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TRASY GOLD EX LIMITED

卓施金網有限公司

(Incorporated in the Cayman Islands with limited liability)

(stock code: 8063)

TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

On 12 June 2007, the Company, ITC and Taifook Securities entered into the Placing and Subscription Agreement, pursuant to which, (i) ITC agreed to place, through Taifook Securities, an aggregate of 550,000,000 Placing Shares at a price of HK\$0.20 per Placing Share to not less than six places who will be Independent Third Parties and not parties acting in concert with ITC (being the controlling Shareholder of the Company) and with each other for the purposes of the Takeovers Code; and (ii) the Company agreed to issue and ITC has conditionally agreed to subscribe for 550,000,000 Shares at a price of HK\$0.20 per Subscription Share.

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

The Placing Price (being the same as the Subscription Price) was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis.

The Subscription is conditional upon (i) the GEM Listing Committee of the Stock Exchange granting 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 ITC or its nominee.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 13 June 2007 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 14 June 2007.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

12 June 2007

Parties to the Placing and Subscription Agreement

The Company, ITC and Taifook Securities

THE PLACING

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

Vendor

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

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 the directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates, and is not a connected person of the Company.

Number of Shares to be placed

550,000,000 Placing Shares, representing approximately (i) 19.79% of the Company's existing issued share capital as at the date of this announcement; and (ii) 16.52% of the Company'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. The Directors shall procure that, through the placing agent, each of the Placees and their respective ultimate beneficial owners will be Independent Third Party(ies) and not parties acting in concert with ITC (being the controlling Shareholder of the Company) and with each other for the purposes of the Takeovers Code. No placee will become a substantial Shareholder immediately following completion of the Placing and the Subscription.

Placing Price

The Placing Price of HK\$0.20 per Placing Share was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis. The Placing Price represents: (i) a discount of approximately 18.70% to the closing price of HK\$0.246 per 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 Share as quoted on the Stock Exchange for the last five 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 Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The placing commission of the Placing is 2.5% of the amount equal to the Placing Price of HK\$0.20 multiplied by 550,000,000 Placing Shares, or HK\$2,750,000 in aggregate, which was arrived at after arm's length negotiations between the Company and Taifook Securities and will be borne by the Company.

The Directors consider that the terms of the Placing and Subscription Agreement (including the Placing Price) are fair and reasonable and the Placing and the Subscription are in the interests of the Company and its Shareholders as a whole.

Condition of the Placing

The Placing is unconditional.

Completion of the Placing

Completion of the Placing would take place on the second Business Day following the date of resumption of trading in the Shares on the Stock Exchange or such other date as ITC 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 Group would or might be materially adversely affected by:

- (a) any material breach of any of the representations and warranties of ITC or the Company set out in the Placing and Subscription Agreement; or
- (b) any suspension in dealings in or the listing of the 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 the Company 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 the Company or ITC 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 the Company and ITC by giving notice in writing to the Company and ITC, 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, ITC has conditionally agreed to subscribe for 550,000,000 new 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 Shares to be subscribed

The 550,000,000 Subscription Shares represent approximately (i) 19.79% of the Company's existing issued share capital as at the date of this announcement; and (ii) 16.52% of the Company's issued share capital as enlarged by the issue of the Subscription Shares. The Subscription Shares are to be issued by the Company under the General Mandate which allows the Company to issue up to 555,800,000 new Shares as at the date of this announcement. No Share has been issued by the Company pursuant to the General Mandate up to the date of this announcement. The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with the 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.

Subscription Price

The Subscription Price of HK\$0.20 per Subscription Share is equal to the Placing Price.

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

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (i) the GEM Listing Committee of the Stock Exchange granting 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 ITC 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 ITC and the Company), the Subscription shall terminate and neither the Company nor ITC shall have any claims against the other for any costs, damages, compensation or otherwise in respect of the Subscription.

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

Completion of the Subscription

Completion of the Subscription is expected to take place on the third Business Day following the satisfaction of the conditions precedent to the Subscription or such other date as ITC and the Company 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 the Company under Chapter 20 of the GEM Rules, and the Company will be required to comply with the relevant requirements of the GEM Rules.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding of the Company 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 the Company:

	As at the date of this announcement		Upon completion of the Placing		Upon completion of the Placing and Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Shareholders						
ITC	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	<u>1,494,648,861</u>	<u>53.78</u>	<u>2,044,648,861</u>	<u>73.57</u>	<u>2,044,648,861</u>	<u>61.42</u>
Total	<u>2,779,100,000</u>	<u>100.00</u>	<u>2,779,100,000</u>	<u>100.00</u>	<u>3,329,100,000</u>	<u>100.00</u>

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Placing and Subscription represents a good opportunity to raise capital for the Company and broaden its shareholder base, and the Placing and the Subscription will put the 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 Group. As at the date of this announcement, the Group has not identified any particular project to invest in.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activities in the past twelve-month period immediately before the date of this announcement.

GENERAL

The Company 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 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 Group were approximately HK\$52.18 million and HK\$48.58 million respectively as at the two respective financial year end dates.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 13 June 2007 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 14 June 2007.

DEFINITIONS

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

“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“Company”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands with limited liability and whose issued shares are listed on the GEM board of the Stock Exchange
“connected persons”	the meaning as defined in the GEM 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 Rules”	the Rules Governing the Listing of Securities on the Growth Enterprises Market of the Stock Exchange
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 23 April 2007 to issue up to 555,800,000 new 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
“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
“Last Trading Day”	12 June 2007, being the last trading day of the Shares on the Stock Exchange prior to the suspension of Shares on 13 June 2007
“Placees”	the placee(s) to be procured by Taifook Securities under the Placing, all of which and their respective beneficial owners are Independent Third Parties
“Placing”	the placing, on a fully-underwritten basis, of 550,000,000 existing Shares by Taifook Securities to the Placees at the Placing Price pursuant to the Placing and Subscription Agreement on behalf of ITC
“Placing and Subscription Agreement”	the placing and subscription agreement dated 12 June 2007 entered into between ITC, the Company 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 Shares underwritten and to be placed by Taifook Securities pursuant to the Placing and Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
"Shares"	ordinary shares of the Company of HK\$0.01 each
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 550,000,000 new Shares by ITC 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 Shares to be subscribed by ITC 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
“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 Shares as a result of any acquisition of voting rights in the Company by virtue of the Subscription

By Order of the Board
TRASY GOLD EX LIMITED
Francis J. Chang Chu Fai
Chairman

Hong Kong, 13 June 2007

As at the date of this announcement, the Board of Directors comprises Mr. Francis J. Chang Chu Fai as Chairman, Mr. Leung Man Pok, John as Managing Director, Ms. Cheung Wing Chi, Winnie as executive Director, and Mr. Chung Koon Yan, Mr. Wong Kai Tat and Mr. Yue Wai Keung as independent non-executive Directors.

The announcement for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief; (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of its publication and on the Company’s website at www.trasy.com.