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If you have sold or transferred all your securities in ITC Corporation Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the 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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DEFINITIONS

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

“Announcement”	the announcement dated 5 August 2005 issued by the Company;
“Best Lending Rate”	the best lending rate of Hong Kong dollar as quoted by The Hongkong and Shanghai Banking Corporation Ltd. from time to time;
“Board”	the board of Directors;
“Company” or “ITC”	ITC Corporation Limited, a company incorporated in Bermuda whose securities are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hanny”	Hanny Holdings Limited, a company incorporated in Bermuda whose securities are listed on the Main Board of the Stock Exchange;
“Hanny Loan Agreement”	the loan facility agreement entered into between ITC Management and Hanny on 28 July 2005;
“Hanny Loan Facility”	the loan facility in the sum of HK\$120,000,000 granted by ITC Management to Hanny pursuant to the Hanny Loan Agreement;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“ITC Management”	ITC Management Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Latest Practicable Date”	20 August 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;
“Ordinary Share(s)”	ordinary share(s) of HK\$0.1 each in the issued ordinary share capital of the Company;
“Ordinary Shareholders”	holders of Ordinary Shares;
“Paul Y. - ITC”	Paul Y. - ITC Construction Holdings Limited, a company whose securities are listed on the Main Board of the Stock Exchange, and is owned as to approximately 49.94% by the Group as at the Latest Practicable Date;
“PRC”	the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wing On”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda whose securities are listed on the Main Board of the Stock Exchange;
“Wing On Group”	Wing On and its subsidiaries;
“Wing On Loan Agreements”	the two loan facility agreements entered into between ITC Management and two subsidiaries of Wing On on 28 July 2005;

DEFINITIONS

“Wing On Loan Facilities”	the two loan facilities granted by ITC Management to two subsidiaries of Wing On in the aggregate principal amount of HK\$120,000,000 pursuant to the Wing On Loan Agreements;
“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

23 August 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 5 August 2005, the Board made the Announcement that on 28 July 2005, ITC Management, a wholly-owned subsidiary of the Company, granted to Hanny the Hanny Loan Facility pursuant to the Hanny Loan Agreement. Under the Hanny Loan Agreement, ITC Management agreed to grant to Hanny a loan facility in the principal amount of HK\$120,000,000. It was also announced that on 28 July 2005, ITC Management granted to the Wing On Group the Wing On Loan Facilities pursuant to the Wing On Loan Agreements. The Wing On Loan Agreements were entered into by ITC Management with two subsidiaries of Wing On. Pursuant to the Wing On Loan Agreements, ITC Management agreed to grant to the Wing On Group loan facilities in the aggregate principal amount of HK\$120,000,000.

The purpose of this circular is to provide you with further information in relation to the Hanny Loan Facility and the Wing On Loan Facilities.

HANNY LOAN FACILITY PURSUANT TO THE HANNY LOAN AGREEMENT DATED 28 JULY 2005

On 28 July 2005, ITC Management granted to Hanny the Hanny Loan Facility pursuant to the Hanny Loan Agreement. Details of the Hanny Loan Facility are set out below.

Parties

- (i) ITC Management, as lender; and
- (ii) Hanny, as borrower. Hanny is a company whose securities are listed on the Main Board of the Stock Exchange and the principal activities of the Hanny group is the trading of computer related products, consumer electronic products which comprise the manufacturing, distribution and marketing of data storage media, the distribution and marketing of computer accessories and storage media drives, scanners, audio and video cassettes, minidisks, household electronic products and telecommunication accessories, securities trading and properties trading.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hanny is a third party independent of the Company and of the connected persons (as defined in the Listing Rules) of the Company. Hanny is owned as to approximately 20.48% by the Group as at the Latest Practicable Date.

The loan facility

ITC Management has granted to Hanny the Hanny Loan Facility in the principal amount of HK\$120,000,000. The Hanny Loan Facility was agreed after arm's length negotiations between the Company and Hanny and the Directors consider that the terms of the Hanny Loan Agreement are fair and reasonable and believe that the entering into the Hanny Loan Agreement is in the best interests of the Company and the shareholders of the Company as a whole.

Drawdown

The Hanny Loan Facility is a revolving facility and may be drawn by Hanny in one or more drawings provided that the outstanding loan amount of the Hanny Loan Agreement does not exceed HK\$120,000,000 and the Hanny Loan Agreement has not been terminated by ITC Management at its sole discretion. ITC Management at any time has the sole discretion to determine whether to advance the loan to Hanny.

Interest

2% over the Best Lending Rate and shall accrue from day to day and be calculated on the outstanding loan amount on the basis of a year of 365 days and the actual number of days elapsed.

Repayment and prepayment

The loan and the interest under the Hanny Loan Agreement are to be repaid on demand.

