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# **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

**DISCLOSEABLE TRANSACTION RELATING TO THE  
ACQUISITION BY GOLDEN HALL HOLDINGS LIMITED  
OF AN APPROXIMATELY 50.07% SHAREHOLDING IN  
TRASY GOLD EX LIMITED**

**AND**

**UNCONDITIONAL MANDATORY CASH OFFERS BY**

 **SOMERLEY LIMITED**

**on behalf of**

**GOLDEN HALL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**a wholly-owned subsidiary of  
ITC CORPORATION LIMITED**

**FOR ALL THE ISSUED SHARES IN,  
AND FOR CANCELLATION OF ALL OUTSTANDING  
OPTIONS OF,**

**TRASY GOLD EX LIMITED**

**(OTHER THAN THOSE ALREADY HELD BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

The Board announces that on 23 March 2005, the Offeror, a wholly-owned subsidiary of ITC, completed the acquisition of 1,391,430,000 Trasy Shares, representing approximately 50.07% of the entire issued share capital of Trasy as at the date of this announcement, at a purchase price of approximately HK\$0.00575 per Trasy Share. To the best of the knowledge, information and belief of the directors of ITC after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are independent of and not connected with ITC and its connected persons (as defined in the Listing Rules). The Offeror and parties acting in concert with it had no interest in

the issued share capital of Trasy immediately before the Acquisition. As a result of the Acquisition, the Offeror is obliged to make unconditional mandatory cash offers to acquire (i) all the issued Trasy Shares; and (ii) all outstanding Trasy Options, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it under Rule 26 of the Code.

Somerley will make the Offers on behalf of the Offeror for all the Trasy Shares and Trasy Options not already owned by the Offeror and parties acting in concert with it on the following basis:

**For each Offer Share . . . . . HK\$0.00575 in cash**  
**For every 1,000,000 Trasy Options . . . . . HK\$1 in cash**

The Acquisition together with the Offers constitute a discloseable transaction for ITC under Chapter 14 of the Listing Rules. A circular containing further details of the Acquisition will be despatched to the ITC Shareholders as soon as practicable.

Document containing details about, among other things, the terms of the Offers together with the relevant forms of acceptance and transfer, will be despatched to the Trasy Shareholders and holders of the Trasy Options within 21 days of the date of this announcement or such later date as consented to by the Executive.

## **ACQUISITION OF TRASY SHARES**

On 23 March 2005, the Offeror acquired 1,391,430,000 Trasy Shares, representing approximately 50.07% of the entire issued share capital of Trasy, from the Vendor at an aggregate consideration of HK\$8 million, representing approximately HK\$0.00575 per Trasy Share. The Offeror and parties acting in concert with it had no interest in the issued share capital of Trasy immediately before the Acquisition and had not dealt in the Trasy Shares during the period of six months prior to the date of this announcement other than the Acquisition.

To the best of the knowledge, information and belief of the directors of ITC after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of and not connected with ITC and its connected persons (as defined in the Listing Rules).

The Sale Shares were pledged by a wholly-owned subsidiary of RNA in favour of the Vendor which sold the Sale Shares to the Offeror pursuant to the power of sale as a result of the default in repayment of the loan due by another wholly-owned subsidiary of RNA to the Vendor. The bought and sold notes in respect of the Sale Shares were executed on 23 March 2005 and the transaction was completed on the same day. The Vendor confirmed to the Offeror that its power of sale was validly exercised under the deeds of charge in accordance with their respective terms. To the best of knowledge, information and belief of the directors of ITC after having made all reasonable enquiries, RNA is a third party independent of and not connected with ITC and its connected persons (as defined in the Listing Rules).

The consideration for the Acquisition was agreed between the Vendor and the Offeror based on arm's length negotiations after taking into account the financial position and trading results of the Trasy Group. The consideration was satisfied in cash on 23 March 2005 by internal resources of the ITC Group.

## **THE OFFERS**

As a result of the Acquisition, the Offeror is required to make unconditional mandatory cash offers for all the Trasy Shares and Trasy Options not already owned or agreed to be acquired by the Offeror and parties acting in concert with it under Rule 26 of the Code.

Somerley will make the Offers on behalf of the Offeror for all the Trasy Shares and Trasy Options not already owned by the Offeror and parties acting in concert with it.

