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If you have transferred or sold all your securities of ITC Corporation Limited, you should at once hand this circular to the transferee or the purchaser or to the bank manager, stockbroker, licensed securities dealer or other agent through whom the transfer or sale was effected for transmission to the transferee or purchaser.

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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,
A WHOLLY-OWNED SUBSIDIARY OF ITC CORPORATION LIMITED,
OF AN APPROXIMATELY 50.07% SHAREHOLDING
IN TRASY GOLD EX LIMITED
AND
THE UNCONDITIONAL MANDATORY CASH OFFERS TO BE MADE
BY GOLDEN HALL HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN,
AND FOR CANCELLATION OF ALL OUTSTANDING OPTIONS OF,
TRASY GOLD EX LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to ITC Corporation Limited



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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Offeror on 23 March 2005;
“Announcement”	the announcement of ITC dated 6 April 2005 in relation to the Acquisition and the Offers;
“Board”	the board of Directors;
“Director(s)”	the director(s) of ITC;
“GEM”	the Growth Enterprise Market operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“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”	holders of ordinary shares of ITC of HK\$0.10 each;
“Last Trading Day”	9 June 2003, being the last trading day of the Trasy Shares prior to the suspension in trading on GEM on 10 June 2003;
“Latest Practicable Date”	25 April 2005, 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 Rules Governing the Listing of Securities on the Stock Exchange;
“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 other date(s) as the Offeror may, subject to the Takeovers Code, determine), including any Trasy Shares unconditionally allotted and issued pursuant to the exercise of the 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 cancellation of all Trasy Options in accordance with the Takeovers Code;
“Pre-IPO Share Option Plan”	the share option plan adopted by Trasy on 6 November 2000;
“RNA”	RNA Holdings Limited, a company incorporated in Bermuda whose shares are listed 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;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“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 Takeovers Code;
“Somerley”	Somerley Limited, a deemed licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities, and the financial adviser to ITC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Trasy”	Trasy Gold Ex Limited, a company incorporated in the Cayman Islands and whose shares are listed on GEM;
“Trasy Announcement”	the announcement made by Trasy dated 11 April 2005 in relation to, amongst other things, the Offers;
“Trasy Group”	Trasy and its subsidiaries;
“Trasy Options”	the outstanding options granted by Trasy pursuant to the Pre-IPO Share Option Plan;
“Trasy Shareholders”	holders of the 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; and
“%”	per cent.

LETTER FROM THE BOARD



ITC CORPORATION LIMITED

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

Executive Directors:

Chan Kwok Keung, Charles (*Chairman*)
Lau Ko Yuen, Tom (*Deputy Chairman*)
Chau Mei Wah, Rosanna (*Managing Director*)
Chan Kwok Hung
Chan Fut Yan
Cheung Hon Kit

Independent Non-executive Directors:

Chuck Winston Calptor
Lee Kit Wah
Wong Kam Cheong, Stanley

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

33rd Floor, Paul Y. Centre
51 Hung To Road
Kwun Tong
Kowloon
Hong Kong

27 April 2005

*To the ITC Shareholders and holders of
the convertible preference shares and, for information only,
holders of the convertible notes*

Dear Sirs,

**DISCLOSEABLE TRANSACTION
RELATING TO THE ACQUISITION
BY GOLDEN HALL HOLDINGS LIMITED,
A WHOLLY-OWNED SUBSIDIARY OF ITC CORPORATION LIMITED,
OF AN APPROXIMATELY 50.07% SHAREHOLDING
IN TRASY GOLD EX LIMITED
AND
THE UNCONDITIONAL MANDATORY CASH OFFERS TO BE MADE
BY GOLDEN HALL HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN,
AND FOR CANCELLATION OF ALL OUTSTANDING OPTIONS OF,
TRASY GOLD EX LIMITED
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 6 April 2005, the Board announced that the Offeror, a wholly-owned subsidiary of ITC, completed the Acquisition on 23 March 2005. As a result of the Acquisition, the Offeror is obliged to make the Offers to acquire (i) all the issued Trasy Shares; and (ii) all Trasy Options, other than those already owned by the Offeror and parties acting in concert with it under Rule 26 of the Takeovers Code.

