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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

DISCLOSEABLE TRANSACTION

On 12 June 2007, the Company, Trasy and Taifook Securities entered into the Placing and Subscription Agreement, pursuant to which, (i) the Company agreed to place, through Taifook Securities, an aggregate of 550,000,000 Placing Shares at a price of HK\$0.20 per Placing Share; and (ii) Trasy has agreed to issue, and the Company has conditionally agreed to subscribe for, 550,000,000 Trasy Shares at a price of HK\$0.20 per Subscription Share. The Company is the beneficial owner of 1,284,451,139 Trasy Shares, representing approximately 46.22% of the existing issued share capital of Trasy.

The Placing Shares (or the Subscription Shares) of 550,000,000 Trasy Shares represent (i) approximately 19.79% of the existing issued share capital of Trasy; and (ii) approximately 16.52% of the issued share capital of Trasy as enlarged by the Subscription.

Each of the Placing and the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Placing and the Subscription will be despatched by the Company to its shareholders in accordance with the requirements of the Listing Rules.

THE PLACING

Pursuant to the Placing and Subscription Agreement dated 12 June 2007, the Company agreed to place, through Taifook Securities, on a fully underwritten basis, 550,000,000 existing Trasy Shares at a price of HK\$0.20 per Placing Share on behalf of the Company. The principal terms of the Placing are summarised below:

Vendor:

The Company has agreed to procure its wholly-owned subsidiary to place the Placing Shares. As at the date of this announcement, the Company (through its indirect wholly-owned subsidiary) is interested in 1,284,451,139 Trasy Shares, representing approximately 46.22% of the existing issued share capital of Trasy.

Placing agent:

Taifook Securities. Each of Taifook Securities and its holding company, Taifook Securities Group Limited (the shares of which are listed on the Stock Exchange), is an independent third party not connected with the Company and its connected persons.

Number of Trasy Shares to be placed:

550,000,000 Placing Shares representing approximately (i) 19.79% of Trasy's existing issued share capital as at the date of this announcement; and (ii) 16.52% of Trasy's issued share capital as enlarged by the issue of the Subscription Shares.

Placees:

Not less than six professional, institutional and/or individual investors to be procured by Taifook Securities under the Placing and Subscription Agreement. Each of the Placees and their respective ultimate beneficial owners will be Independent Third Party(ies) and not parties acting in concert with the Company and with each other for the purposes of the Takeovers Code.

Placing price:

The Placing Price of HK\$0.20 per Placing Share was determined with reference to the prevailing market price of the Trasy Shares and was negotiated on arm's length basis. The Placing Price represents: (i) a discount of approximately 18.70% to the closing price of HK\$0.246 per Trasy Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 3.19% to the average closing price of approximately HK\$0.2066 per Trasy Share for the last 5 consecutive trading days up to and including the Last Trading Day; and (iii) a discount of approximately 1.96% to the average closing price of approximately HK\$0.204 per Trasy Share for the last 10 consecutive trading days up to and including the Last Trading Day.

The placing commission of the Placing is 2.5% of the Placing Price per Placing Share or HK\$2,750,000 in aggregate, which was arrived at after arm's length negotiations between Trasy and Taifook Securities and to be borne by Trasy.

Completion of the Placing:

Completion of the Placing is to take place on the second Business Day following the date of resumption of trading in the Trasy Shares on the Stock Exchange or such other date as the Company and Taifook Securities shall agree.

Termination:

If at any time prior to 9:00 a.m. on the date of completion of the Placing, in the absolute opinion of Taifook Securities the success of the Placing or the business or financial prospects of the Trasy Group would or might be materially adversely affected by:

- (a) any material breach of any of the representations and warranties of the Company or Trasy set out in the Placing and Subscription Agreement; or
- (b) any suspension in dealings in or the listing of the Trasy Shares on the Stock Exchange for a period of five or more trading days (other than in connection with the Placing and the Subscription); or
- (c) any of the following events:
 - (i) the introduction of any new law or regulation or any change in the existing laws or regulations or change in the interpretation or application thereof; or
 - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing and Subscription Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iv) a change or development involving a prospective change in taxation in Hong Kong or the implementation of exchange controls which shall or might materially and adversely affect Trasy or its present or prospective shareholders in their capacity as such; or
 - (v) any material change or deterioration in the conditions of local, national or international securities markets occurs; or
- (d) any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to 9:00 a.m. on the date of completion of the Placing which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a breach by Trasy or the Company of any other provision of the Placing and Subscription Agreement,

then and in any such case, Taifook Securities may terminate the Placing and Subscription Agreement without liability to Trasy and the Company by giving notice in writing to Trasy and the Company, provided that such notice is received prior to 9:00 a.m. on the date of completion of the Placing.