### **The Share Offer**

The Share Offer will be made on the following basis:

**For each Offer Share . . . . . HK\$0.00575 in cash**

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date of this announcement, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of this announcement.

### **The Option Offer**

Based on Trasy's annual report for the year ended 31 December 2004, there were a total of 60,788,000 Trasy Options outstanding entitling the holders to subscribe for an aggregate of 60,788,000 Trasy Shares at an exercise price of HK\$0.21 per Trasy Share under the Pre-IPO Share Option Scheme. Save for the aforesaid, no other Trasy Options have been granted under the Pre-IPO Share Option Scheme and which remain outstanding as at the date of this announcement.

Based on Trasy's annual report for the year ended 31 December 2004, Trasy also has a post-IPO share option scheme adopted on 30 April 2002 and no share option has been granted by Trasy under this scheme.

Save for the Trasy Options as mentioned above, there are no outstanding options, warrants or securities convertible into Trasy Shares as at the date of this announcement.

Pursuant to Rule 13 of the Code, the Offeror is required to make a comparable offer for all the outstanding Trasy Options as part of the Offers. The Offeror offers to pay the holders of the Trasy Options in cash on the basis set out below in respect of every 1,000,000 Trasy Options held by them in consideration of the surrender by such holders of all their rights in respect of such Trasy Options:

**For every 1,000,000 Trasy Options . . . . . HK\$1 in cash**

Under the terms of the Option Offer, the Trasy Options together with all rights attaching thereto will be entirely cancelled and renounced.

**(i) Comparison of value**

Trading in the Trasy Shares on the Stock Exchange has been suspended from 9:30 a.m. on 10 June 2003 at the request of Trasy.

The offer price of HK\$0.00575 per Offer Share represents:

- a discount of approximately 55.8% to the closing price of the Trasy Share of HK\$0.013 as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 63.6% to the average closing price of the Trasy Share of approximately HK\$0.0158 for the last 10 trading days up to and including the Last Trading Day; and
- a discount of approximately 73.9% to the audited consolidated net asset value of approximately HK\$0.0220 per Trasy Share as at 31 December 2004.

**(ii) Total consideration**

Based on Trasy's annual report for the year ended 31 December 2004, there were 2,779,000,000 Trasy Shares in issue. On the basis of the offer price of HK\$0.00575 per Offer Share, the entire issued share capital of Trasy of 2,779,000,000 Trasy Shares is valued at approximately HK\$16.0 million (assuming the Trasy Options have not been exercised prior to the close of the Offers) or approximately HK\$16.3 million (assuming the Trasy Options have been fully exercised).

Based on 1,387,570,000 Trasy Shares subject to the Share Offer, the Share Offer is valued at approximately HK\$8.0 million (assuming the Trasy Options have not been exercised prior to the close of the Offers) or approximately HK\$8.3 million (assuming the Trasy Options have been fully exercised).

The Offeror will finance the Offers from its internal resources. Somerley is satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the Offers.

**(iii) Stamp duty**

The Offeror will pay seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer at a rate of HK\$1 for every HK\$1,000 (or part thereof) of the consideration payable in respect of the relevant acceptance by the Trasy Shareholders, or the market value of the Trasy Shares, which amount will be deducted from the amount payable to the relevant Trasy Shareholders who accept the Share Offer.

**INFORMATION ON TRASY**

The principal business of Trasy is the provision and operation of an Internet-based electronic trading system to facilitate the trading of precious metals.

The Trasy Group recorded audited net profits (both before and after taxation) of approximately HK\$9.5 million for the year ended 31 December 2003 and an audited net loss (both before and after taxation) of approximately HK\$1.0 million for the year ended 31 December 2004.

The audited net asset value of the Trasy Group as at 31 December 2004 was approximately HK\$61.0 million.

## **INFORMATION ON THE OFFEROR AND ITC AND ITS INTENTION ON TRASY**

The Offeror is incorporated in Hong Kong and is a wholly-owned subsidiary of ITC. The Offeror is an investment holding company and has not carried on any business activities since its incorporation on 21 March 2005, except in relation to the Acquisition and the Offers. ITC, its controlling shareholder and the Offeror are independent of Trasy and its connected persons (as defined in the Listing Rules).

