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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO
SUBSCRIPTION OF NEW SHARES
AND CONVERTIBLE NOTES OF
TRASY GOLD EX LIMITED**

Financial adviser to ITC Corporation Limited



VXL

FINANCIAL SERVICES LIMITED

卓越企业融资有限公司

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2007 Trasy AGM”	the annual general meeting of Trasy held on 23 April 2007
“Additional Amount”	the convertible notes out of the principal amount of Placing Notes which have not been successfully placed by the Placing Agent in the CN Placing (if any) and are available for subscription by ITC at ITC’s election pursuant to the CN Subscription Agreement subject to a maximum aggregate principal amount of HK\$50,000,000
“Announcement”	the joint announcement of the Company and Trasy dated 5 July 2007 in relation to, among other things, the Subscription
“associates”	the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day”	any day (not being a Saturday or Sunday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Change of Control”	<p>a “Change of Control” will occur when: (i) any person or persons, acting together (other than ITC and/or parties acting in concert with it for the purposes of the Takeovers Code) acquires control of Trasy; or (ii) Trasy consolidates with or merges into or sells or transfers all or substantially all of Trasy’s assets to another person or persons (other than ITC and/or parties acting in concert with it for the purposes of the Takeovers Code) acquiring control over Trasy or the successor entity,</p> <p>and for this purpose, “control” of a company means a holding or aggregate holdings of more than 50% of the voting rights of such company</p>
“CN Placing”	the placing of the Placing Notes, on a best effort basis, by the Placing Agent pursuant to the CN Placing Agreement
“CN Placing Agreement”	the conditional placing agreement dated 29 June 2007 entered into between Trasy and the Placing Agent in relation to the CN Placing
“CN Subscription”	the subscription of the Subscription Notes by ITC pursuant to the CN Subscription Agreement
“CN Subscription Agreement”	the conditional subscription agreement dated 29 June 2007 entered into between Trasy and ITC in relation to the CN Subscription
“Company” or “ITC”	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
“Completion”	completion of the Share Placing and the Share Subscription and/or the CN Placing and the CN Subscription (as the case may be)
“connected person”	the meaning ascribed thereto under the Listing Rules
“Convertible Notes”	the Placing Notes and the Subscription Notes
“Conversion Share(s)”	new Trasy Share(s) falling to be allotted and issued by Trasy upon exercise of the conversion rights attaching to the Convertible Notes
“Director(s)”	director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the chairman of ITC and the substantial Shareholder

DEFINITIONS

“Existing General Mandate”	the general mandate granted by the Trasy Shareholders to the Trasy Directors at the 2007 Trasy AGM to allot, issue and deal in up to 555,800,000 new Trasy Shares
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who, together with their ultimate beneficial owner(s), is/are persons independent of Trasy and its connected persons or of ITC and its connected persons (as the context may indicate)
“Independent Trasy Shareholders”	Trasy Shareholders other than ITC and its associates
“Initial Conversion Price”	HK\$0.24 per Conversion Share, subject to adjustments
“ITC Ordinary Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of ITC
“ITC Preference Share(s)”	redeemable convertible preference share(s) of HK\$0.10 each in the share capital of ITC
“Latest Practicable Date”	19 July 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the GEM Listing Rules or the Main Board Listing Rules, as the context may indicate
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Main Board Listing Rules
“Placee(s)”	the placee(s) to be procured by Taifook Securities under the Share Placing and the CN Placing, all of which and their respective beneficial owners are Independent Third Parties
“Placing”	the Share Placing and the CN Placing
“Placing Agent” or “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 SFO, which is the placing agent for the Placing
“Placing Notes”	convertible notes in an aggregate principal amount of up to HK\$100,000,000 which may be issued by Trasy pursuant to the CN Placing Agreement
“Placing Price”	HK\$0.205 per Placing Share
“Placing Share(s)”	an aggregate of up to 392,000,000 new Trasy Shares to be placed under the Share Placing
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Placing”	the placing of the Placing Shares, on a best effort basis, by the Placing Agent pursuant to the Share Placing Agreement
“Share Placing Agreement”	the conditional placing agreement dated 28 June 2007 entered into between Trasy and the Placing Agent in relation to the Share Placing
“Share Subscription”	the subscription of the Subscription Shares pursuant to the Share Subscription Agreement
“Share Subscription Agreement”	the conditional subscription agreement dated 28 June 2007 entered into between Trasy and the Company in relation to the Share Subscription
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the Share Subscription and the CN Subscription
“Subscription Notes”	the convertible notes in an aggregate principal amount of HK\$50,000,000 (subject to any increase of an amount up to the Additional Amount as mentioned in the paragraph headed “The CN Subscription Agreement” in the letter from the Board in this circular) conditionally agreed to be issued by Trasy pursuant to the CN Subscription Agreement
“Subscription Price”	HK\$0.205 per Subscription Share
“Subscription Shares”	an aggregate of up to 340,000,000 new Trasy Shares conditionally agreed to be allotted and issued by Trasy to ITC and/or its nominee(s) pursuant to the Share Subscription Agreement, subject to the condition as mentioned in the paragraph headed “The Share Subscription Agreement” in the letter from the Board in this circular
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trasy”	Trasy Gold Ex Limited (stock code: 8063), a company incorporated in the Cayman Islands with limited liability and whose issued shares are listed on GEM
“Trasy Directors”	the directors of Trasy
“Trasy EGM”	an extraordinary general meeting of Trasy to be convened to consider and, if thought fit, approve, among other things, (i) the Share Placing Agreement and the allotment and issue of the Placing Shares; (ii) the CN Placing Agreement and the allotment and issue of the Placing Notes; (iii) the Share Subscription Agreement and the allotment and issue of the Subscription Shares; (iv) the CN Subscription Agreement and the allotment and issue of the Subscription Notes; (v) the allotment and issue of the Conversion Shares upon exercise of conversion rights under the Convertible Notes; and (vi) the refreshment of the Existing General Mandate
“Trasy Group”	Trasy and its subsidiaries
“Trasy Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Trasy
“Trasy Shareholder(s)”	holder(s) of the Trasy Shares
“%”	per cent.

