



**ITC CORPORATION
LIMITED**

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



**PAUL Y. - ITC CONSTRUCTION
HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock code: 498)

RULE 13.10 STATEMENT

This announcement is made at the request of the Stock Exchange. The respective directors of ITC and Paul Y. - ITC have noted the increases in the price and trading volume of the ordinary shares in ITC and Paul Y. - ITC on 15 October 2004 and they wish to state that ITC and Paul Y. - ITC are not aware of any reasons for such increases.

Respective shareholders and potential investors of ITC and Paul Y. - ITC are advised to exercise caution when dealing in the shares in ITC and Paul Y. - ITC.

Introduction

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The respective directors of ITC Corporation Limited (“ITC”) and Paul Y. - ITC Construction Holdings Limited (“Paul Y. - ITC”) have noted the increases in the price and trading volume of the ordinary shares in ITC and Paul Y. - ITC on 15 October 2004 and they wish to state that ITC and Paul Y. - ITC are not aware of any reasons for such increases.

Reference is made to the following documents:–

- (i) joint announcements of Paul Y. - ITC and ITC dated 4 June 2004, 25 June 2004, 13 August 2004, 3 September 2004, 9 September 2004, 24 September 2004 and 7 October 2004 in relation to, among other things, the possible disposal by Paul Y. - ITC of the Paul Y Construction Group (as defined in the announcement of ITC dated 11 October 2004) which has not yet been completed as at the date of this announcement;
- (ii) an announcement of Paul Y. - ITC dated 18 August 2004, announcements of ITC dated 18 August 2004, 9 September 2004, 20 September 2004 and 13 October 2004 and a circular of ITC dated 21 September 2004 in relation to the very substantial disposal resulting from the possible disposal of shares in Paul Y. - ITC so that Paul Y. - ITC will become an associated company of ITC (as at the date of this announcement, ITC holds approximately 55.1% of Paul Y. - ITC and accounts for it as a subsidiary), the conversion of existing convertible preference shares of ITC into redeemable convertible preference shares and variation of terms; and
- (iii) an announcement of ITC dated 11 October 2004 in relation to the discloseable transaction resulting from the acquisition of property interests by Paul Y. - ITC which has not yet been completed as at the date of this announcement.

Proposed disposal of shares in Paul Y. - ITC

The proposed very substantial disposal in relation to the shares in Paul Y. - ITC has been approved by shareholders at the special general meeting of ITC held on 6 October 2004 and ITC is in final stages of negotiations with independent third parties regarding the possible implementation of such disposal. To the best of the knowledge, information and belief of the directors of ITC, having made all reasonable enquiry, such independent third party and its ultimate beneficial owner is independent of ITC and not connected persons of ITC. Although discussions between the parties are at final stages, the parties have not entered into any binding contract in connection with, or agreed the terms of, any such transaction.

Possible disposal of the shares in China Strategic Holdings Limited by Paul Y. - ITC
Paul Y. - ITC and Hanny Holdings Limited (“Hanny”) have been approached last night by a third party in connection with the possible acquisition by that third party of some or all of their interests in the shares of China Strategic Holdings Limited (“CSH”) from Paul Y. - ITC and, or, Hanny, which may or may not result in a general offer being made for the shares in CSH. To the best of the knowledge, information and belief of the respective directors of ITC and Paul Y. - ITC, having made all reasonable enquiry, the third party and its ultimate beneficial owner is independent of ITC and Paul Y. - ITC and not connected persons of ITC and Paul Y. - ITC. As at the date of this announcement, Paul Y. - ITC and Hanny, based on publicly available information, is each interested in approximately 29.4% of the issued share capital of CSH. Discussions in respect of this possible transaction are at a very preliminary stage. No agreement or contract has been entered into by Paul Y. - ITC and, so far ITC and Paul Y. - ITC are aware, Hanny in connection with such transaction. As this transaction may or may not proceed, **respective investors should exercise caution when dealing in the shares in ITC and Paul Y. - ITC.**

General

Save as stated above, the respective directors of ITC and Paul Y. - ITC confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), neither is the board of directors of ITC and Paul Y. - ITC aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Respective shareholders and potential investors of ITC and Paul Y. - ITC are advised to exercise caution when dealing in the shares in ITC and Paul Y. - ITC.

Made by the order of the respective boards of directors of ITC and Paul Y. - ITC of which individually and jointly accept responsibility for the accuracy of this statement.

As at the date of this announcement, the board of directors of ITC comprises nine directors, of which 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 three are independent non-executive directors, namely Mr. Chuck Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley.

As at the date of this announcement, the board of directors of Paul Y. - ITC comprises twelve directors, of which eight are executive directors, namely Dr. Chan Kwok Keung, Charles, Mr. Lau Ko Yuen, Tom, Mr. Chan Fut Yan, Mr. Wong Wing Hoo, Billy, Ms. Chau Mei Wah, Rosanna, Mr. Cheung Hon Kit, Mr. Law Man Wah, Conrad and Mr. Lee Hon Chiu; one is non-executive director, namely Mr. Cheung Ting Kau, Vincent and; three are independent non-executive directors, namely Mr. Kwok Shiu Keung, Ernest, Mr. Chan Shu Kin and Dr. Chow Ming Kuen, Joseph.

By Order of the Board
ITC Corporation Limited
Law Hon Wa, William
Company Secretary

By Order of the Board
Paul Y. - ITC Construction Holdings Limited
Mui Ching Hung, Joanna
Company Secretary

Hong Kong, 15 October 2004

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