Hanny may also prepay all or part of the loan and/or interest under the Hanny Loan Agreement at any time.

Other information

No security will be provided by Hanny under the Hanny Loan Facility.

The source of funding by the Company for the provision of the Hanny Loan Facility will be from internal resources of the Company.

Reasons for and benefits of the Hanny Loan Facility

The Hanny Loan Facility was granted to Hanny, a company whose securities are listed on the Main Board of the Stock Exchange. Based on the latest annual report of Hanny, the Hanny group has a net asset value of approximately HK\$1,807 million. The Hanny Loan Facility has been granted by the Group as part of its treasury management activities. The Group having received dividends from Paul Y. - ITC in an amount of approximately HK\$475 million in July 2005, has sufficient resources to fund the Hanny Loan Facility. Given that the Hanny Loan Facility carries interest at a rate which is higher than the prevailing Hong Kong dollar bank deposit rates, the Company considers that the Hanny Loan Facility would offer a better return than that would be generated from cash deposits at banks. In addition, the Hanny Loan Facility is repayable on demand and was agreed on after arm's length negotiations and is entered into on normal commercial terms. In light of the above, the Company considered that the Hanny Loan Facility was for the benefit of the Company and fair and reasonable so far as the Company and the shareholders of the Company as a whole are concerned. Apart from the interest to be received, the Hanny Loan Facility does not have any material effect on the earnings, assets and liabilities of the Group.

WING ON LOAN FACILITIES PURSUANT TO THE TWO WING ON LOAN AGREEMENTS DATED 28 JULY 2005

On 28 July 2005, ITC Management granted to the Wing On Group the Wing On Loan Facilities pursuant to the Wing On Loan Agreements. Details of the Wing On Loan Facilities are set out below.

Parties

- (i) ITC Management, as lender; and

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- (ii) Apex Quality Group Limited and Hong Kong Wing On Travel Service Limited, as borrowers respectively. They are both subsidiaries of Wing On, a company whose securities are listed on the Main Board of the Stock Exchange and the principal activities of the Wing On Group is in the provision of package tours, travel, transportation and other related services, and hotel operations.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Wing On is a third party independent of the Company and of the connected persons (as defined in the Listing Rules) of the Company.

The loan facilities

Pursuant to the Wing On Loan Facilities, ITC Management has agreed to grant to Apex Quality Group Limited and Hong Kong Wing On Travel Service Limited loan facilities of HK\$88 million and HK\$32 million respectively (which in aggregate is a principal amount of HK\$120,000,000). The loan facilities were agreed after arm's length negotiations between the Company and the parties to the Wing On Loan Agreements and the Directors consider that the terms of the Wing On Loan Agreements are fair and reasonable and believe that the entering into the Wing On Loan Agreements is in the best interests of the Company and the shareholders of the Company as a whole.

Drawdown

The Wing On Loan Facilities are revolving facilities and the loan may be drawn by the respective subsidiary of Wing On in one or more drawings provided that the outstanding loan amount of the Wing On Loan Agreements does not exceed the respective amount of HK\$88 million and HK\$32 million and each of the respective Wing On Loan Agreements has not been terminated by ITC Management at its sole discretion. ITC Management at any time has the sole discretion to determine whether to advance the loan to Apex Quality Group Limited and Hong Kong Wing On Travel Service Limited.

Interest

2% over the Best Lending Rate and shall accrue from day to day and be calculated on the outstanding loan amount on the basis of a year of 365 days and the actual number of days elapsed.

Repayment and prepayment

The loans and the interest under the Wing On Loan Agreements are to be repaid on demand.

The Wing On Group may also prepay all or part of the loan and/or interest under the Wing On Loan Agreements at any time.

Other Information

No security will be provided by the Wing On Group under the Wing On Loan Facilities.

The source of funding by the Company for the provision of the Wing On Loan Facilities will be from internal resources of the Company.

Reasons for and benefits of the Wing On Loan Facilities

Based on the latest published annual report of Wing On, Wing On operates its hotel and leisure services through Apex Quality Group Limited, holding certain hotels in Hong Kong and the PRC and Hong Kong Wing On Travel Service Limited is an operating subsidiary of Wing On and also holds and operates part of the travel businesses of Wing On. The Wing On Loan Facilities are granted by the Group as part of its treasury management. The Group having received dividends from Paul Y. - ITC in an amount of approximately HK\$475 million in July 2005, has sufficient resources to fund the Wing On Loan Facilities. Given that the Wing On Loan Facilities carry interest at a rate which is higher than the prevailing Hong Kong dollar bank deposit rates, the Company considers that the Wing On Loan Facilities would offer a better return than that would be generated from cash deposits at banks. In addition, the Wing On Loan Facilities are repayable on demand and were agreed on after arm's length negotiations and is entered into on normal commercial terms. In light of the above, the Company considered that the entering into the Wing On Loan Facilities were for the benefit of the Company and fair and reasonable so far as the Company and the shareholders of the Company as a whole are concerned. Apart from the interest to be received, the Wing On Loan Facilities do not have any material effect on the earnings, assets and liabilities of the Group.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY

The Company 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, 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, 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, property investment, treasury investment, 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.