LETTER FROM THE BOARD



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 372)

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*

Registered office:

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Bermuda

*Principal place of business
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30th Floor
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12 Harcourt Road
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Hong Kong

23 July 2007

*To the holders of ITC Ordinary Shares and,
for information only, the holders of
ITC Preference Shares*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS IN RELATION TO SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE NOTES OF TRASY GOLD EX LIMITED

INTRODUCTION

The Company jointly announced with Trasy on 5 July 2007 that:

- (i) on 28 June 2007, Trasy and the Placing Agent entered into the Share Placing Agreement pursuant to which, among other things, the Placing Agent conditionally agreed to place, on a best effort basis, a maximum of 392,000,000 Placing Shares at the Placing Price of HK\$0.205 per Placing Share to not less than six Placees who will be Independent Third Parties and not parties acting in concert with ITC or Dr. Chan for the purposes of the Takeovers Code;
- (ii) on 29 June 2007, Trasy and the Placing Agent also entered into the CN Placing Agreement pursuant to which, among other things, the Placing Agent conditionally agreed to place, on a best effort basis, up to a maximum principal amount of HK\$100,000,000 Placing Notes which are convertible into 416,666,666 Conversion Shares at an Initial Conversion Price of HK\$0.24 per Conversion Share (subject to adjustments), to not less than six Placees who will be Independent Third Parties and not parties acting in concert with ITC or Dr. Chan for the purposes of the Takeovers Code;
- (iii) on 28 June 2007, the Company entered into the Share Subscription Agreement with Trasy pursuant to which, among other things, the Company conditionally agreed to subscribe and/or procure its nominee(s) to subscribe for the Subscription Shares, subject to the condition that the number of Subscription Shares actually subscribed by the Company and/or its nominee(s), together with the Trasy Shares held by the Company and parties acting in concert with it on the date of Completion shall be 38.58% of the total issued share capital of Trasy as enlarged by the Share

LETTER FROM THE BOARD

Subscription and the Share Placing and the Company shall be entitled to subscribe and/or procure its nominee(s) to subscribe for such number of Subscription Shares which together with the Trasy Shares held by the Company and parties acting in concert with it on the date of Completion not exceed 40% of the total issued share capital of Trasy as enlarged by the Share Subscription and the Share Placing; and

- (iv) on 29 June 2007, the Company entered into the CN Subscription Agreement with Trasy pursuant to which, among other things, the Company conditionally agreed to subscribe and/or procure its nominee(s) to subscribe for a principal amount of HK\$50,000,000 Subscription Notes. Upon notification by Trasy of the aggregate principal amount of the Placing Notes successfully placed by the Placing Agent, the Company may also elect to subscribe and/or procure its nominee(s) to subscribe for the Additional Amount (representing the principal amount of the Convertible Notes out of the Placing Notes which have not been successfully placed by the Placing Agent (if any)) subject to a maximum aggregate principal amount of HK\$50,000,000.

Further details of the Share Placing Agreement and the CN Placing Agreement are set out in the Announcement.

The purpose of this circular is to provide you with information relating to the Share Subscription Agreement and the CN Subscription Agreement and further information on the Company.

