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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 372)

### **DISCLOSEABLE TRANSACTION**

The Directors are pleased to announce that an indirect wholly-owned subsidiary of the Company has on 9 May 2007 disposed of 21,000,000 Hanny Shares on the Stock Exchange at a price of HK\$5 per Hanny Share. The proceeds, before expenses and tax, from the Disposal was approximately HK\$105 million.

As the percentage ratio in respect of the Disposal exceeded 5% but was less than 25%, the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched by the Company to its shareholders in accordance with the requirements of the Listing Rules.

### **THE DISPOSAL**

The Directors are pleased to announce that an indirect wholly-owned subsidiary of the Company has on 9 May 2007 disposed of 21,000,000 Hanny Shares, representing approximately 7.08% of the issued share capital of Hanny, on the Stock Exchange at a price of HK\$5 per Hanny Share. The proceeds, before expenses and tax, from the Disposal was approximately HK\$105 million. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of the 21,000,000 Hanny Shares and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The price of the Disposal of HK\$5 per Hanny Share was determined based on the closing price of HK\$5.23 per Hanny Share as quoted on the Stock Exchange on 8 May 2007, the average closing price of approximately HK\$4.58 per Hanny Share for the last 30 consecutive trading days up to and including 8 May 2007 and the size of the Disposal.

The disposal price of HK\$5 per Hanny Share represents:

- (i) a discount of approximately 4.4% to the closing price of HK\$5.23 per Hanny Share as quoted on the Stock Exchange on 8 May 2007;
- (ii) a discount of approximately 8.4% to the average closing price of approximately HK\$5.46 per Hanny Share for the last 5 consecutive trading days up to and including 8 May 2007; and
- (iii) a premium of approximately 9.2% over the average closing price of approximately HK\$4.58 per Hanny Share for the last 30 consecutive trading days up to and including 8 May 2007.

Immediately after the Disposal, the shareholding interests of the Group in Hanny decreased from approximately 57.36% to 50.28% of the issued share capital of Hanny. Hanny continued to be a subsidiary of the Company immediately after the Disposal.

## **INFORMATION ON THE COMPANY AND HANNY**

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, trading of building materials and machinery and the provision and operation of an internet based precious metals trading platform.

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

Set out below is a summary of the audited consolidated results of the Hanny Group for the two financial years ended 31 March 2005 and 2006:

	<b>For the financial year ended 31 March</b>	
	2005 (Audited and restated) <i>HK\$'000</i>	2006 (Audited) <i>HK\$'000</i>
Loss before income tax	(248,508)	(144,092)
Loss for the year from continuing operations	(252,790)	(148,423)

As at 30 September 2006, the unaudited consolidated net assets value of the Hanny Group attributable to the shareholders of Hanny amounted to approximately HK\$2,350.9 million.

## **REASONS FOR THE DISPOSAL**

The Disposal enables the Company to realise a portion of its shareholding interest in Hanny at a price which is higher than the general offer price of HK\$3.8 per Hanny Share offered by the Group in November and December 2006. It will also enable the Company to further increase the public float and widen the shareholder base of Hanny. Although no acquisition or investment proposals are currently under negotiation, the proceeds after Disposal may provide the Company with additional resources to fund such acquisitions and investments when opportunities arise. The proceeds, before expenses and tax, from the Disposal was approximately HK\$105 million in cash. As at the date of this announcement, there is no specific use for the proceeds other than for general working capital purposes.

Based on, among other things, the unaudited consolidated net assets value of the Hanny Group attributable to the shareholders of Hanny of approximately HK\$2,350.9 million as at 30 September 2006, and the estimated effect of placing and subscription of 43.5 million Hanny Shares in April 2007 and on the assumption that the aforesaid represented the net fair value of the identifiable assets, liabilities and contingent liabilities of the Hanny Group for the Group, the carrying cost per Hanny Share for the Group is approximately HK\$8.4 and accordingly the Disposal would result in an unaudited loss of approximately HK\$71 million for the Group. The Directors consider that the Disposal is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

## **GENERAL**

As the percentage ratio in respect of the Disposal exceeded 5% but was less than 25%, the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched by the Company to its shareholders in accordance with the requirements of the Listing Rules.

## **DEFINITIONS**

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

“Company”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the 21,000,000 Hanny Shares on the Stock Exchange at a price of HK\$5 per Hanny Share
“Group”	the Company and its subsidiaries;
“Hanny”	Hanny Holdings Limited (stock code: 275), a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange and an indirect non-wholly owned subsidiary of the Company;
“Hanny Group”	Hanny and its subsidiaries;
“Hanny Share”	ordinary shares of HK\$0.01 each in the share capital of Hanny;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”                    the Rules Governing the Listing of Securities on the Stock Exchange;

“Stock Exchange”                The Stock Exchange of Hong Kong Limited;

By Order of the board of  
**ITC Corporation Limited**  
**Dr. Chan Kwok Keung, Charles**  
*Chairman*

Hong Kong, 9th May 2007

As at the date of this announcement, the board of Directors comprised:–

*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*

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