GENERAL

As the consideration ratios under rule 14.07(4) in respect of Hanny Loan Facility exceed 5% but are less than 25%, Hanny Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As the consideration ratios under rule 14.07(4) in respect of the Wing On Loan Facilities exceed 5% but are less than 25%, Wing On Loan Agreements constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Your attention is drawn to the additional information contained in the Appendix hereto.

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 enquires, 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 Issuers 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 (<i>Note</i>)	Long position	678,791,961	–	49.94%
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	0.96%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	13,000,000	0.96%
Chan Fut Yan	Beneficial owner	Long position	–	13,000,000	0.96%

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 (<i>Note</i>)	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	–	1.36%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	81,000	0.38%

(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 (<i>Note</i>)	Long position	375,826,317	-	65.17%
Chan Kwok Keung, Charles	Interest of controlled corporation (<i>Note</i>)	Long position	-	100,000,000	17.34%

Note: The shares of Paul Y. Engineering were held by an indirect wholly-owned subsidiary of Paul Y. - ITC of which a wholly-owned subsidiary of ITC owns approximately 49.94% of the issued share capital. Paul Y. - ITC also directly held an interest in 100,000,000 underlying shares of Paul Y. Engineering by virtue of a loan facility pursuant to which convertible note(s) will be issued by Paul Y. Engineering, upon draw down of the facility, in the principal amount of the facility drawn. Such convertible notes 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. 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 (<i>Note</i>)	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 49.94% 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 or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to ITC and the Stock Exchange 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 Issuers.

(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 the unlisted equity derivatives) of ITC held	Approximate % of the existing issued ordinary share capital of ITC
Chan Kwok Keung, Charles	Interest of controlled corporation (<i>Note</i>)	Long position	359,681,910	–	33.55%
Chan Kwok Keung, Charles	Beneficial owner (<i>Note</i>)	Long position	–	443,333,334	41.36%
Chinaview International Limited	Interest of controlled corporation (<i>Note</i>)	Long position	359,681,910	–	33.55%
Galaxyway Investments Limited	Beneficial owner (<i>Note</i>)	Long position	359,681,910	–	33.55%
Ng Yuen Lan, Macy	Interest of spouse (<i>Note</i>)	Long position	359,681,910	–	33.55%
Ng Yuen Lan, Macy	Interest of spouse (<i>Note</i>)	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")	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.26%
CEF Holdings	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	19.87%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.26%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	19.87%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.26%
CKH	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee (<i>Note</i>)	Long position	2,773,046	–	0.26%
TUT1	Trustee (<i>Note</i>)	Long Position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.26%
TDT1	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	19.87%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.26%
TDT2	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	19.87%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	Long position	2,773,046	–	0.26%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	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 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 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 the Company, instituted proceedings against the Company on 10 July 1998 claiming approximately HK\$297,441,000 plus interest pursuant to an alleged guarantee by the Company for debt owed by Hoi Sing Builders Limited, a former subsidiary of the Company, to Hoi Sing. The Company 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, the Company has a defence of “set off” arising from a claim against Hoi Sing for approximately HK\$308,207,000.

In an affirmation filed on behalf of Hoi Sing in opposition to a striking out application brought by the Company (see below), Hoi Sing confirmed that the Company was entitled to set off the debt owed to it by Hoi Sing and would only claim the balance of approximately HK\$40,000,000. Hoi Sing’s admission neither affects the Company’s denial of the existence of the guarantee nor Hoi Sing’s obligation to prove

its terms and the amounts claimed under it. At present (and pending the result of the guarantee claim), the Company is a principal unsecured creditor of Hoi Sing as the liquidators have admitted a substantial portion of the Company's claim, with the balance still to be adjudicated.

The Directors have taken legal advice and consider that the Company's defence to the guarantee claim is valid and that no obligation exists upon the Company.

The Company took out an application to strike out Hoi Sing's claim on the ground of inordinate and inexcusable delay in July 2004. On 22 April 2005, the High Court dismissed this application, finding that although Hoi Sing was guilty of inordinate and inexcusable delay, that delay did not prejudice the Company. The Company filed an appeal against this decision on 13 May 2005, which has been fixed to be heard on 6 December 2005. The striking out application does not go to the merits of Hoi Sing's claim.

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.