THE SHARE SUBSCRIPTION AGREEMENT

On 28 June 2007, Trasy and the Company entered into the Share Subscription Agreement pursuant to which, among other things, the Company conditionally agreed to subscribe and/or procure its nominee(s) to subscribe for the Subscription Shares, subject to the condition that the number of Subscription Shares actually subscribed by the Company and/or its nominee(s), together with the Trasy Shares held by the Company and parties acting in concert with it on the date of Completion shall be 38.58% of the total issued share capital of Trasy as enlarged by the Share Subscription and the Share Placing and the Company shall be entitled to subscribe and/or procure its nominee(s) to subscribe for such number of Subscription Shares which together with the Trasy Shares held by the Company and parties acting in concert with it on the date of Completion not exceed 40% of the total issued share capital of Trasy as enlarged by the Share Subscription and the Share Placing. As at the date of the Share Subscription Agreement, the Company was beneficially interested in approximately 38.58% of the issued share capital of Trasy. Trasy is independent of and not connected with the Company and its connected persons.

Subscription Shares

On the basis that 392,000,000 Placing Shares are successfully placed by the Placing Agent, the maximum number of Subscription Shares that can be subscribed by the Company will be 340,000,000 Subscription Shares, which represent (i) approximately 10.21% of the issued share capital of Trasy as at the Latest Practicable Date; (ii) approximately 9.27% of the issued share capital of Trasy as enlarged by the Share Subscription; and (iii) approximately 8.37% of the issued share capital of Trasy as enlarged by the Share Placing and the Share Subscription.

The aggregate maximum number of new Trasy Shares to be issued under the Share Placing Agreement and the Share Subscription Agreement is 732,000,000 Trasy Shares, which represent (i) approximately 21.99% of the issued share capital of Trasy as at the Latest Practicable Date; and (ii) approximately 18.02% of the issued share capital of Trasy as enlarged by the Share Placing and the Share Subscription. On the basis that the aggregate maximum number of 732,000,000 new Trasy Shares are to be issued, the maximum gross proceeds for the Share Placing and the Share Subscription will be HK\$150,060,000.

Subscription Price

The Subscription Price is HK\$0.205 per Subscription Share, which is equal to the Placing Price.

The Subscription Price of HK\$0.205 represents:

- a discount of approximately 17.34% to the closing price of HK\$0.248 per Trasy Share as quoted on the GEM on 28 June 2007, being the last trading day immediately before trading in the Trasy Shares was suspended pending the release of the Announcement;
- a discount of approximately 15.64% to the average closing price of approximately HK\$0.243 per Trasy Share for the last 5 trading days up to and including 28 June 2007;

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- a discount of approximately 14.58% to the average closing price of approximately HK\$0.240 per Trasy Share for the last 10 trading days up to and including 28 June 2007; and
- a discount of approximately 51.19% to the closing price of HK\$0.42 per Trasy Share as quoted on the GEM on the Latest Practicable Date.

The Subscription Price was determined with reference to the prevailing market price of the Trasy Share and was negotiated on an arm's length basis between Trasy and the Company.

Conditions of the Share Subscription

Completion of the Share Subscription is conditional upon:

- (i) the passing by the Trasy Shareholders who are permitted to vote under the GEM Listing Rules and other applicable rules and codes at the Trasy EGM of all necessary resolutions in compliance with the GEM Listing Rules and other applicable rules and codes to approve the transactions contemplated under the Share Subscription Agreement;
- (ii) the GEM Listing Committee having granted (either unconditionally or subject only to conditions to which Trasy does not reasonably object) approval for the listing of and permission to deal in the Subscription Shares and the Placing Shares;
- (iii) (if required) the passing by the Shareholders at a special general meeting of the Company of all necessary resolutions to approve the transactions contemplated under the Share Subscription Agreement; and
- (iv) all conditions under the Share Placing Agreement having been fulfilled (other than the condition which requires the fulfilment of all conditions under the Share Subscription Agreement).

If the above conditions are not fulfilled on or prior to 31 August 2007 (or such later date as may be agreed between Trasy and the Company in writing), the Share Subscription Agreement shall terminate and neither party thereto shall have any claim against the other for any costs or losses (save in respect of any antecedent breaches of the Share Subscription Agreement). The Share Placing and the Share Subscription are inter-conditional with each other. Completion of the Share Placing will not take place if completion of the Share Subscription does not occur, and vice versa.

Completion of the Share Subscription

Completion of the Share Subscription is to take place on or before the third Business Day after the Share Subscription Agreement becomes unconditional (or such other date as the Company and Trasy may agree), and simultaneously with the completion of the Share Placing.

Listing and ranking of the Subscription Shares

An application will be made by Trasy to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares to be issued under the Share Subscription Agreement. The Subscription Shares, when fully paid, will rank *pari passu* in all respects with all the Trasy Shares in issue at the date of issue of the Subscription Shares.

