-	-	-	-
LOSS FOR THE PERIOD		(815)	(1,131)	(2,234)	(3,303)
Attributable to:					
Equity holders of the parent		(710)	(979)	(2,065)	(3,151)
Minority interests		(105)	(152)	(169)	(152)
		(815)	(1,131)	(2,234)	(3,303)
DIVIDEND	4	-	-	-	-
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (HK cents)	5				
Basic		(0.07)	(0.10)	(0.20)	(0.34)
Diluted		(0.06)	(0.10)	(0.18)	(0.33)

Notes:

1. Basis of preparation and consolidation

The unaudited condensed consolidated quarterly financial statements 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 condensed consolidated quarterly financial statements 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 audited annual financial statements for the year ended 31 March 2007. The unaudited condensed consolidated quarterly results of the Group for the nine months ended 31 December 2007 and the 2007 third quarterly report of the Company 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 and nine-month periods under review.

An analysis of revenue is as follows:

	Three months ended 31 December 2007		Nine months ended 31 December 2007	
	(Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	(Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Integrated marketing solution services	1,667	2,278	6,276	6,144
ASP services	4,285	5,557	14,375	18,186
Technical consultancy services	3,284	3,279	10,751	10,051
	9,236	11,114	31,402	34,381

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 31 December 2007. At the date of approval of these financial statements, detailed implementation and administrative requirements relating to the New CIT Law have been 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. Dividend

No dividend has been paid or declared by the Company or any of its subsidiaries during the nine months ended 31 December 2007 (2006: Nil).

5. Loss per share attributable to ordinary equity holders of the parent

The calculation of basic loss per share attributable to ordinary equity holders of the parent for the three months and the nine months ended 31 December 2007 is based on the loss for the three months and the nine months ended 31 December 2007 of HK\$710,000 and HK\$2,065,000 (2006: HK\$979,000 and HK\$3,151,000) respectively and the weighted average number of 1,089,967,500 and 1,032,594,938 ordinary shares in issue (2006: 971,000,000 and 923,000,000 ordinary shares) respectively during the period.

The calculation of diluted loss per share attributable to ordinary equity holders of the parent for the three months and nine months ended 31 December 2007 is based on the loss for the three months and nine months ended 31 December 2007 of HK\$710,000 and HK\$2,065,000 respectively. 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 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.

5. Loss per share attributable to ordinary equity holders of the parent (continued)

The calculation of basic and diluted loss per share are based on:

	Three months ended 31 December		Nine months ended 31 December	
	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2006 (Unaudited) HK\$'000
Loss				
Net loss attributable to ordinary equity holders of the parent, used in the basic loss and diluted loss per share calculation	(710)	(979)	(2,065)	(3,151)
Shares				
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	1,089,967,500	971,000,000	1,032,594,938	923,000,000
Effect of dilution – weighted average number of ordinary shares:				
Share options	91,640,866	46,722,366	86,058,533	24,349,133
	1,181,608,366	1,017,722,366	1,118,653,471	947,349,133

6. 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 2007	32,634	66,710	2,582	(8)	(88,347)	13,571	(51)	13,520
Issue of shares, net of share issue expenses*	41,445	-	-	-	-	41,445	-	41,445
Exchange realignment	-	-	-	(2)	-	(2)	-	(2)
Capital contribution by a minority shareholder	-	-	-	-	-	-	300	300
Net loss for the period	-	-	-	-	(2,065)	(2,065)	(169)	(2,234)
At 31 December 2007	74,079	66,710	2,582	(10)	(90,412)	52,949	80	53,029
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
Exchange realignment	-	-	-	-	-	-	(3)	(3)
Equity-settled share option arrangements	-	-	2,278	-	-	2,278	-	2,278
Capital contribution by a minority shareholder	-	-	-	-	-	-	54	54
Net loss for the period	-	-	-	-	(3,151)	(3,151)	(152)	(3,303)
At 31 December 2006	32,608	66,710	2,580	(28)	(81,276)	20,594	(101)	20,493

* Shares issued during the period from 1 April 2007 to 31 December 2007 represent shares issued upon exercise of share options and share subscription. On 23 November 2007, 150,000,000 new ordinary shares were issued for cash at a subscription price of HK\$0.285 per share pursuant to the Placing and Subscription Agreement dated 13 November 2007 for a total cash consideration before expenses, of HK\$42,750,000.