THE SUBSCRIPTION

Pursuant to the Placing and Subscription Agreement, the Company has conditionally agreed to subscribe for 550,000,000 new Trasy Shares at a price of HK\$0.20 per Subscription Share. The principal terms of the Subscription are summarised below:

Subscriber:

The vendor of the Placing is the subscriber.

Number of new Trasy Shares to be subscribed:

550,000,000 Subscription Shares representing approximately (i) 19.79% of Trasy's existing issued share capital as at the date of this announcement; and (ii) 16.52% of Trasy's issued share capital as enlarged by the issue of the Subscription Shares. The Subscription Shares are to be issued by Trasy under the General Mandate which allows Trasy to issue up to 555,800,000 new Trasy Shares as at the date of this announcement. No Trasy Share has been issued by Trasy pursuant to the General Mandate as at the date of this announcement. The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the Trasy Shares in issue on the date of allotment and issue of the Subscription Shares including as to the right to receive any dividends or distributions declared, made or paid thereafter. Application will be made by Trasy to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Subscription price:

The Subscription Price of HK\$0.20 per Subscription Share, which is equal to the Placing Price. The market comparison of the Subscription Price is set out in the paragraph headed "Placing price" above.

Based on the estimated expenses of approximately HK\$4 million to be incurred by Trasy in the Placing and the Subscription, the net price of the Subscription Shares to be received by Trasy (after deduction of the aforesaid estimated expenses) will be approximately HK\$0.1927 per Subscription Share.

Conditions precedent:

Completion of the Subscription is conditional upon:

- (i) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares;
- (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement; and
- (iii) the Executive granting the Waiver to the Company or its nominee.

The conditions are not for the sole benefit of any particular party and cannot be waived by any of the parties unilaterally and can be waived only if all parties agree to waive them. If the conditions precedent are not fulfilled on or prior to 21 June 2007 (or such later date as may be agreed between the Company and Trasy), the Subscription shall terminate and neither the Company and Trasy shall have any claims against the other for any costs, damages, compensation or otherwise in respect of the Subscription.

Completion of the Subscription:

Completion of the Subscription is expected to take place on the third Business Day after the date upon which the last of the conditions precedent to the Subscription shall have been satisfied or such other date as the Company and Trasy shall agree. The Subscription must be completed on or before 26 June 2007, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription were to be completed after 26 June 2007, it would constitute a connected transaction for Trasy under Chapter 20 of the GEM Listing Rules, and Trasy will be required to comply with the relevant requirements of the GEM Listing Rules.

CHANGES IN SHAREHOLDING OF TRASY AS A RESULT OF THE COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The changes in the shareholding of Trasy as a result of completion of the Placing and the Subscription are illustrated in the table below as follows on the basis that there are no other changes in the shareholding and issued share capital of Trasy:

Shareholders	As at the date of this announcement		Upon completion of the Placing		Upon completion of the Placing and Subscription	
	Number of Trasy Shares	%	Number of Trasy Shares	%	Number of Trasy Shares	%
The Company	1,284,451,139	46.22	734,451,139	26.43	1,284,451,139	38.58
Public						
– Placing Shares to be placed to Places	–	–	550,000,000	19.79	550,000,000	16.52
– Other public shareholders	1,494,648,861	53.78	1,494,648,861	53.78	1,494,648,861	44.90
Sub-total	1,494,648,861	53.78	2,044,648,861	73.57	2,044,648,861	61.42
Total	<u>2,779,100,000</u>	<u>100.0</u>	<u>2,779,100,000</u>	<u>100.0</u>	<u>3,329,100,000</u>	<u>100.0</u>

Waiver

As a result of the Placing, the percentage of issued Trasy Shares owned by the Group will be reduced from approximately 46.22% to 26.43%. On completion of the Subscription, it will increase to approximately 38.58% and unless the Waiver is granted, the Company will be required to make a general offer for all the Trasy Shares other than those already owned by it. Accordingly, an application will be made to the Executive to grant a waiver to the Company or its nominee(s) from any obligation to make a general offer under Rule 26 of the Takeovers Code arising from the Subscription.

INFORMATION ON THE COMPANY AND TRASY

The Company is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the Group comprise investment holding, the provision of finance, the provision of management services, property investment, treasury investment, trading of building materials and machinery.