THE CN SUBSCRIPTION AGREEMENT

On 29 June 2007, Trasy and the Company also entered into the CN Subscription Agreement pursuant to which, among other things, the Company conditionally agreed to subscribe and/or procure its nominee(s) to subscribe for a principal amount of HK\$50,000,000 Subscription Notes. Upon notification by Trasy of the aggregate principal amount of the Placing Notes successfully placed by the Placing Agent, the Company may also elect to subscribe and/or procure its nominee(s) to subscribe for the Additional Amount (representing the principal amount of the Convertible Notes out of the Placing Notes which have not been successfully placed by the Placing Agent (if any)) subject to a maximum aggregate principal amount of HK\$50,000,000.

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Principal terms of the Subscription Notes

Issuer:	Trasy
Aggregate principal amount:	HK\$50,000,000 and subject to a top up of the Additional Amount, making the total aggregate principal amount of the Subscription Notes under the CN Subscription Agreement up to HK\$100,000,000.
Initial Conversion Price:	HK\$0.24 per Conversion Share

The Initial Conversion Price was determined on an arm's length basis between Trasy and the Company respectively with reference to, among other things, the recent performance of the price of the Trasy Shares.

The Initial Conversion Price is subject to anti-dilutive adjustments, including consolidation or subdivision of the Trasy Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events, which may or may not occur.

The Initial Conversion Price of HK\$0.24 per Conversion Share (i) represents a discount of approximately 3.23% to the closing price of HK\$0.248 per Trasy Share as quoted on the GEM on 28 June 2007, being the last trading day immediately prior to the date of the CN Subscription Agreement; (ii) represents a discount of approximately 1.23% to the average closing price of approximately HK\$0.243 per Trasy Share for the last 5 trading days prior to the date of the CN Subscription Agreement; (iii) is the same as the average closing price of approximately HK\$0.240 per Trasy Share for the last 10 trading days prior to the date of the CN Subscription Agreement; and (iv) represents a discount of approximately 42.86% to the closing price of HK\$0.42 per Trasy Share as quoted on the GEM on the Latest Practicable Date.

Interest:	4% per annum, payable annually
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Maturity date:	The date immediately before the second anniversary of the date of issue of the Subscription Notes, or, if that is not a Business Day, the first Business Day thereafter ("Original Maturity Date").
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In the event of a Change of Control of Trasy prior to the Original Maturity Date, the holder(s) of the Subscription Notes may by notice in writing to Trasy require it to redeem (and whereupon Trasy shall redeem) all (but not part only) of the outstanding principal amount of the Subscription Notes on the later of (a) the date on which the Change of Control occurs; and (b) the expiry of 20 Business Days from the notice from the holder(s) of the Subscription Notes referred to above. Under the terms of the Subscription Notes, "control" of Trasy means holding or aggregate holdings of more than 50% of the voting rights of Trasy.

Redemption:	Any outstanding and unconverted Subscription Notes will be redeemed at an amount equal to the principal amount of the outstanding Subscription Notes together with any accrued interest in cash at maturity date.
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In the event of a Change of Control, the holder(s) of the Subscription Notes may require Trasy to redeem all (but not part of) the outstanding and unconverted Subscription Notes at an amount which is 103% of the principal amount of the outstanding Subscription Notes together with any accrued interest in cash at maturity date.

Trasy or any of its subsidiaries may prior to the maturity date purchase any Subscription Notes at a price which is up to 115% of the principal amount of the outstanding Subscription Notes, as may be agreed between Trasy or such subsidiary and the relevant holders of the

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- Subscription Notes provided that Trasy shall at the same price offer to purchase from other holder(s) of the Convertible Notes a like percentage of the Convertible Notes. Any Subscription Notes purchased shall forthwith be cancelled by Trasy.
- Transferability:** The Subscription Notes will be freely transferable but may not be transferred to a connected person of Trasy without the prior written consent of Trasy.
- Conversion period:** A holder of the Subscription Notes shall have the right at any time during the period commencing on and excluding the 7th day after the date of issue of the Subscription Notes up to and including the date which is 7 days prior to the Original Maturity Date to convert the whole or any part (at denominations of HK\$500,000 or integral multiples thereof) of the principal amount outstanding under the Subscription Note(s) into Conversion Shares.
- Voting rights:** The holders of the Subscription Notes will not be entitled to receive notice of, attend or vote at any general meeting of Trasy by reason only of it being the holders of the Subscription Notes.
- Listing:** No application will be made for the listing of the Subscription Notes on the GEM or any other stock exchange. An application will be made by Trasy to the GEM Listing Committee for the listing of, and permission to deal in, the Conversion Shares to be issued under the CN Subscription Agreement.
- Ranking:** The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Subscription Notes will, when issued, rank pari passu with all other Trasy Shares in issue as at the date of allotment and issue of such Conversion Shares.