** 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.

7. Subsequent Events

On 4 October 2007, the Company entered into a conditional agreement (as amended by a supplemental agreement dated 17 October 2007) with an independent third party for the acquisition of two forestry projects in Papua, Indonesia with natural forest concession of 613,500 hectares (approximately 5 times the size of Hong Kong). The acquisition is still pending the issue of a circular in respect thereof and is subject to, inter alia, approval by independent shareholders of the Company. As additional time is required to prepare the financial and other information for inclusion in the circular, the dispatch of the circulars has been delayed and postponed to a day on or before 30 May 2008.

BUSINESS REVIEW

The Group recorded a turnover of HK\$31.4 million for the nine months ended 31 December 2007 (2006: HK\$34.4 million), representing a decrease of 8.7%. During the period under review, the net loss is HK\$2.2 million (2006: HK\$3.3 million).

The turnover and the net loss for the three months ended 31 December 2007 has decreased by 17.1% to HK\$9.2 million (2006: HK\$11.1 million) and by 27.3% to HK\$0.8 million (2006: HK\$1.1 million) respectively.

The revenue generated from the operations in the Mainland China has grown in a slow pace recently, while the revenue generated from Hong Kong operations has dropped 23.1% from HK\$7.8 million to HK\$6.0 million.

The downturn of the United States (the "U.S.") property market and the sub-prime loan crisis has turned into global credit crunch which has not only affected the economy in the U.S. but also has become a global financial crisis which affected the worldwide financial markets. The widespread dispersion of credit risk and the unclear impact from the sub-prime crisis may lead to a possible recession in the United States. As a result, the consumption in the United States has damped and the volume of exports of the Mainland China to the U.S. was adversely affected. In particular, the cancellation or reduction of purchasing orders increased substantially and became quite common among the Chinese manufacturers and exporters.

The management believes that apart from the general economic setback in overseas countries in particular the United States, the continuing appreciation of the Renminbi, the shortage of labour in the Pearl River Delta Region, the rising labour cost, and the newly introduced Labour Law in Mainland China have imposed significant pressure on manufacturers and traders in the Mainland China and Hong Kong, who have either been cutting down their promotional budget or becoming more conservative in their marketing related spending, which therefore has adversely affected the Group's revenue in such activities.

Given the recent changes in global economic environment, the Group has prepared and adopted a cost containment strategy in the past six months. Despite the fact that there is a drop in revenue in this quarter, the gross profit percentage increases by 4.7% to 37.3%.

BUSINESS REVIEW *(continued)*

During the period under review, seven new agents had been appointed to provide services in the central and northern parts of China. Such newly appointed agents contributed to additional revenue to the Group in the Mainland China. The new portal was launched in May 2007. The search engines have been significantly enhanced, seeing the better search results in both relevance and quality and more user-friendly format, and hence, the increase in traffic to our website and inquiries from buyers. The Deep Sourcing Program is also widely acceptable. Tradeeasy has successfully recruited a number of internationally-renowned labels, department stores, chain stores and discount stores, in using the Tradeeasy platform for their sourcing and participating in our Procurement Meetings. The buyers' membership has increased to over 430,000.

The Company entered into a placing and subscription agreement on 13 November 2007 involving the placing and top-up subscription of 150,000,000 shares in the Company at the price of HK\$0.285 per share. The placing was completed on 15 November 2007 and the top-up subscription was completed on 23 November 2007. The Company intends to use the net proceeds of the subscription amounting to approximately HK\$41 million as general working capital of the Group.

OUTLOOK

Although the U.S. government has recently announced a stimulus package involving tax relief, the impact of such relief on the U.S. economy is uncertain. The management is in the opinion that the current difficult operating situation will not improve in the near future until the U.S. economy stabilizes or Mainland China re-gains its momentum and demonstrates a rise in exports. Meanwhile, the Group has been implementing different strategies so as to weather out the current difficult business environment. While the Group is making effort to streamline its operations, the Group keeps on developing innovative products and exploring new markets.

The acquisition of the forestry projects represents an expansion and diversification of the existing principal activities of the Group. If the acquisition is successfully completed, the Group's revenue, profitability, and capital base will be substantially enhanced. With the continuing economic growth in China and the Asian Pacific region, we believe the demand for timber products will continue to increase and the forestry projects will offer the Group a very good opportunity to grow.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 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 31 December 2007

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

Name of the Director	Number of the shares directly beneficially held	Approximate percentage of the total issued share capital (%)
Fung Hoi Wing, Henry	550,000	0.05

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)**(a) Interests and short positions in the shares and the underlying shares of the share options of the Company as at 31 December 2007** (continued)