The Acquisition together with the Offers constitute a discloseable transaction for ITC under Chapter 14 of the Listing Rules.

The purpose of the circular is to provide you with further information in respect of the Acquisition and the Offers and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE ACQUISITION

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 the Announcement other than the Acquisition.

To the best of the knowledge, information and belief of the Directors 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 the knowledge, information and belief of the Directors 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 the Trasy Options not already owned by the Offeror and parties acting in concert with it under Rule 26 of the Takeovers Code.

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

The Share Offer

The Share Offer is being made on the following basis:

For each Offer ShareHK\$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 shall be acquired together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of the Announcement.

The Option Offer

As confirmed by Trasy, there were a total of 60,336,000 Trasy Options outstanding as at the Latest Practicable Date entitling the holders to subscribe for an aggregate of 60,336,000 Trasy Shares at an exercise price of HK\$0.21 per Trasy Share under the Pre-IPO Share Option Plan. Save for the aforesaid, no other Trasy Options have been granted under the Pre-IPO Share Option Plan and which remain outstanding as at the Latest Practicable Date.

Based on the Trasy Announcement, 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.

Upon full exercise of subscription rights attaching to the aforesaid outstanding Trasy Options, 60,336,000 Trasy Shares will fall to be issued, representing approximately 2.1% of the issued share capital of Trasy as enlarged by such exercise.

As confirmed by Trasy, save for the Trasy Options as mentioned above, there were no outstanding options, warrants or securities convertible into Trasy Shares as at the Latest Practicable Date.

Pursuant to Rule 13 of the Takeovers 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 cancellation:

For cancellation of every 1,000,000 Trasy OptionsHK\$1.00 in cash

LETTER FROM THE BOARD

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 GEM has been suspended since 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 Shares of HK\$0.013 as quoted on GEM on the Last Trading Day;
- a discount of approximately 63.6% to the average closing price of the Trasy Shares 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*

As confirmed by Trasy, there were 2,779,000,000 Trasy Shares in issue as at the Latest Practicable Date. 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

R14.60(2)

As stated in the Trasy Announcement, 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 THEIR INTENTION ON THE TRASY GROUP

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,

LETTER FROM THE BOARD

the provision of finance, the provision of management services, leasing of properties and trading of building materials and machinery.

The Offeror presently intends that the listing status of Trasy will be maintained and that they will also nominate representatives to the board of directors of Trasy. Any such appointments of new directors to the board of directors of Trasy will be in full compliance with the requirements under the Takeovers Code and the GEM Listing Rules.

It is the intention of the Offeror that the Trasy Group should carry on its existing business in the provision and operation of an Internet-based electronic trading system to facilitate the trading of precious metals. The Offeror intends to conduct a detailed review on the business operation and financial position of the Trasy Group in order to formulate business and/or financing plans and strategies for the Trasy Group's future business development with a view to strengthening the Trasy Group's overall business performance. ITC Group and the Offeror has no intention or plans to inject any assets or business of its own into the Trasy Group or to redeploy any assets or to effect any major changes to the existing employment of the staff of the Trasy Group immediately after closing of the Offers. However, should suitable opportunities arise and subject to the results of the financial and operational review, ITC may consider diversifying the business of the Trasy Group with a view to broadening its income stream and capturing further business opportunities.

If the Trasy Shares remain listed on the GEM, the Stock Exchange will closely monitor all future acquisitions or disposals of the assets of Trasy. The Stock Exchange has the discretion to require Trasy to issue an announcement and a circular to the Trasy Shareholders irrespective of the size of any such proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of Trasy. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of assets by Trasy and any such transactions may result in Trasy being treated as if it were a new listing applicant and be subject to the requirements for new applicants as set out in the GEM Listing Rules.

EFFECT OF THE ACQUISITION AND THE OFFERS ON THE ITC GROUP

As the Acquisition has been completed on 23 March 2005, Trasy became a non-wholly owned subsidiary of ITC. The results, assets and liabilities of the Trasy Group will be consolidated in the financial statements of the ITC Group since 23 March 2005.

Taking into account the consideration for the Acquisition and the financial position of Trasy, the Directors consider that the Acquisition (i) represents an attractive investment opportunity for the ITC Group to diversify its portfolio of investments in listed companies; and (ii) is fair and reasonable and in the interests of ITC and the ITC Shareholders as a whole.