Conversion Shares falling to be issued upon exercise in full of the conversion rights attaching to the Subscription Notes

Based on an aggregate principal amount of HK\$50,000,000 Subscription Notes issued under the CN Subscription, upon full conversion of the Subscription Notes at the Initial Conversion Price (subject to adjustments), a total of 208,333,333 Conversion Shares will be issued, representing (i) approximately 6.26% of the issued share capital of Trasy as at the Latest Practicable Date; (ii) approximately 5.89% of the issued share capital of Trasy as enlarged by the CN Subscription; and (iii) approximately 5.27% of the issued share capital of Trasy as enlarged by the CN Subscription and the CN Placing (assuming the maximum aggregate principal amount of the Placing Notes are placed by the Placing Agent and full conversion of the Placing Notes).

The maximum aggregate principal amount of the Convertible Notes to be issued by Trasy under the CN Placing Agreement and the CN Subscription Agreement is HK\$150,000,000, upon full conversion of which at the Initial Conversion Price (subject to adjustment), a total of 625,000,000 Conversion Shares will be issued, representing (i) approximately 18.77% of the issued share capital of Trasy as at the Latest Practicable Date; and (ii) approximately 15.81% of the issued share capital of Trasy as enlarged by the CN Subscription and the CN Placing (assuming the maximum aggregate principal amount of the Placing Notes are placed by the Placing Agent and full conversion of the Placing Notes).

Conditions of the CN Subscription

Completion of the CN Subscription is conditional upon:-

- (i) the passing by the Trasy Shareholders who are permitted to vote under the GEM Listing Rules and the Takeovers Code (if required) at the Trasy EGM of all necessary resolutions in compliance with the GEM Listing Rules and the Takeovers Code (if required) to approve the transactions contemplated under the CN Subscription Agreement and the issue of the Conversion Shares;
- (ii) the GEM Listing Committee having granted (either unconditionally or subject only to conditions to which Trasy does not reasonably object) approval for the listing of, and permission to deal in, the Conversion Shares;
- (iii) the GEM Listing Committee having approved (either unconditionally or subject only to conditions to which Trasy and the Company do not reasonably object) the issue of the Subscription Notes, or Trasy not having received any objection from the GEM Listing Committee to the issue of the Subscription Notes;

LETTER FROM THE BOARD

- (iv) (if required) the passing by the Shareholders at a special general meeting of the Company of all necessary resolutions to approve the transactions contemplated under the CN Subscription Agreement in compliance with all relevant rules, regulations and codes; and
- (v) all conditions under the CN Placing Agreement having been fulfilled (other than the condition which requires the fulfilment of all conditions under the CN Subscription Agreement).

If the above conditions are not fulfilled (or waived by the Company in respect of condition (v) above) on or before 31 August 2007 (or such later date as may be agreed between the Company and Trasy in writing), the CN Subscription Agreement shall thereupon lapse and become null and void and the parties will be released from all obligations hereunder, save for any liability arising out of any antecedent breaches hereof. The CN Placing and the CN Subscription are inter-conditional with each other. Completion of the CN Placing will not take place if completion of the CN Subscription does not occur, and vice versa.

Completion of the CN Subscription

Completion shall take place on the third Business Day after fulfilment or waiver (as applicable) of the last of the above conditions (or such other date as may be agreed between Trasy and the Company) and simultaneously with completion of the CN Placing Agreement (so that completion of the CN Subscription Agreement shall not take place unless completion of the CN Placing Agreement takes place at or about the same time).

Termination of the CN Subscription Agreement

Up to the completion date of the CN Subscription Agreement, the Company may terminate the CN Subscription Agreement if certain things (including force majeure) happen, including if,

- (i) there develops, occurs or comes into effect:
 - (aa) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the CN Subscription Agreement), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not ejusdem generis with any of the foregoing, resulting in a material and adverse change in, or which would be expected to result in a material and adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong;
 - (bb) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;
 - (cc) any material and adverse change in conditions of local national or international securities markets;
 - (dd) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Trasy Group which shall materially and adversely affect the business or the financial or trading position of the Trasy Group;
 - (ee) the instigation of any litigation or claim of material importance by any third party against any member of the Trasy Group which would materially and adversely affect the business, financial or trading position of the Trasy Group;

and which can reasonably be expected, in the opinion of the Company acting reasonably, to have or has had a material adverse effect upon the condition (financial or otherwise) or earnings, business affairs or business prospects of the Trasy Group;

- (ii) there is any breach of any of the warranties made by Trasy as set out in the CN Subscription Agreement which has come to the knowledge of the Company or any event which has occurred or any matter which has arisen on or after the date of the CN Subscription Agreement and prior to its completion which (a) if it had occurred or arisen before the date hereof would have rendered any of such warranties untrue, inaccurate or misleading in any material respect, or (b) in the opinion of the Company acting reasonably, materially and adversely affects the financial position or business or prospects of Trasy;

LETTER FROM THE BOARD

- (iii) there has been a breach of or failure to perform any Trasy's obligations in any material respect under the CN Subscription Agreement; and
- (iv) there has been a suspension of trading in the Trasy Shares on the GEM for a continuous period of more than 20 consecutive trading days other than a temporary suspension for clearance of the Announcement.