(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	3.81
Tam Ngai Hung, Terry	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	28,000,000	28,000,000	2.37
Cheng Yuk Ching, Flora	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	5,000,000	5,000,000	0.42
William Donald Putt	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	5,000,000	5,000,000	0.42
Lam Kin Kau, Mark	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	950,000	950,000	0.08
Lau Ho Wai, Lucas	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	950,000	950,000	0.08
				84,900,000	84,900,000	7.18

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)***(b) Interests and short positions in the shares and the underlying shares of the convertible bonds of an associated corporation – CCT Telecom as at 31 December 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	160,000	–	14,236,713	1.79
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, 160,000 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.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)**(b) Interests and short positions in the shares and the underlying shares of the convertible bonds of an associated corporation – CCT Telecom as at 31 December 2007** (continued)

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

Name of the Director	Description of equity derivatives	<i>Notes</i>	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 2010 convertible bonds with an outstanding principal amount of HK\$18,085,360 as at 31 December 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 2010 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 2010 convertible bonds).
- (2) The 2009 convertible bonds with an outstanding principal amount of HK\$30,000,000 as at 31 December 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 2009 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 2009 convertible bonds).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)***(c) Interests and short positions in the shares of an associated corporation – CCT Tech International Limited (“CCT Tech”), which is a fellow subsidiary of the Company, as at 31 December 2007**

Long positions in the shares of CCT Tech:

Name of the Director	Nature of interest	Number of the shares beneficially held	Approximate percentage of the total issued share capital (%)
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

In addition to the above, as at 31 December 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 31 December 2007, none of the Directors and the chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, the underlying shares and debentures of the Company and/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 31 December 2007, the following persons had interests or short positions in the shares or underlying shares of the Company 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 shares as at 31 December 2007:

Name of the shareholder	Capacity and nature of interest	Number of the ordinary shares held	Approximate percentage of the Company's total issued share capital (%)
Manistar Enterprises Limited (<i>Note</i>)	Directly beneficially owned	643,364,070	54.53%
CCT Telecom (<i>Note</i>)	Through a controlled corporation	643,364,070	54.53%

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

Save as disclosed above, as at 31 December 2007, there were no other persons who had an interest or short position 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).

SHARE OPTION SCHEME *(continued)*

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 was 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.

SHARE OPTION SCHEME (continued)

Details of the movements of share options under the Scheme during the nine months ended 31 December 2007:

Category of participant	Number of share options					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
	At 1 April 2007	Granted during the period	Forfeited/lapsed during the period	Exercised during the period	At 31 December 2007				
Directors	85,850,000	-	-	(950,000)	84,900,000	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
Employees (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	-	-	(4,000,000)	-	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	-	(164,000)	(2,852,000)	230,000	20 Dec 2005	18 Jan 2006 to 19 Feb 2012	0.043	0.047
	1,581,000	-	(164,000)	(1,187,000)	230,000	20 Dec 2005	18 Jan 2007 to 19 Feb 2012	0.043	0.047
	30,000,000	-	-	(30,000,000)	-	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
	51,927,000	-	(328,000)	(51,139,000)	460,000				
Others 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	-	(1,000,000)	(1,000,000)	-	14 Aug 2006	14 Aug 2006 to 13 Aug 2011	0.038	0.041
	26,800,000	-	(1,000,000)	(5,800,000)	20,000,000				
	164,577,000	-	(1,328,000)	(57,889,000)	105,360,000				

SHARE OPTION SCHEME *(continued)*

Notes to the reconciliation of share options outstanding as at 31 December 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 57,889,000 share options exercised during the period resulted in the issue of 57,889,000 shares and new share capital of HK\$578,890 and share premium of HK\$1,632,587 (before issue expenses).

As at 31 December 2007, the Company had 105,360,000 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 105,360,000 additional ordinary shares of the Company and additional share capital of approximately HK\$1,053,600 and share premium of approximately HK\$2,932,380 (before the share issue expenses).

At the date of approval of these unaudited condensed consolidated quarterly results, 460,000 share options were further exercised subsequent to the balance sheet date. As a result, the Company had 104,900,000 share options outstanding under the Scheme, which represented approximately 8.89% 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 nine months ended 31 December 2007.

AUDIT COMMITTEE

The Company has established the Audit Committee 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 31 December 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 complete and unrestricted access to the external auditors and all employees of the Company. The Audit Committee is chaired by an INED who is subject to rotation each year.

The Audit Committee has reviewed the Group's unaudited consolidated results for the nine months ended 31 December 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 report, 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, 4 February 2008