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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ACQUISITION OF CONVERTIBLE BONDS OF
HANNY HOLDINGS LIMITED**

Financial adviser to ITC Corporation Limited



Optima Capital Limited

(formerly known as VXL Financial Services Limited)

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Bonds by the Purchaser pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 9 August 2007 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Board”	the board of the Directors
“Bond Instrument”	the instrument constituting the Bonds
“Bonds”	the 2% convertible bonds due 2011 with an outstanding aggregate principal amount of HK\$706,698,786 as at the date of the Agreement issued by Hanny which is convertible into Conversion Shares at the conversion price of HK\$0.81 per Conversion Share at any time from the date of issue of such convertible bonds up to and including the date falling 14 days prior to the Maturity Date
“Company” or “ITC”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Bonds
“Completion Date”	one business day after the date of the Agreement or such other date as the parties to the Agreement may agree on which Completion shall take place
“connected person(s)”	has the meaning as defined in the Listing Rules
“Consideration”	the purchase price for the Sale Bonds
“Conversion Share(s)”	new Hanny Share(s) to be allotted and issued by Hanny upon conversion of the Bonds in accordance with the terms of the Bond Instrument
“Director(s)”	the director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles who is the Chairman of both the Company and Hanny
“Famex” or “Purchaser”	Famex Investment Limited, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hanny”	Hanny Holdings Limited (stock code: 275), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange
“Hanny Group”	Hanny and its subsidiaries
“Hanny Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Hanny
“Hollyfield”	Hollyfield Group Limited, an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ITC Ordinary Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of ITC

DEFINITIONS

“ITC Preference Share(s)”	redeemable convertible preference share(s) of HK\$0.10 each in the share capital of ITC
“Latest Practicable Date”	31 August 2007, 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
“Maturity Date”	the fifth anniversary from the date of issue of the Sale Bonds, that is 17 June 2011
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Sale Bonds”	the Bonds in the principal amount of HK\$88,217,520 held by the Vendor
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Mr. Hung Hon Man
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ITC CORPORATION LIMITED

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

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna
(*Deputy Chairman and Managing Director*)
Mr. Chan Kwok Chuen, Augustine
Mr. Chan Fut Yan
Mr. Cheung Hon Kit

Independent non-executive Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *JP*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

5 September 2007

*To the holders of ITC Ordinary Shares and,
for information only, the holders of
ITC Preference Shares*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF CONVERTIBLE BONDS OF HANNY HOLDINGS LIMITED

INTRODUCTION

The Company announced on 15 August 2007 that on 9 August 2007, Famex Investment Limited, an indirect wholly-owned subsidiary of the Company, has entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and transfer, and the Purchaser has agreed to purchase and accept the transfer of the Sale Bonds in the principal amount of HK\$88,217,520.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with information relating to the Acquisition and further information on the Company.

THE AGREEMENT DATED 9 AUGUST 2007

Pursuant to the Agreement, the Vendor has agreed to sell and transfer, and the Purchaser has agreed to purchase and accept the transfer of the Sale Bonds in the principal amount of HK\$88,217,520. As at the date of the Agreement, the Bonds in an aggregate principal amount of HK\$706,698,786 were still outstanding.

Vendor: Mr. Hung Hon Man

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Vendor is independent of the Company and its connected persons, and independent of Hanny and its connected persons. The Vendor and the Company are business acquaintances.

LETTER FROM THE BOARD

Purchaser: Famex Investment Limited, an indirect wholly-owned subsidiary of the Company

As at the date of the Agreement, the Company was interested in 1,668,774,544 Hanny Shares, representing approximately 49.99% of the issued share capital of Hanny. As at the date of the Agreement, the Company, through Hollyfield and the Purchaser, also held the Bonds with principal amounts of HK\$95,966,280 and HK\$5,775,870 respectively. Upon full conversion of the Bonds held by Hollyfield and the Purchaser respectively at the conversion price of HK\$0.81 per Hanny Share (subject to adjustments), 118,476,889 Conversion Shares and 7,130,703 Conversion Shares will be issued to Hollyfield and the Purchaser respectively.

Assets to be acquired

The Vendor has agreed to sell and transfer, and the Purchaser has agreed to purchase and accept the transfer of the Sale Bonds in the principal amount of HK\$88,217,520.