If the Company terminates the CN Subscription Agreement, the CN Subscription will not proceed.

EFFECTS ON SHAREHOLDING STRUCTURE OF TRASY

Upon completion of the CN Placing and completion of the CN Subscription and based on the terms of the CN Placing Agreement and the CN Subscription Agreement, the maximum amount of the Convertible Notes issuable by Trasy is HK\$150,000,000, of which a minimum of HK\$50,000,000 will be subscribed by the Company. Depending on the final amount (if any) of Placing Notes not successfully placed by the Placing Agent, the Company may, at its election, subscribe for more Subscription Notes up to the Additional Amount of HK\$50,000,000.

The existing and enlarged shareholding structure of Trasy (i) as at the Latest Practicable Date; (ii) immediately after completion of the Share Placing (assuming the maximum number of the Placing Shares have been placed by the Placing Agent) and the Share Subscription (assuming the maximum number of Subscription Shares have been subscribed by the Company) but before the completion of the CN Placing and the CN Subscription; (iii) immediately after completion of the Share Placing (assuming the maximum number of the Placing Shares have been placed by the Placing Agent), the Share Subscription (assuming the maximum number of Subscription Shares have been subscribed by the Company), the CN Placing of HK\$100,000,000 Placing Notes, the CN Subscription of HK\$50,000,000 Subscription Notes and full conversion of the Convertible Notes; and (iv) immediately after completion of the Share Placing (assuming the maximum number of the Placing Shares have been placed by the Placing Agent), the Share Subscription (assuming the maximum number of Subscription Shares have been subscribed by the Company), the CN Placing of HK\$50,000,000 Placing Notes, the CN Subscription of HK\$100,000,000 Subscription Notes (including the Additional Amount) and full conversion of the Convertible Notes are set out in the table below (in each case assuming that there is no other change in the issued share capital of Trasy from the Latest Practicable Date except for the issue of the Placing Shares, the Subscription Shares and the Conversion Shares as the case may be).

	(i)		(ii)		(iii)		(iv)	
	<i>Trasy Shares</i>	<i>%</i>	<i>Trasy Shares</i>	<i>%</i>	<i>Trasy Shares</i>	<i>%</i>	<i>Trasy Shares</i>	<i>%</i>
Trasy Shareholders								
ITC								
- Existing Trasy Shares	1,227,451,139	36.87	1,227,451,139	30.22	1,227,451,139	26.19	1,227,451,139	26.19
- Subscription Shares	-	-	340,000,000	8.37	340,000,000	7.26	340,000,000	7.26
- Conversion Shares (<i>Note</i>)	-	-	-	-	208,333,333	4.44	416,666,666	8.89
Subtotal of ITC	1,227,451,139	36.87	1,567,451,139	38.59	1,775,784,472	37.89	1,984,117,805	42.34
Public								
- Places under the Share Placing	-	-	392,000,000	9.65	392,000,000	8.37	392,000,000	8.37
- Places under the CN Placing	-	-	-	-	416,666,666	8.89	208,333,333	4.44
- Other public Trasy Shareholders	2,101,928,861	63.13	2,101,928,861	51.76	2,101,928,861	44.85	2,101,928,861	44.85
Subtotal of public	2,101,928,861	63.13	2,493,928,861	61.41	2,910,595,527	62.11	2,702,262,194	57.66
Total	3,329,380,000	100.00	4,061,380,000	100.00	4,686,379,999	100.00	4,686,379,999	100.00

Note: The Company will comply with the applicable Main Board Listing Rules and the Takeovers Code upon conversion of the Subscription Notes to be held by the Company or Dr. Chan and/or any of its/his nominee(s).

LETTER FROM THE BOARD

REASONS FOR THE SUBSCRIPTION

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, properties investment, treasury investment, and trading of building materials and machinery.

