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HANNY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 275)



ITC CORPORATION LIMITED

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

ANNOUNCEMENT

Completion of each of the Subscription Agreements in relation to the issue and subscription of the Hanny Notes is conditional upon, among others, (i) the passing by the requisite majority of Independent Hanny Shareholders in general meeting of all necessary resolutions required to approve (if required by ITC) the Whitewash Waiver; and (ii) (if required by ITC) the Executive having granted in favour of ITC and its Concert Parties the Whitewash Waiver.

ITC has decided not to proceed with the application of the Whitewash Waiver. The relevant conditions of the Subscription Agreements in respect of the Whitewash Waiver are therefore no longer applicable.

Reference is made to the joint announcement (the "Joint Announcement") issued by Hanny Holdings Limited and ITC Corporation Limited dated 6 July 2006 in relation to, among others, (i) the proposed issue of 1% convertible exchangeable notes of Hanny with aggregate principal amount of US\$150 million; (ii) the subscription of the Hanny Notes with principal amount of US\$75 million by ITC; and (iii) the application of the Whitewash Waiver by ITC. Terms used herein shall have the same meanings as those defined in the Joint Announcement unless the context requires otherwise.

As set out in the Joint Announcement, completion of each of the Subscription Agreements (including the ITC Subscription Agreement) is conditional upon, among others, (i) the passing by the requisite majority of Independent Hanny Shareholders in general meeting of all necessary resolutions required to approve (if required by ITC) the Whitewash Waiver; and (ii) (if required by ITC) the Executive having granted in favour of ITC and its Concert Parties the Whitewash Waiver.

ITC wishes to announce that on 31 July, 1 August and 2 August 2006, ITC (through its wholly-owned subsidiary, Famex Investment Limited ("Famex")) acquired 70,000, 1,644,000 and 330,000 Hanny Shares on the market, respectively, at prices ranging from HK\$2.58 to HK\$2.97 per Hanny Share (collectively, the "Acquisition"). Given the recent market performance of Hanny Shares and the latest financial results released by Hanny, in particular, the substantial discount represented by the recent market price to the net asset value per Hanny Share, the ITC Directors consider the Acquisition represents a good opportunity for ITC to increase its stake in Hanny. Before the Acquisition, ITC, through Famex and Hollyfield Group Limited (a wholly-owned subsidiary of ITC), was interested in 57,614,951 Hanny Shares representing an approximately 23.31% interest in Hanny and the ITC Parties were interested in an aggregate of 60,866,989 Hanny Shares representing an approximately 24.62% interest in Hanny. Upon completion of the Acquisition, ITC becomes interested in 59,658,951 Hanny Shares representing an approximately 24.13% interest in Hanny and the ITC Parties become interested in an aggregate of 62,910,989 Hanny Shares representing an approximately 25.45% interest in Hanny.

The aforesaid dealings in Hanny Shares by ITC are regarded as disqualifying transactions under paragraph 3 of Schedule VI of the Takeovers Code for the purposes of the Whitewash Waiver. The Executive has indicated that it would not grant the Whitewash Waiver if ITC applied for it. ITC has decided not to proceed with the application of the Whitewash Waiver. The relevant conditions of the Subscription Agreements in respect of the Whitewash Waiver are therefore no longer applicable. ITC will comply with the relevant provisions of the Takeovers Code in respect of any acquisition of voting rights of Hanny on conversion of the ITC Subscriber Notes. The circulars of ITC and Hanny to be despatched to their respective shareholders in connection with the issue and subscription of Hanny Notes, which are being prepared in accordance with the Listing Rules, will not contain information in relation to the Whitewash Waiver.

As at the date of this announcement, the directors of Hanny are as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
Dr. Yap, Allan (*Managing Director*)
Mr. Lui Siu Tsuen, Richard (*Deputy Managing Director*)

Independent Non-executive Directors:

Mr. Yuen Tin Fan, Francis
Mr. Kwok Ka Lap, Alva
Mr. Wong King Lam, Joseph
Mr. Sin Chi Fai

As at the date of this announcement, the directors of ITC are as follows:

Executive Directors:

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

Independent Non-executive Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Mr. Wong Kam Cheong, Stanley
Hon. Shek Lai Him, Abraham, JP

By order of the board
HANNY HOLDINGS LIMITED
Dr. Chan Kwok Keung, Charles
Chairman

By order of the board
ITC CORPORATION LIMITED
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 2 August 2006

The directors of Hanny jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the ITC Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the ITC Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the ITC Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of ITC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Hanny Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Hanny Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Hanny Group) not contained in this announcement, the omission of which would make any statement in this announcement misleading.