Consideration

The Consideration for the sale and purchase of the Sale Bonds shall be HK\$69,691,840, which shall be paid by the Purchaser by cash to the Vendor or as it may direct in writing upon Completion.

The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser. The Directors consider the Consideration fair and reasonable. The Group intends to fund the Consideration by internal resources.

Conditions precedent

Completion shall be conditional upon:

- (a) the Hanny Shares remaining listed on the Stock Exchange at all times prior to and on Completion;
- (b) the warranties, representations, undertakings and indemnities of the Vendor given in favour of the Purchaser remaining true and accurate and not misleading; and
- (c) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the Vendor for Completion.

The Purchaser may in its absolute discretion at any time waive the conditions precedent (other than (c) above) by notice in writing to the Vendor, and such waiver may be subject to such terms and conditions as determined by the Purchaser.

If any of the above conditions precedent has not been fulfilled (or waived by the Purchaser in respect of (a) and (b) above) by the Completion Date, the Purchaser shall be entitled to rescind the Agreement by giving written notice to the Vendor.

Completion

Subject to the fulfilment (or waiver) of the conditions precedent above, Completion shall take place on the Completion Date or such other time as may be agreed by the Vendor and the Purchaser. The Acquisition was completed on 10 August 2007.

PRINCIPAL TERMS OF THE SALE BONDS

Principal amount HK\$88,217,520

Maturity Date 17 June 2011, which is the fifth anniversary from the date of issue of the Sale Bonds

Redemption Save with the prior approval of the holders of the Bonds holding 75% or more of the principal amount of the Bonds then outstanding, Hanny may not redeem any part of the Sale Bonds prior to the Maturity Date.

Unless previously converted, the Sale Bonds will be redeemed on the Maturity Date at the principal amount of the Sale Bonds with all accrued interest which has not been paid previously.

LETTER FROM THE BOARD

Transferability	The Sale Bonds shall be transferable at all times in integral multiples of HK\$30,000, or if less as represents the entire holdings of that transferor of the Sale Bonds.
Listing	<p>The Sale Bonds are not listed on the Stock Exchange or any other stock exchange.</p> <p>The listing of, or permission to deal in the Conversion Shares to be allotted and issued pursuant to the conversion has been granted.</p>
Voting	The holder of the Sale Bonds will not be entitled to attend or vote at any general meetings of Hanny by reason only of it being a holder of the Sale Bonds.
Interest	The Sale Bonds bear interest at the rate of 2% per annum on the outstanding principal amount of the Sale Bonds. The interest will be payable by Hanny annually in arrears.
Conversion period	Holder of the Sale Bonds has the right to convert the whole or part of the principal amount of the Sale Bonds into Conversion Shares at any time up to and including the date falling 14 days prior to the Maturity Date.
Conversion price	<p>The Sale Bonds can be converted into Conversion Shares at the conversion price of HK\$0.81 per Conversion Share (subject to adjustments in accordance with the terms of the Sale Bonds) during the conversion period as stated above.</p> <p>The conversion price of HK\$0.81 per Conversion Share represents:</p> <ul style="list-style-type: none">– a premium of approximately 105.1% over the closing price of HK\$0.395 per Hanny Share as quoted on the Stock Exchange on 9 August 2007;– a premium of approximately 78.4% over the average closing price of approximately HK\$0.454 per Hanny Share for the last 10 consecutive trading days up to and including 9 August 2007;– a premium of approximately 52.5% over the average closing price of approximately HK\$0.531 per Hanny Share for the last 60 consecutive trading days up to and including 9 August 2007;– a premium of approximately 102.5% over the closing price of HK\$0.400 per Hanny Share as quoted on the Stock Exchange on the Latest Practicable Date; and– a discount of approximately 10.0% to the audited consolidated net asset value of the Hanny Group attributable to shareholders of Hanny of approximately HK\$0.90 per Hanny Share as at 31 March 2007 (adjusted for the bonus issue of Hanny announced in April 2007). <p>The conversion price is subject to adjustments from time to time in accordance with the provisions set out in the Bond Instrument including, among other things, (i) Hanny Shares having become of a different nominal amount by reason of any consolidation or subdivision; (ii) issue of new Hanny Shares by capitalisation of profits or reserves; (iii) capital distribution; (iv) rights issue; (v) grant of options or warrants to subscribe for new Hanny Shares; and (vi) such other events which may have a dilutive effect on the interests of the holder of the Sale Bonds.</p>
Conversion Shares	The Conversion Shares to be issued upon full conversion of the Sale Bonds represent (i) approximately 3.3% of the issued share capital of Hanny as at the date of the Agreement; and (ii) approximately 3.2% of the issued share capital of Hanny as enlarged by the Conversion Shares to be issued upon full conversion of the Sale Bonds.
Ranking	The Conversion Shares to be issued upon conversion of the Sale Bonds will, when issued and allotted, rank pari passu in all respects with all the Hanny Shares then in issue and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of the conversion notice.