The Subscription will provide new funds to its associated company, Trasy, and strengthen the financial position of the Trasy Group. The Share Subscription Agreement and the CN Subscription Agreement will allow the Company to maintain control of Trasy and to remain as the single largest Trasy Shareholder. Taking into account the business profile and investment portfolio of the Company, the Trasy Directors consider that it is in the interests of the Trasy Group to allow the Company to maintain its controlling stake in Trasy by way of the Share Subscription. The CN Subscription provides flexibility to the Company and its subsidiaries to acquire additional equity interests in Trasy whenever it is considered appropriate. The maximum consideration for the Share Subscription and CN Subscription (including the Additional Amount) will be approximately HK\$169.7 million and the Company intends to fund the Subscription from its internal resources. The Group will benefit from the interest income arising from the Subscription Notes and it is expected that the Subscription would not have any material adverse impact on the net asset position of the Group. Having regard to the above and the current strong capital market sentiment, the Directors consider that the terms of the Subscription are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON TRASY

Trasy 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 loss both 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 at the end of the two respective financial years.

IMPLICATIONS UNDER THE MAIN BOARD LISTING RULES

The Share Subscription and the CN Subscription constitute discloseable transactions for the Company under Chapter 14 of the Main Board Listing Rules.

The Company will comply with the applicable Main Board Listing Rules and the Takeovers Code upon conversion of the Subscription Notes to be held by the Company or Dr. Chan and/or any of its/ his nominee(s).

GENERAL

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Main Board Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of ITC or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to ITC and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO) and the Model Code and which were required to be entered in the register kept by ITC pursuant to Section 352 of the SFO, were as follows:

(a) Interests and short positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/ Short position	No. of ITC Ordinary Shares held	Approximate % of the existing issued ordinary share capital of ITC
Dr. Chan	Beneficial Owner	Long position	12,312,000	0.56%
Dr. Chan	Interest of controlled corporation (Note)	Long position	642,939,242	29.59%

Note: Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which is, in turn, wholly owned by Dr. Chan. Dr. Chan was deemed to be interested in 642,939,242 ITC Ordinary Shares held by Galaxyway Investments Limited.

(b) Interests and short positions in shares, underlying shares and debentures of the following associated corporations

(i) Hanny Holdings Limited ("Hanny")

Name of Director	Capacity	Long position/ Short position	No. of shares of Hanny held	No. of underlying shares (in respect of unlisted equity derivatives) of Hanny held	Approximate % of the existing issued share capital of Hanny
Dr. Chan	Beneficial owner	Long position	16,284,667	–	0.49%
Dr. Chan	Beneficial owner	Long position	–	3,508,407 (Note)	0.11%
Chan Kwok Chuen, Augustine	Beneficial owner	Long position	13,480,000	–	0.40%

Name of Director	Capacity	Long position/ Short position	No. of shares of Hanny held	No. of underlying shares (in respect of unlisted equity derivatives) of Hanny held	Approximate % of the existing issued share capital of Hanny
Cheung Hon Kit	Beneficial owner	Long position	66	-	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	352	-	0.00%

Note: Dr. Chan owned the 2% convertible bonds of Hanny due 2011 in the principal amount of HK\$2,841,810. Upon full conversion of such convertible bonds at an initial conversion price of HK\$0.81 per share of Hanny (subject to adjustments), 3,508,407 shares of Hanny would be issued to Dr. Chan.

(ii) *Trasy*

Name of Director	Capacity	Long position/ Short position	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Trasy held	Approximate % of the existing issued share capital of Trasy
Chau Mei Wah, Rosanna	Beneficial owner	Long position	10,000,000	0.30%

Note: On 9 July 2007, Ms. Chau Mei Wah, Rosanna was granted share options with rights to subscribe for 10,000,000 Trasy Shares at HK\$0.33 per Trasy Share (subject to adjustments) during the period from 9 July 2007 to 8 July 2010.

(iii) *PYI Corporation Limited ("PYI")*

Name of Director	Capacity	Long position/ Short position	No. of shares of PYI held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of PYI held	Approximate % of the existing issued share capital of PYI
Dr. Chan	Beneficial owner	Long position	11,915,186	-	0.80%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	-	1,630,000 (Note)	0.11%
Chan Fut Yan	Beneficial owner	Long position	-	2,500,000 (Note)	0.17%
Cheung Hon Kit	Beneficial owner	Long position	400	-	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	2,000	-	0.00%

Note: Ms. Chau Mei Wah, Rosanna and Mr. Chan Fut Yan held share options (which were granted on 28 December 2004) with rights to subscribe for 1,630,000 shares of PYI and 2,500,000 shares of PYI respectively at HK\$1.5 per share of PYI (subject to adjustments) during the period from 28 December 2004 to 26 August 2012.

(iv) *Burcon NutraScience Corporation (“Burcon”)*

Name of Director	Capacity	Long position/ Short position	No. of shares of Burcon held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Burcon held	Approximate % of the existing issued share capital of Burcon
Chau Mei Wah, Rosanna	Beneficial owner	Long position	321,074	–	1.29%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	61,000	0.25%

Hanny, Trasy, PYI and Burcon are associated corporations of ITC within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of ITC had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests and short positions in the shares, underlying shares or debentures of ITC or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to ITC and the Stock Exchange or any interests which are required to be entered into the register kept by ITC pursuant to Section 352 of the SFO or any interests which are required to be notified to ITC and the Stock Exchange pursuant to the Model Code.