The Trasy Group is principally engaged in the provision and operation of an internet-based precious metals trading platform, namely the TRASY System.

For the two financial years ended 31 December 2005 and 2006, the Trasy Group recorded both audited losses before and after taxation of approximately HK\$8.86 million and HK\$3.60 million respectively, whereas the audited consolidated net assets of the Trasy Group were approximately HK\$52.18 million and HK\$48.58 million respectively as at the two respective financial year end dates.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

As set out in the announcement of Trasy dated 13 June 2007, the directors of Trasy consider that the Placing and Subscription represents a good opportunity to raise capital for Trasy and broaden its shareholder base, and that the Placing and the Subscription will put the Trasy Group in a better position to meet the challenges of the market and take advantage of investment opportunities to broaden its earnings base so as to enhance shareholder value. The net proceeds from the Subscription of approximately HK\$106 million will be used as general working capital of the Trasy Group. As at the date of this announcement, the Trasy Group has not identified any particular project to invest in.

Based on the above and taking into account that the Subscription would provide new funds to an associate of the Company and strengthen the financial position of the Trasy Group, the Directors consider that the terms of the Placing and Subscription Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Company expects that completion of the Placing and the Subscription would result in an unaudited gain of approximately HK\$38 million for the Group, which represents the difference between (i) the Group's attributable interest in approximately 46.22% of the carrying value of the Trasy Group before the Placing and the Subscription; and (ii) the Group's attributable interest in approximately 38.58% of the carrying value of the Trasy Group after completion of the Placing and the Subscription based on the net assets value of the Trasy Group of approximately HK\$48.58 million as at 31 December 2006.

GENERAL

The interest of the Company in the issued share capital of Trasy will be reduced from approximately 46.22% to 38.58% as a result of completion of the Placing and the Subscription. Trasy will continue to be an associate of the Company immediately after completion of the Placing and the Subscription. Each of the Placing and the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Placing and the Subscription will be despatched by the Company to its shareholders in accordance with the requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:—

“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“Company”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange
“connected persons”	has the meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted by the shareholders of Trasy to the directors of Trasy at the annual general meeting of Trasy held on 23 April 2007 to issue up to 555,800,000 new Trasy Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of the Company and its connected persons
“Last Trading Day”	12 June 2007, being the last trading day of the Trasy Shares on the Stock Exchange prior to the suspension of Trasy Shares on 13 June 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the placee(s) to be procured by Taifook Securities under the Placing, all of which and their respective beneficial owners to be Independent Third Parties
“Placing”	the placing, on a fully-underwritten basis, of 550,000,000 existing Trasy Shares by Taifook Securities to the Placees at the Placing Price pursuant to the Placing and Subscription Agreement on behalf of the Company

“Placing and Subscription Agreement”	the placing and subscription agreement dated 12 June 2007 entered into between the Company, Trasy and Taifook Securities in respect of the Placing and the Subscription
“Placing Price”	the placing price of HK\$0.20 per Placing Share under the Placing
“Placing Shares”	550,000,000 existing Trasy Shares
“SFC”	Securities and Futures Commission of Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 550,000,000 new Trasy Shares by the Company or its nominee(s) pursuant to the Placing and Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.20 per Subscription Share under the Subscription
“Subscription Shares”	550,000,000 new Trasy Shares to be subscribed by the Company or its nominee(s) pursuant to the Placing and Subscription Agreement
“Taifook Securities”	Taifook Securities Company Limited, a corporation licensed to carry out Types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which is the placing agent for the Placing
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trasy”	Trasy Gold Ex Limited (stock code: 8063), a company incorporated in Cayman Islands with limited liability and whose issued shares are listed on the GEM board of the Stock Exchange
“Trasy Shares”	ordinary shares of HK\$0.01 each in the share capital of Trasy
“Waiver”	a waiver pursuant to Note 6 of Notes on dispensations from Rule 26 of the Takeovers Code from making a general offer for all the Trasy Shares as a result of any acquisition of voting rights in Trasy by virtue of the Subscription

On behalf of the Board of
ITC Corporation Limited
Law Hon Wa, William
Company Secretary

Hong Kong, 13 June 2007

As at the date of this announcement, the board of Directors comprises:–

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna
(*Deputy Chairman and Managing Director*)
Mr. Chan Kwok Chuen, Augustine
Mr. Chan Fut Yan
Mr. Cheung Hon Kit

Independent Non-executive Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, JP

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.