ADDITIONAL INFORMATION

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
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the ITC Group. The Directors collectively and individually accept full responsibility for the accuracy of the information (other than information relating to the Trasy Group which was extracted from the Trasy Announcement and the 2004 annual report of Trasy) contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein (other than those relating to the Trasy Group which was extracted from the Trasy Announcement and the 2004 annual report of Trasy) misleading. The only responsibility accepted by the Directors in respect of information relating to the Trasy Group is to ensure that it has been correctly and fairly reproduced or presented.

DISCLOSURE OF INTERESTS**(A) Directors' interests and short positions in shares, underlying shares and debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of ITC 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 under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Companies 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 ITC

Name of Director	Capacity	Long position/ Short position	No. of ordinary shares of ITC held	No. of underlying shares (in respect of convertible notes (unlisted equity derivatives)) of ITC held	Approximate % of the existing issued ordinary share capital of ITC
Chan Kwok Keung, Charles	Interest of controlled corporation (Note 1)	Long position	359,681,910	-	33.55%
Chan Kwok Keung, Charles	Beneficial owner	Long position	-	443,333,334 (Note 2)	41.36%

Notes:

- Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which is, in turn, wholly owned by Dr. Chan Kwok Keung, Charles. Dr. Chan Kwok Keung, Charles was deemed to be interested in 359,681,910 ordinary shares of ITC held by Galaxyway Investments Limited.
- Dr. Chan Kwok Keung, Charles owned convertible notes issued by ITC in an aggregate principal amount of HK\$133,000,000 carrying rights to convert into 443,333,334 ordinary shares of ITC at an initial conversion price of HK\$0.30 per ordinary share, subject to adjustment.

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

Name of Director	Capacity	Long position/ Short position	No. of Trasy Shares held	Approximate % of the existing issued share capital of Trasy
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	1,391,430,000	50.07%

Note: The Trasy Shares were held by a wholly-owned subsidiary of ITC. By virtue of his deemed interests in approximately 33.55% of the existing issued ordinary share capital of ITC, Dr. Chan Kwok Keung, Charles was deemed to be interested in these Trasy Shares.

(ii) **Paul Y. - ITC**

Name of Director	Capacity	Long position/ Short position	No. of shares of Paul Y. - ITC held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Paul Y. - ITC held	Approximate % of the existing issued share capital of Paul Y. - ITC
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	678,791,961	-	49.58%
Chan Kwok Keung, Charles	Beneficial owner	Long position	11,840,896	-	0.86%
Cheung Hon Kit	Beneficial owner	Long position	400	-	0.00%
Lau Ko Yuen, Tom	Beneficial owner	Long position	-	13,000,000	0.95%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	-	13,000,000	0.95%
Chan Fut Yan	Beneficial owner	Long position	-	13,000,000	0.95%

Note: The shares of Paul Y. - ITC were held by a wholly-owned subsidiary of ITC. By virtue of his deemed interests in approximately 33.55% of the issued ordinary share capital of ITC, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares of Paul Y. - ITC.

(iii) **Hanny**

Name of Director	Capacity	Long position/ Short position	No. of shares of Hanny held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Hanny held	Approximate % of the existing issued share capital of Hanny
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	45,798,813	–	20.48%
Chan Kwok Keung, Charles	Beneficial owner	Long position	–	5,600,000	2.50%
Chan Kwok Hung	Beneficial owner	Long position	–	3,350,000	1.50%

Note: The shares of Hanny were held by a wholly-owned subsidiary of ITC. By virtue of his deemed interests in approximately 33.55% of the issued ordinary share capital of ITC, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares of Hanny.