(B) Interests and short positions of substantial shareholders/other persons recorded in the register kept under the SFO

As at the Latest Practicable Date, so far as is known to the Directors, the following parties had an interest or short position in the ITC Ordinary Shares and underlying shares of ITC which would fall to be disclosed to ITC under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(a) Interests and short positions of substantial shareholders in ITC Ordinary Shares and underlying shares of ITC

Name	Capacity	Long position/ Short position	No. of ITC Ordinary Shares held	Approximate % of the existing issued ordinary share capital of ITC
Dr. Chan	Beneficial owner	Long position	12,312,000	0.56%
Dr. Chan	Interest of controlled corporation (<i>Note</i>)	Long position	642,939,242	29.59%
Chinaview International Limited	Interest of controlled corporation (<i>Note</i>)	Long position	642,939,242	29.59%
Galaxyway Investments Limited	Beneficial owner (<i>Note</i>)	Long position	642,939,242	29.59%
Ng Yuen Lan, Macy	Interest of spouse (<i>Note</i>)	Long position	655,251,242	30.15%

Note: Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which is, in turn, wholly owned by Dr. Chan. Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan. Chinaview International Limited, Dr. Chan and Ms. Ng Yuen Lan, Macy were deemed to be interested in the ITC Ordinary Shares held by Galaxyway Investments Limited. Ms. Ng Yuen Lan, Macy was deemed to be interested in ITC Ordinary Shares held by Dr. Chan.

(b) *Interests and short positions of other persons in ITC Ordinary Shares and underlying shares of ITC*

Name	Capacity	Long position/ Short position	No. of ITC Ordinary Shares held	No. of underlying shares (in respect of listed equity derivatives) of ITC held	Approximate % of the existing issued ordinary share capital of ITC
CEF Holdings Limited ("CEF Holdings")	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.13%
CEF Holdings	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.13%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.13%
CKH	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee (<i>Note</i>)	Long position	2,773,046	–	0.13%
TUT1	Trustee (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.13%
TDT1	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.13%
TDT2	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	Long position	2,773,046	–	0.13%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	Long position	–	213,015,153	9.8%

Note: So far as known to the Directors, the number of ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand Investment Limited (“Asialand”) and CEF (Capital Markets) Limited (“CEF Capital Markets”) were 50,849,968 and 164,938,231 respectively. CEF Capital Markets was wholly owned by CEF Holdings. Asialand was wholly owned by CEF M B Investments Limited which was in turn wholly owned by CEF Holdings.

Each of CKH and CIBC Holdings (Cayman) Limited was entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of CEF Holdings. CIBC Holdings (Cayman) Limited was wholly owned by Canadian Imperial Bank of Commerce. CEF M B Investments Limited was deemed to be interested in the ITC Ordinary Shares and/or underlying shares (in respect of listed equity derivatives) of ITC held by Asialand. CEF Holdings, CIBC Holdings (Cayman) Limited and Canadian Imperial Bank of Commerce were all deemed to be interested in the ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand and CEF Capital Markets.

Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard was interested in one-third of the entire issued share capital, owned the entire issued share capital of TUT1. TUT1 as trustee of The Li Ka-Shing Unity Trust, together with certain companies which TUT1 as trustee of The Li Ka-Shing Unity Trust was entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, held more than one-third of the issued share capital of CKH.

In addition, Li Ka-Shing Unity Holdings Limited also owned the entire issued share capital of TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and TDT2 as trustee of another discretionary trust (“DT2”). Each of TDT1 and TDT2 held units in The Li Ka-Shing Unity Trust.

By virtue of the SFO, each of Mr. Li Ka-shing being the settlor and may being regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, CKH, TUT1, TDT1 and TDT2 was deemed to be interested in ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand and CEF Capital Markets.

Save as disclosed above, the Directors are not aware that there is any party (not being a Director) who, as at the Latest Practicable Date, had an interest or short positions in the ITC Ordinary Shares and underlying shares of ITC which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such shares.

3. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor their respective associates were interested in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the Group’s businesses pursuant to Rule 8.10 of the Main Board Listing Rules.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contracts with any member of the Group which is not determinable by the Group within one year without any payment of compensation, other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no litigation or claims which is in the opinion of the Directors of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. GENERAL

- (i) The secretary and the qualified accountant of the Company is Law Hon Wa, William, *CPA, FCCA*.
- (ii) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (iii) The principal share registrar and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch share registrar and transfer office of the Company in Hong Kong is Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.