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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 372)

### **DISCLOSEABLE TRANSACTIONS**

### **DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES**

On 28th 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.

As the consideration ratios under rule 14.07(4) in respect of the Hanny Loan Facility exceed 5% but are less than 25%, the transaction under Hanny Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

On 28th July, 2005, ITC Management, a wholly-owned subsidiary of the Company, granted to the Wing On Group the Wing On Loan Facilities pursuant to the Wing On Loan Agreements. The two 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.

As the consideration ratios under rule 14.07(4) in respect of the Wing On Loan Facilities exceed 5% but are less than 25%, the transactions contemplated under the Wing On Loan Agreements also constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In addition, as the percentage ratios of each of the Hanny Loan Facility and the Wing On Loan Facilities exceeds 8% of the applicable percentage ratios, the Company is also required to make disclosures in respect of the Hanny Loan Facility and the Wing On Loan Facilities pursuant to rule 13.13 of the Listing Rules.

A circular containing details of the Hanny Loan Facility and the Wing On Loan Facilities will be despatched to the Shareholders as soon as practicable after the publication of this announcement.

## **The Hanny Loan Facility pursuant to the Hanny Loan Agreement dated 28th July, 2005**

- Parties:
- (1) ITC Management, as lender. ITC Management is a wholly-owned subsidiary of the Company.
  - (2) Hanny, a company whose securities are listed on the Main Board of the Stock Exchange and the principal activities of 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.

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.

The loan facility: ITC Management has agreed to grant 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 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 together with interest under the Hanny Loan Agreement is to be repaid on demand.  
Hanny may also prepay all or part of the loan 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, it has a net asset value of approximately HK\$1,807 million. The Hanny Loan Facility has been granted by the Group as of its treasury management activities. The Group having part received dividends from Paul Y. - ITC Construction Holdings Limited ("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 considers that the Hanny Loan Facility was for the benefit of the Company and fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

### **Wing On Loan Facilities pursuant to the two Wing On Loan Agreements dated 28th July, 2005**

Parties: (1) ITC Management, as lender. ITC Management is a wholly-owned subsidiary of the Company.  
(2) Each of Apex Quality Group Limited and Hong Kong Wing On Travel Service Limited, both of which are subsidiaries of Wing On, a company whose securities are listed on the Main Board of the Stock Exchange and the principal activities of Wing On Group is in the provision of package tours, travel, transportation and other related services, and hotel operation.

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 facility: 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 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 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 considers 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 as a whole are concerned.

### **Rule 13.13 Disclosure**

As one of the applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the additional advance to Hanny under the Hanny Loan Agreement is 8% or more, the Company is required to make disclosures in respect of the relevant advance to Hanny. As required by rule 13.13 of the Listing Rules, details of the advances by the Group to Hanny at 28th July, 2005 are as follows:-

<b>Amount of relevant advances to Hanny and its associated companies HK\$'000</b>	<b>Interest rate in respect of such advances</b>	<b>Amount of trading balances HK\$'000</b>	<b>Total advances HK\$'000</b>	<b>Consideration percentage ratio</b>
121,331 (Note 1)	2% over the Best Lending Rate	666 (Note 2)	121,997	21.6%

*Note 1* – The amount is unsecured and repayable on demand.

*Note 2* – The amount is unsecured and interest free and repayable on demand.

In respect of the advances to Hanny pursuant to the Hanny Loan Facility, details are set out above in the section headed “Hanny Loan Facility pursuant to the Hanny Loan Agreement dated 28th July, 2005”.

As one of the applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the relevant advance to Wing On Group under the Wing On Loan Agreements is 8% or more, the Company is required to make disclosures in respect of the relevant advance to the Wing On Group. As required by rule 13.13 of the Listing Rules, details of the relevant advances to Wing On Group at 28th July, 2005 is set out below:–

Amount of relevant advances to Wing On Group HK\$'000	Interest rate in respect of such advances	Amount of trading balances HK\$'000	Total advances HK\$'000	Consideration percentage ratio
120,000 (Note 1)	2% over the Best Lending Rate	1,103 (Note 2)	121,103	21.4%

*Note 1* – The amount is unsecured and repayable on demand.

*Note 2* – The amount is unsecured and interest free and repayable on demand.

In respect of the advances to the Wing On Group pursuant to the Wing On Loan Facilities details are set out above in the section headed “Wing On Loan Facilities pursuant to the two Wing On Loan Agreements dated 28th July, 2005”.

### **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. A circular

containing details of the Hanny Loan Facility and the Wing On Loan Facilities will be despatched to the Shareholders as soon as practicable after the publication of this announcement.

As at the date of this announcement, the Board comprises nine Directors, of which (i) six are executive Directors, namely Dr. Chan Kwok Keung, Charles, Mr. Lau Ko Yuen, Tom, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Hung, Mr. Chan Fut Yan and Mr. Cheung Hon Kit; and (ii) three are independent non-executive Directors, namely, Mr. Chuck, Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley.

**Definitions:**

In this announcement, the following terms have the following meanings:–

“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”	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;
“HK\$”	Hong Kong dollars;
“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 28th 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;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Shareholders”	the shareholders of the Company;
“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 28th July, 2005; and

“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.

By Order of the Board of  
**ITC Corporation Limited**  
**Law Hon Wa, William**  
*Company Secretary*

Hong Kong, 5th August, 2005

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