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING OF HANNY

The changes in the shareholding of Hanny (i) as at the Latest Practicable Date; (ii) upon full conversion of the Sale Bonds; (iii) upon full conversion of the Sale Bonds and the Bonds held by the Group at present; and (iv) upon full conversion of the Bonds are illustrated in the table below as follows on the basis that there are no other changes in the shareholding and issued share capital of Hanny:

Shareholders of Hanny	As at the Latest Practicable Date		Upon full conversion of the Sale Bonds		Upon full conversion of the Sale Bonds and the Bonds held by the Group at present		Upon full conversion of the Bonds	
	Number of Hanny Shares	%	Number of Hanny Shares	%	Number of Hanny Shares	%	Number of Hanny Shares	%
Famex	1,668,774,544	49.99	1,777,685,062	51.57	1,784,815,765	49.96	1,784,815,765	42.39
Hollyfield	-	-	-	-	118,476,889	3.32	118,476,889	2.81
Sub-total	1,668,774,544	49.99	1,777,685,062	51.57	1,903,292,654	53.28	1,903,292,654	45.20
Dr. Chan (<i>Note 1</i>)	16,284,667	0.49	16,284,667	0.47	16,284,667	0.45	19,793,074	0.47
Dr. Yap, Allan (<i>Note 2</i>)	33,505,320	1.00	33,505,320	0.97	33,505,320	0.94	33,505,320	0.80
Public	1,619,558,401	48.52	1,619,558,401	46.99	1,619,558,401	45.33	2,253,999,519	53.53
Total	<u>3,338,122,932</u>	<u>100.00</u>	<u>3,447,033,450</u>	<u>100.0</u>	<u>3,572,641,042</u>	<u>100.00</u>	<u>4,210,590,567</u>	<u>100.00</u>

Notes:

- Dr. Chan is the Chairman of both the Company and Hanny. Dr. Chan held the Bonds with principal amount of HK\$2,841,810 as at the Latest Practicable Date.
- Dr. Yap, Allan is the Managing Director of Hanny.

INFORMATION ON THE COMPANY

The Company is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the Group comprise investment holding, the provision of finance, the provision of management services, property investment, treasury investment, and trading of building materials and machinery.

INFORMATION ON HANNY

Hanny is an investment holding company which is principally engaged in trading of securities, property investment and trading, holding of vessels for sand mining and other strategic investments including (i) a subsidiary, of which shares are listed on the Australian Securities Exchange; (ii) a subsidiary, of which shares are traded on the OTC Bulletin Board in the United States of America; (iii) associated companies whose shares are listed on the Stock Exchange or the Singapore Exchange Limited; and (iv) long-term convertible notes issued by companies whose shares are listed on the Stock Exchange.

For the two years ended 31 March 2006 and 2007, the Hanny Group recorded audited loss before tax from its continuing operations of approximately HK\$144.1 million and HK\$24.0 million respectively, and audited loss for the year from continuing operations of approximately HK\$148.4 million and HK\$56.4 million respectively. As at 31 March 2007, the audited net asset value of the Hanny Group attributable to shareholders of Hanny was approximately HK\$2,492.5 million.