(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	285,769	–	1.58%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	45,000	0.25%

(v) **Paul Y. Engineering Group Limited (“Paul Y. Engineering”)**

Name of Director	Capacity	Long position/ Short position	No. of shares of Paul Y. Engineering held	No. of underlying shares (in respect of the unlisted equity derivatives) of Paul Y. Engineering held	Approximate % of the existing issued share capital of Paul Y. Engineering
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	375,826,317	–	65.17%
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	–	100,000,000	17.34%

Note: The shares of Paul Y. Engineering were held by a wholly-owned subsidiary of Paul Y. - ITC of which a wholly-owned subsidiary of ITC owns approximately 49.58% of the issued share capital. Paul Y. - ITC also indirectly held an interest in 100,000,000 underlying shares of Paul Y. Engineering by virtue of a loan facility pursuant to which convertible notes, which are convertible into shares of Paul Y. Engineering at an initial conversion price of HK\$1.00 per share, up to a maximum aggregate principal amount of HK\$100,000,000 will be issued by Paul Y. Engineering upon draw down of the facility. By virtue of his deemed interests in approximately 33.55% of the issued ordinary share capital of ITC, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares and underlying shares of Paul Y. Engineering.

(vi) China Strategic Holdings Limited (“China Strategic”)

Name of Director	Capacity	Long position/ Short position	No. of shares of China Strategic held	Approximate % of the existing issued share capital of China Strategic
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	258,819,795	29.36%

Note: The shares of China Strategic were held by a wholly-owned subsidiary of Paul Y. - ITC of which a wholly-owned subsidiary of ITC owns approximately 49.58% of the issued share capital. By virtue of his deemed interests in approximately 33.55% of the issued ordinary share capital of ITC, Dr. Chan Kwok Keung, Charles was deemed to be interested in these shares of China Strategic.

Paul Y. - ITC entered into a conditional share sale agreement for the disposal of 135,000,000 shares of China Strategic on 10 March 2005. The disposal has not yet been completed as at the Latest Practicable Date.

Trasy, Paul Y. - ITC, Hanny, Burcon, Paul Y. Engineering and China Strategic are associated corporations of ITC within the meaning of Part XV of the SFO.

Dr. Chan Kwok Keung, Charles was, by virtue of his deemed interest in approximately 33.55% of the issued ordinary share capital of ITC, deemed to be interested in the shares and underlying shares (in respect of equity derivatives), if any, of the associated corporations (within the meaning of Part XV of the SFO) of ITC held by the ITC Group under 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 which are required to be notified to ITC and the Stock Exchange or any associated corporations (within the meaning of Part XV of the SFO) 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 for Securities Transactions by Directors of Listed Companies.

(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 or the chief executives of ITC, the following parties had an interest or short position in the 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 shares and underlying shares of ITC

Name	Capacity	Long position/ Short position	No. of ordinary shares of ITC held	No. of underlying shares (in respect of unlisted equity derivatives) of ITC held	Approximate % of the existing issued ordinary share capital of ITC	
Chan Kwok Keung, Charles	<i>Note</i>	Interest of controlled corporation	Long position	359,681,910	–	33.55%
Chan Kwok Keung, Charles	<i>Note</i>	Beneficial owner	Long position	–	443,333,334	41.36%
Chinaview International Limited	<i>Note</i>	Interest of controlled corporation	Long position	359,681,910	–	33.55%
Galaxyway Investments Limited	<i>Note</i>	Beneficial owner	Long position	359,681,910	–	33.55%
Ng Yuen Lan, Macy	<i>Note</i>	Interest of spouse	Long position	359,681,910	–	33.55%
Ng Yuen Lan, Macy	<i>Note</i>	Interest of spouse	Long position	–	443,333,334	41.36%

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

Dr. Chan Kwok Keung, Charles owned convertible notes issued by ITC in an aggregate principal amount of HK\$133,000,000 carrying rights to convert into 443,333,334 ordinary shares of ITC at an initial conversion price of HK\$0.30 per ordinary share, subject to adjustment. Ms. Ng Yuen Lan, Macy, being the spouse of Dr. Chan Kwok Keung, Charles, was deemed to be interested in the underlying shares (in respect of the convertible notes (unlisted equity derivatives)) held by Dr. Chan Kwok Keung, Charles.

