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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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**ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

**DISCLOSEABLE TRANSACTION**

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Guarantee, Advances and Further Advances .....	3
Reasons for and benefits of the execution of the Guarantee, the Advances and the Further Advances .....	4
Financial effect of the Guarantee, the Advances and the Further Advances .....	4
General .....	4
Additional information .....	4
<b>Appendix – General information</b> .....	5

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## DEFINITIONS

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

“Announcement”	the announcement dated 1 June 2005 issued by the Company
“Advances”	the advances made by the Group to Central Town up to the date of the Announcement
“affiliated company(ies)”	as such term is defined under the Listing Rules
“associate(s)”	as such term is defined under the Listing Rules
“Bank”	the licensed bank registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) who acts as the lender of the Loan and a party to the Guarantee and the Mortgage, an Independent Third Party
“Board”	the board of Directors
“Central Town”	Central Town Limited, a company incorporated in Hong Kong with limited liability, being a 50% associated company of the Group (with the other 50% shareholding owned by a company, who and whose ultimate beneficial owner are Independent Third Parties)
“Company” or “ITC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Further Advances”	the advances which the Group has undertaken to be made to Central Town for its operating expenses from time to time on an “as needed” basis proportionate to the percentage equity interests of the Group in Central Town up to the aggregate amount of HK\$10 million
“Group”	the Company and its subsidiaries
“Guarantee”	the corporate guarantee provided by the Company in respect of the liabilities of Central Town under the Loan
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) which is(are) not connected with the chief executive, directors and substantial shareholders of the Company or its subsidiaries or their respective associates and are not connected with the Company or its connected persons
“Latest Practicable Date”	18 June 2005, being the latest practicable date prior to 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
“Loan”	loan facilities of HK\$112 million provided by the Bank to Central Town
“Mortgage”	the mortgage over the Property dated 31 May 2005 executed by Central Town in favour of the Bank for securing the repayment of liabilities from time to time owing to the Bank by Central Town
“Ordinary Shareholders”	holders of Ordinary Shares

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## DEFINITIONS

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“Ordinary Share(s)”	ordinary share(s) of HK\$0.1 each in the issued ordinary share capital of the Company
“Property”	portion of Basement, Ground Floor, Mezzanine Floor and First Floor, the whole of Second Floor, Third Floor and Fourth Floor, portion of Thirteenth Floor and Penthouse of United Chinese Bank Building, 31-37 Des Voeux Road Central, Hong Kong
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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# 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

21 June 2005

*To the Ordinary Shareholders and holders of  
the convertible preference shares of the Company and, for information only,  
holders of the convertible notes issued by the Company*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

#### INTRODUCTION

On 1 June 2005, the Board announced that the Company executed the Guarantee dated 31 May 2005 in favour of the Bank and that the Group had made the Advances to Central Town and has undertaken to make the Further Advances to Central Town. The execution of the Guarantee by the Company and the Advances made and the Further Advances to be made by the Group constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with further information regarding the Guarantee, the Advances and the Further Advances.

#### GUARANTEE, ADVANCES AND FURTHER ADVANCES

The Company executed the Guarantee dated 31 May 2005 to secure 50% of the liabilities of Central Town owing to the Bank under the loan facilities of HK\$112 million from time to time up to the maximum amount of HK\$56 million (plus interest and other charges). The loan facilities have been applied by Central Town in the acquisition of the Property, which was acquired for investment purpose.

The Guarantee provided by the Company is on a several basis in accordance with the percentage equity interest of the Group in Central Town. No fee or commission is payable by Central Town to the Company for the provision of the Guarantee. The shareholder of the company holding the remaining 50% of the equity interest in Central Town has also provided a guarantee to the Bank on a several basis in accordance with the percentage interest of such company in Central Town.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Bank and its ultimate beneficial owner(s) are Independent Third Parties.

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## LETTER FROM THE BOARD

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In addition to the Guarantee, as at the date of the Announcement, the Group had made advances since March 2005 to Central Town in the aggregate amount of approximately HK\$27 million in proportion to the Group's percentage equity interest in Central Town. The Group has undertaken to Central Town that it will make further advances to Central Town for its operating expenses (such as interest payments, management fees, rates and other outgoings) from time to time on an "as needed" basis proportionate to the percentage equity interest of the Group in Central Town up to an aggregate amount of HK\$10 million. The Advances are, and the Further Advances will be, financed by internal resources of the Group. The Advances are, and the Further Advances will be, unsecured, and non-interest bearing and both have no fixed repayment date. As the amount of the Guarantee together with the Advances and the Further Advances represented approximately 16.7% of the market capitalization of the Company of approximately HK\$557 million based on the average closing price of HK\$0.52 per Ordinary Share for the five business days immediately preceding 31 May 2005, being the date of the Guarantee, the execution of the Guarantee by the Company and the Advances and Further Advances made or to be made by the Group constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Advances to Central Town are unsecured, bear no interest and have no fixed repayment date. The Advances were used by Central Town in the acquisition of the Property.

### **REASONS FOR AND BENEFITS OF THE EXECUTION OF THE GUARANTEE, THE ADVANCES AND THE FURTHER ADVANCES**

Central Town (which is a 50% associated company of the Group) had obtained from the Bank the Loan in the principal amount of HK\$112 million with a final maturity date of 5 years. As security for the repayment of liabilities owing to the Bank by Central Town from time to time, Central Town has, inter alia, executed a Mortgage in favour of the Bank.

The Board considers that since Central Town is a 50% associated company of the Group, support should be given on the several basis for the purpose of its raising financing. Given that the Guarantee is entered into on normal commercial terms and the Advances and the Further Advances were or are to be made to Central Town as is normal commercial practice, the Directors believe that the terms of the Guarantee, the Advances and the Further Advances are fair and reasonable so far as the Company and the shareholders of the Company as a whole are concerned.

### **FINANCIAL EFFECT OF THE GUARANTEE, THE ADVANCES AND THE FURTHER ADVANCES**

The execution of the Guarantee, the Advances and the undertaking to provide the Further Advances will not have any significant effect on the earnings, assets and liabilities of the Group.

### **GENERAL**

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. It directly holds investments, namely, Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC"), Hanny Holdings Limited ("Hanny"), Trasy Gold Ex Limited ("Trasy") and Burcon NutraScience Corporation. Through its listed associated companies, namely Paul Y. - ITC and Hanny, the 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 Group comprise investment holding, the provision of finance, the provision of management services, leasing of properties, trading of building materials and machinery and the provision and operation of an internet-based electronic trading system to facilitate the trading of precious metals carried out through Trasy. Central Town is principally engaged in leasing of properties.

### **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 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 enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

**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 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 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 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 shares of Trasy held	Approximate % of the existing issued share capital of Trasy
Chan Kwok Keung, Charles	Interest of controlled corporation (Note)	Long position	1,568,681,139	56.45%

*Note:* The shares of Trasy 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 shares of Trasy.

(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	-	49.64%
Chan Kwok Keung, Charles	Beneficial owner	Long position	11,840,896	-	0.87%
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	No. of underlying shares (in respect of the rights to subscribe shares (listed 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%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	-	-	47,628	0.26%

## (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 49.64% 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 49.64% 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 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 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 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 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 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 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	9,768,800	-		0.91%
Deutsche Bank Aktiengesellschaft	Security interest	Long position	44,170,000	-		4.12%

*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 were 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 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 Group’s businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the 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 Group which is not terminable by the 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. As at the Latest Practicable Date, the litigation was still pending.

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