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies, namely, Paul Y. – ITC Construction Holdings Limited (“Paul Y. – ITC”), Hanny Holdings Limited (“Hanny”) and Burcon NutraScience Corporation. Through its listed associated companies, namely, Paul Y. – ITC and Hanny, the ITC Group has indirect interests in Paul Y. Engineering Group Limited, China Strategic Holdings Limited, Wing On Travel (Holdings) Limited, China Enterprises Limited and MRI Holdings Limited. The principal activities of the ITC Group comprise investment holding of listed companies, the provision of finance, the provision of management services, leasing of properties and trading of building materials and machinery.

Taking into account the consideration of the Acquisition and the financial position of Trasy, the directors of ITC consider that the Acquisition represents an attractive investment opportunity for the ITC Group to diversify its portfolio of investments in listed companies.

The directors of ITC presently intend that the listing status of Trasy will be maintained and that they will also nominate representatives to the board of directors of Trasy as permitted under the Code. Details of ITC’s intention on Trasy will be set out in the documents to be despatched to the shareholders of ITC and Trasy respectively.

### **GENERAL**

The Acquisition together with the Offers constitute a discloseable transaction for ITC under Chapter 14 of the Listing Rules. A circular containing further details of the Acquisition will be despatched to the ITC Shareholders as soon as practicable.

Document containing details about, among other things, the terms of the Offers to be made to the Trasy Shareholders and the holders of the Trasy Options described in this announcement, together with the relevant forms of acceptance and transfer, will be despatched to the Trasy Shareholders and holders of the Trasy Options within 21 days of the date of this announcement or such later date as consented to by the Executive.

As at the date of this announcement, the Board comprises nine directors, of which (i) six are executive directors, namely Dr. Chan Kwok Keung, Charles, Mr. Lau Ko Yuen, Tom, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Hung, Mr. Chan Fut Yan and Mr. Cheung Hon Kit; and (ii) three are independent non-executive directors, namely Mr. Chuck Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of the Sale Shares by the Offeror
“Board”	the board of directors of ITC
“Code”	the Hong Kong Code on Takeovers and Mergers
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegates of the Executive Director
“ITC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“ITC Group”	ITC and its subsidiaries
“ITC Shareholders”	shareholders of ITC
“Last Trading Day”	9 June 2003, being the last trading day of the Trasy Shares prior to its suspension in trading on the Stock Exchange on 10 June 2003
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	HK\$0.00575 per Trasy Share under the Share Offer
“Offer Shares”	the Trasy Shares not beneficially owned by the Offeror and parties acting in concert with it and any further Trasy Shares unconditionally allotted, issued and fully paid before the date on which the Offers close (or such earlier date(s) as the Offeror may, subject to the Code, determine), including any Trasy Shares unconditionally allotted and issued pursuant to the exercise of Trasy Options
“Offeror”	Golden Hall Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of ITC
“Offers”	together, the Share Offer and the Option Offer
“Option Offer”	the unconditional mandatory cash offer to be made by Somerley on behalf of the Offeror for all outstanding Trasy Options in accordance with the Code
“Pre-IPO Share Option Scheme”	the share option scheme adopted by Trasy on 6 November 2000
“RNA”	RNA Holdings Limited, a company incorporated in Bermuda whose shares are listing on the Main Board of the Stock Exchange and the controlling shareholder of Trasy prior to the Acquisition
“Sale Shares”	the 1,391,430,000 Trasy Shares acquired by the Offeror from the Vendor
“Share Offer”	the unconditional mandatory cash offer to be made by Somerley on behalf of the Offeror for all the Offer Shares in accordance with the Code

“Somerley”	Somerley Limited, a deemed licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) permitted to engage in types 1, 4, 6 and 9 of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the financial adviser to the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trasy”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Growth Enterprise Market of the Stock Exchange
“Trasy Directors”	directors of Trasy
“Trasy Group”	Trasy and its subsidiaries
“Trasy Options”	the outstanding options granted by Trasy pursuant to the Pre-IPO Share Option Scheme
“Trasy Shareholders”	holders of Trasy Shares
“Trasy Shares”	ordinary shares of HK\$0.01 each in the issued share capital of Trasy
“Vendor”	Tsun Fat Finance Company Limited, a money lender licensed under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 April 2005

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

*The information relating to Trasy contained in this announcement has been taken from Trasy’s annual report and accounts for the year ended 31 December 2004 and from public announcements made by Trasy. The only responsibility accepted by the directors of the Offeror and ITC in respect of information relating to Trasy is to ensure that it has been correctly and fairly reproduced or presented.*

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