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## ITC CORPORATION LIMITED

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

### DISCLOSEABLE TRANSACTION

#### ACQUISITION OF SHARES IN HANNY HOLDINGS LIMITED

Financial Adviser

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED

Anglo Chinese Corporate Finance, Limited

The Directors announced that a wholly-owned subsidiary of the Company, Famex Investment Limited, has acquired 11 million shares of Hanny Holdings Limited on market for a consideration of approximately HK\$44 million on 21 October 2005. After the Acquisition, the Company's shareholding interest in Hanny increased from approximately 20.61% to approximately 25.48%. The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company will issue a circular containing, among other things, particulars of the Acquisition to its shareholders as soon as practicable.

#### THE ACQUISITION

The Directors announced that a wholly-owned subsidiary of the Company, Famex Investment Limited, has acquired 11 million shares of Hanny on market for a consideration of approximately HK\$44 million on 21 October 2005. The average price per Hanny Share acquired by Famex Investment Limited is approximately HK\$4, representing:-

- a discount of approximately 50.5% to the net asset value of HK\$8.08 per Hanny Share (which is calculated based on the audited net asset value of Hanny of approximately HK\$1,807.3 million as at 31 March 2005 divided by the number of Hanny Shares outstanding as at 31 March 2005 of approximately 223.6 million Hanny Shares, this information is obtained from the annual report of Hanny for the year ended 31 March 2005);
- the closing price of HK\$4 per Hanny Share as quoted on the Stock Exchange on 21 October 2005;
- a discount of approximately 0.4% to the average closing price of HK\$4.015 per Hanny Share as quoted on the Stock Exchange for the last 5 trading days up to and including 21 October 2005; and
- a discount of approximately 2.9% to the average closing price of HK\$4.120 per Hanny Share as quoted on the Stock Exchange for the last 10 trading days up to and including 21 October 2005.

After the Acquisition, the Company's shareholding interest in Hanny increased from approximately 20.61% to approximately 25.48%.

#### REASONS FOR THE ACQUISITION

As stated in the Company's announcement dated 29 September 2005, the Company intends to enhance the balance of its investment holding. The Acquisition allows the Company to achieve a more balanced investment portfolio. If suitable opportunity arose, the Company may consider buying further shares in Hanny. The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Company confirms that it did not possess any price sensitive information 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. It directly holds investments, namely, PYI Corporation Limited ("PYI"), Hanny, Trasy Gold Ex Limited ("Trasy") and Burcon NutraScience Corporation. Through its listed associated companies, namely PYI 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, MRI Holdings Limited, PSC Corporation Limited and Intraco 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.

#### INFORMATION ON HANNY

Hanny is principally engaged in the trading of computer related products and consumer electronic products, the manufacturing, distribution and marketing of data storage media (primarily floppy disks, CD-R, CD-RW and DVD), 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. The Hanny group also made strategic investments in information technology, supply of household consumer products and other businesses. Hanny is itself an investment holding company.

The following is a summary of the audited consolidated results of Hanny group for the two years ended 31 March 2004 and 2005:

	For the year ended 31 March	
	2004	2005
	HK\$'000	HK\$'000
Profit before taxation	121,639	22,343
Taxation	(27,846)	(121,644)
Profit (loss) after taxation (before minority interests)	<u>93,793</u>	<u>(99,301)</u>

#### GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company will issue a circular containing, among other things, particulars of the Acquisition to its shareholders as soon as practicable.

As at the date of this announcement, the Board comprises eight Directors, of which five are executive Directors, namely Dr. Chan Kwok Keung, Charles, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Hung, Mr. Chan Fut Yan and Mr. Cheung Hon Kit; and 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, unless the context otherwise requires, the following expressions have the following meanings:-

"Acquisition"	the acquisition of 11 million Hanny Shares by a wholly-owned subsidiary of the Company, Famex Investment Limited, on market on 21 October 2005
"Board"	Board of Directors
"Company"	ITC Corporation Limited, a company whose securities are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hanny"	Hanny Holdings Limited, a company whose securities are listed on the Stock Exchange
"Hanny Share(s)"	ordinary share(s) of HK\$0.01 each in the share capital of Hanny
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"HK\$"	Hong Kong dollars

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

Hong Kong, 24 October 2005