REASONS FOR THE ACQUISITION

As at the date of the Agreement, the Company was interested in 1,668,774,544 Hanny Shares, representing approximately 49.99% of the issued share capital of Hanny. Hanny is an associated company of the Company. As at the date of the Agreement, the Company, through Hollyfield and the Purchaser, also held the Bonds with principal amounts of HK\$95,966,280 and HK\$5,775,870 respectively. Upon full conversion of such Bonds held by Hollyfield and the Purchaser respectively at the conversion price of HK\$0.81 per Hanny Share (subject to adjustments), 118,476,889 Conversion Shares and 7,130,703 Conversion Shares will be issued to Hollyfield and the Purchaser respectively.

LETTER FROM THE BOARD

The Directors consider that the Acquisition represents a good opportunity to further strengthen the Group's interests in Hanny. The Sale Bonds not only provide stable interest income for the Group, but also give flexibility to acquire further equity interests in Hanny and an opportunity to enjoy any potential capital gain in the value of the Hanny Shares. It is expected that the Acquisition would not have any material impact on the net asset position of the Group.

Based on the above, the Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since January 2007 and up to the date of the Agreement, the Group had acquired on the market a total of 122,290,000 Hanny Shares (adjusted for the bonus issue of Hanny announced in April 2007) for a total consideration of approximately HK\$47.3 million. In aggregating the aforesaid acquisitions by the Group in Hanny Shares in accordance with Rule 14.22 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. Should the Company decide to exercise the conversion rights attached to the Sale Bonds, the Company will comply with the Listing Rules and the Takeovers Code, and seek approval from the Shareholders (if necessary) as and when appropriate.

GENERAL

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
On behalf of the Board of
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

1. 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.

2. DISCLOSURE OF INTERESTS

(A) Directors' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors 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 taken under such provisions of the SFO) and the Model Code 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 the Company

Name of Director	Capacity	Long position/ Short position	No. of ITC Ordinary Shares held	Approximate % of the existing issued ordinary share capital of ITC
Dr. Chan	Beneficial Owner	Long position	38,460,000	1.77%
Dr. Chan	Interest of controlled corporation (Note)	Long position	642,939,242	29.57%

Note: Galaxyway Investments Limited is a wholly-owned subsidiary of Chinaview International Limited which is, in turn, wholly owned by Dr. Chan. Dr. Chan was deemed to be interested in 642,939,242 ITC Ordinary Shares held by Galaxyway Investments Limited.

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

(i) Hanny

Name of Director	Capacity	Long position/ Short position	No. of Hanny Shares held	No. of underlying shares (in respect of unlisted equity derivatives) of Hanny held	Approximate % of the existing issued share capital of Hanny
Dr. Chan	Beneficial owner	Long position	16,284,667	–	0.49%
Dr. Chan	Beneficial owner	Long position	–	3,508,407 (Note)	0.11%
Chan Kwok Chuen, Augustine	Beneficial owner	Long position	13,480,000	–	0.40%

Name of Director	Capacity	Long position/ Short position	No. of Hanny Shares held	No. of underlying shares (in respect of unlisted equity derivatives) of Hanny held	Approximate % of the existing issued share capital of Hanny
Cheung Hon Kit	Beneficial owner	Long position	66	–	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	352	–	0.00%

Note: Dr. Chan owned the Bonds in the principal amount of HK\$2,841,810. Upon full conversion of such Bonds at the conversion price of HK\$0.81 per Hanny Share (subject to adjustments), 3,508,407 Hanny Shares would be issued to Dr. Chan.

(ii) *Trasy Gold Ex Limited (“Trasy”)*

Name of Director	Capacity	Long position/ Short position	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Trasy held	Approximate % of the existing issued share capital of Trasy
Chau Mei Wah, Rosanna	Beneficial owner	Long position	10,000,000 (<i>Note</i>)	0.30%

Note: Ms. Chau Mei Wah, Rosanna held share options (which were granted on 9 July 2007) with rights to subscribe for 10,000,000 shares of Trasy at HK\$0.33 per share of Trasy (subject to adjustments) during the period from 9 July 2007 to 8 July 2010.