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

Name		Capacity	Long position/ Short position	No. of ordinary shares of ITC 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")	<i>Note</i>	Interest in controlled corporations	Long position	2,773,046	–	0.26%
CEF Holdings	<i>Note</i>	Interest in controlled corporations	Long position	–	213,015,153	19.87%
Canadian Imperial Bank of Commerce	<i>Note</i>	Interest of controlled corporations	Long position	2,773,046	–	0.26%
Canadian Imperial Bank of Commerce	<i>Note</i>	Interest of controlled corporations	Long position	–	213,015,153	19.87%
Cheung Kong (Holdings) Limited ("CKH")	<i>Note</i>	Interest of controlled corporations	Long position	2,773,046	–	0.26%
CKH	<i>Note</i>	Interest of controlled corporations	Long position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	<i>Note</i>	Trustee	Long position	2,773,046	–	0.26%
TUT1	<i>Note</i>	Trustee	Long position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	<i>Note</i>	Trustee & beneficiary of a trust	Long position	2,773,046	–	0.26%
TDT1	<i>Note</i>	Trustee & beneficiary of a trust	Long position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	<i>Note</i>	Trustee & beneficiary of a trust	Long position	2,773,046	–	0.26%
TDT2	<i>Note</i>	Trustee & beneficiary of a trust	Long position	–	213,015,153	19.87%
Li Ka-shing	<i>Note</i>	Interest of controlled corporations & founder of discretionary trusts	Long position	2,773,046	–	0.26%

Name	Capacity	Long position/ Short position	No. of ordinary shares of ITC held	No. of underlying shares (in respect of listed equity derivatives) of ITC held	Approximate % of the existing issued ordinary share capital of ITC
Li Ka-shing	<i>Note</i>	Interest of controlled corporations & founder of discretionary trusts	Long position	-	213,015,153 19.87%
Deutsche Bank Aktiengesellschaft	Beneficial owner	Long position	48,844,000	-	4.55%
Deutsche Bank Aktiengesellschaft	Security interest	Long position	38,450,000	-	3.59%

Note: The number of ordinary shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand Investment Limited (“Asialand”), CEF (Capital Markets) Limited (“CEF Capital Markets”) and Asian Resources Investment Limited (“Asian Resources”) were 48,076,922, 164,938,231 and 2,773,046 respectively. CEF Capital Markets and Asian Resources were 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 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 ordinary shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand, CEF Capital Markets and Asian Resources.

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 ordinary shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand, CEF Capital Markets and Asian Resources.

Save as disclosed above, the Directors and the chief executives of ITC are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short positions in the 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, or who is, 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 ITC Group or had any options in respect of such shares.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interests in businesses apart from the ITC Group’s businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the ITC Group pursuant to Rule 8.10 of the Listing Rules.

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 ITC Group which is not terminable by the ITC Group within one year without any payment of compensation, other than statutory compensation.

LITIGATION

The liquidators of Hoi Sing Construction Company Limited (“Hoi Sing”), a former wholly-owned subsidiary of ITC, instituted proceedings against ITC on 10 July 1998 claiming approximately HK\$297,441,000 plus interest pursuant to an alleged guarantee by ITC for debt owed by Hoi Sing Builders Limited, a former subsidiary of ITC, to Hoi Sing. ITC does not admit the existence of the guarantee, and has put Hoi Sing to strict proof of its terms and the amounts claimed under it. Even if the Court upholds the alleged guarantee, ITC has a defence of “set off” arising from a claim against Hoi Sing for approximately HK\$308,207,000 which was fully provided for by ITC in the financial year ended 31 December 1996 and the period ended 31 March 1998. So far ITC is a principal unsecured creditor of Hoi Sing and the liquidators of Hoi Sing have admitted a substantial portion of ITC’s claim. The balance is being adjudicated by the liquidators of Hoi Sing. There has not been any significant progress since early 2000. As at the Latest Practicable Date, the litigation was still pending.

Save as disclosed above, no other member of the ITC Group as at the Latest Practicable Date had engaged in any litigation or claim of material importance to the ITC Group and no litigation or claim of material importance to the ITC Group was known to the Directors to be pending or threatened against any member of the ITC Group.

GENERAL

- a. The secretary and the qualified accountant of ITC is Law Hon Wa, William, CPA, FCCA.
- b. The registered office of ITC is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of ITC in Hong Kong is at 33rd Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- c. The principal share registrars and transfer office of ITC is Butterfield Fund Services (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch share registrars and transfer office of ITC in Hong Kong is Secretaries Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- d. The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.