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SKYNET (INTERNATIONAL GROUP) HOLDINGS LIMITED

天網(國際集團)有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 577)



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

保華德祥建築集團有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 498)



ITC CORPORATION LIMITED

德祥企業集團有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 372)

**FURTHER DELAY IN DESPATCH OF CIRCULARS
AND
FURTHER EXTENSION OF LONG STOP DATE**

Skynet has applied to the Stock Exchange and the Executive for a further extension of deadline for despatch of the circular in relation to, among other things, the Restructuring Proposal and the application for Whitewash Waiver from 21st October, 2004 to 30th November, 2004.

Paul Y and ITC have applied to the Stock Exchange for a further extension of deadline for despatch of the circular in relation to, among other things, the disposal of Paul Y Construction, the provision of the Facility, the Underwriting Agreement, the Hidden Agreement (which together lead to an acquisition of an interest in Skynet) and the Paul Y Hidden Agreement from 21st October, 2004 to 30th November, 2004.

Skynet and Paul Y have agreed to further extend the long stop date for the Acquisition Agreement, the Hidden Agreement and the Underwriting Agreement from 31st October, 2004 to 31st January, 2005.

Reference is made to (i) the joint announcements made by Skynet, Paul Y and ITC dated 4th June, 2004 ("Announcement"), 25th June, 2004, 13th August, 2004, 3rd September, 2004 and 9th September, 2004; (ii) the announcement made by Skynet dated 4th October, 2004; and (iii) the joint announcements made by Paul Y and ITC dated 24th September, 2004 and 7th October, 2004, in relation to, among other things, the Restructuring Proposal and the application for Whitewash Waiver (together, the "Proposal"). Capitalised terms used herein have the meanings ascribed thereto in the Announcement.

FURTHER DELAY IN DESPATCH OF CIRCULARS

Under Rule 14.13(2) of the Listing Rules in force before 31st March, 2004 and Rule 8.2 of the Takeovers Code, the circular of Skynet in relation to the Proposal should be sent to the Shareholders within 21 days of the date of the Announcement, and in this case on or before 25th June, 2004. Skynet has applied for waivers from the strict compliance with Rule 14.13(2) of the Listing Rules in force before 31st March, 2004 and Rule 8.2 of the Takeovers Code by extending the despatch date of the circular of Skynet to no later than 21st October, 2004.

Under Rule 14.13(2) of the Listing Rules in force before 31st March, 2004, the circulars of Paul Y and ITC in relation to, among other things, the disposal of Paul Y Construction, the provision of the Facility, the Underwriting Agreement, the Hidden Agreement (which together lead to an acquisition of an interest in Skynet) and the Paul Y Hidden Agreement, should be sent to their respective shareholders within 21 days of the date of the Announcement, and in this case on or before 25th June, 2004. Paul Y and ITC has each applied for waivers from the strict compliance with Rule 14.13(2) of the Listing Rules in force before 31st March, 2004 by extending the despatch date of the circulars of Paul Y and ITC to no later than 21st October, 2004.

However, additional time is required to finalise the information for inclusion in the respective circular of Skynet, Paul Y and ITC, including, where relevant, the accountants' reports of Paul Y Construction and Hidden for the three years ended 31st March, 2004 and three months ended 30th June, 2004, other financial information and information on the remaining Paul Y Group. Accordingly, application (further to the applications for waivers made on 25th June, 2004, 13th August, 2004, 9th September, 2004, 24th September, 2004, 30th September, 2004 and 7th October, 2004 as mentioned above) has been made by each of Skynet, Paul Y and ITC to the Stock Exchange and the Executive (where relevant) for consent to further extend the time for despatch of the relevant circular from 21st October, 2004 to 30th November, 2004.

FURTHER EXTENSION OF LONG STOP DATE

Skynet and Paul Y have agreed to further extend the long stop date for the Acquisition Agreement, the Hidden Agreement and the Underwriting Agreement from 31st October, 2004 to 31st January, 2005.

GENERAL

The board of directors of Skynet comprises six directors, of which (i) three are executive directors, namely, Mr. Choi Wing Kin, Mr. Wu Wing Kin and Mr. To Chi; (ii) one is a non-executive director, namely, Mr. Lo Chi Ho, William; and (iii) two are independent non-executive directors, namely, Mr. Cheung Hon Kit and Mr. Ng Wai Hung.

The board of directors of Paul Y comprises twelve directors, of which (i) 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; (ii) one is non-executive director, namely Mr. Cheung Ting Kau, Vincent; and (iii) three are independent non-executive directors, namely, Mr. Kwok Shiu Keung, Ernest, Mr. Chan Shu Kin and Dr. Chow Ming Kuen, Joseph.

The board of directors of ITC 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.

By order of the board of
Skynet (International Group) Holdings Limited
To Chi
Executive Director

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

By order of the board of
ITC Corporation Limited
Law Hon Wa, William
Company Secretary

Hong Kong, 20th October, 2004

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

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

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

* for identification only

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