(iii) *PYI Corporation Limited (“PYI”)*

Name of Director	Capacity	Long position/ Short position	No. of shares of PYI held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of PYI held	Approximate % of the existing issued share capital of PYI
Dr. Chan	Beneficial owner	Long position	11,915,186	–	0.79%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	1,630,000 (<i>Note</i>)	0.10%
Chan Fut Yan	Beneficial owner	Long position	–	2,500,000 (<i>Note</i>)	0.16%
Cheung Hon Kit	Beneficial owner	Long position	400	–	0.00%
Shek Lai Him, Abraham	Beneficial owner	Long position	2,000	–	0.00%

Note: Ms. Chau Mei Wah, Rosanna and Mr. Chan Fut Yan held share options (which were granted on 28 December 2004) with rights to subscribe for 1,630,000 shares of PYI and 2,500,000 shares of PYI respectively at HK\$1.5 per share of PYI (subject to adjustments) during the period from 28 December 2004 to 26 August 2012.

(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	321,074	–	1.28%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	61,000	0.24%

(v) *Wing On Travel (Holdings) Limited (“Wing On Travel”)*

Name of Director	Capacity	Long position/ Short position	No. of shares of Wing On Travel held	No. of underlying shares (in respect of the share options (unlisted equity derivatives)) of Wing On Travel held	Approximate % of the existing issued share capital of Wing On Travel
Dr. Chan	Beneficial owner	Long position	4,529,800	–	0.29%
Cheung Hon Kit	Beneficial owner	Long position	–	4,000,000 <i>(Note)</i>	0.26%

Note: Mr. Cheung Hon Kit held share options (which were granted on 22 June 2006) with rights to subscribe for 4,000,000 shares of Wing On Travel at HK\$0.728 per share of Wing On Travel (subject to adjustments) during the period from 22 June 2006 to 21 June 2008.

Hanny, Trasy, PYI, Burcon and Wing On Travel are associated corporations of ITC within the meaning of 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.

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

Name	Capacity	Long position/ Short position	No. of ITC Ordinary Shares held	Approximate % of the existing issued ordinary share capital of ITC
Dr. Chan	Beneficial owner	Long position	38,460,000	1.77%
Dr. Chan	Interest of controlled corporation <i>(Note)</i>	Long position	642,939,242	29.57%
Chinaview International Limited	Interest of controlled corporation <i>(Note)</i>	Long position	642,939,242	29.57%
Galaxyway Investments Limited	Beneficial owner <i>(Note)</i>	Long position	642,939,242	29.57%
Ng Yuen Lan, Macy	Interest of spouse <i>(Note)</i>	Long position	681,399,242	31.34%

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

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

Name	Capacity	Long position/ Short position	No. of ITC 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	–	0.13%
CEF Holdings	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.13%
Canadian Imperial Bank of Commerce	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations (<i>Note</i>)	Long position	2,773,046	–	0.13%
CKH	Interest of controlled corporations (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustee Company Limited ("TUT1")	Trustee (<i>Note</i>)	Long position	2,773,046	–	0.13%
TUT1	Trustee (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustee Corporation Limited ("TDT1")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.13%
TDT1	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-Shing Unity Trustcorp Limited ("TDT2")	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	2,773,046	–	0.13%
TDT2	Trustee & beneficiary of a trust (<i>Note</i>)	Long position	–	213,015,153	9.8%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	Long position	2,773,046	–	0.13%
Li Ka-shing	Interest of controlled corporations & founder of discretionary trusts (<i>Note</i>)	Long position	–	213,015,153	9.8%

Note: So far as known to the Directors, the number of ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand Investment Limited (“Asialand”) and CEF (Capital Markets) Limited (“CEF Capital Markets”) was 50,849,968 and 164,938,231 respectively. CEF Capital Markets was 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 the ITC 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 the ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand and CEF Capital Markets.

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 ITC Ordinary Shares and underlying shares (in respect of listed equity derivatives) of ITC held by Asialand and CEF Capital Markets.

Save as disclosed above, the Directors are not aware that there is any party (not being a Director) who, as at the Latest Practicable Date, had an interest or short positions in the ITC Ordinary Shares and underlying shares of ITC which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, 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.

3. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor their respective associates were interested in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the Group’s businesses pursuant to Rule 8.10 of the Listing Rules.

4. 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 determinable by the Group within one year without any payment of compensation, other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no litigation or claims which is in the opinion of the Directors of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. GENERAL

- (i) The secretary and the qualified accountant of the Company is Law Hon Wa, William, *CPA, FCCA*.
- (ii) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (iii) The principal share registrar and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (iv) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.