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## **ITC CORPORATION LIMITED HANNY HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 372)**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 275)**

### **DISCLOSEABLE TRANSACTION – SUBSCRIPTION OF CONVERTIBLE BOND OF CHINA STAR ENTERTAINMENT LIMITED**

On 19 January 2007, Improvemany, an indirect wholly-owned subsidiary of Hanny, entered into the Subscription Agreement with China Star in relation to the subscription by Improvemany of the Convertible Bond with a principal amount of HK\$124.5 million. Hanny is an indirect non-wholly owned subsidiary of ITC.

The initial conversion price is the lower of (i) HK\$0.32 per Conversion Share and (ii) the average closing price of the China Star Shares for the ten trading days prior to the date of the issue of the Convertible Bond provided that the initial conversion price shall in no event be less than HK\$0.25 per Conversion Share (subject to adjustments).

Upon full conversion of the Bonds at the initial Conversion Price of HK\$0.32 per Conversion Share, Improvemany will be interested in a total of 389,062,500 Conversion Shares, representing approximately 31.60% of the issued share capital of China Star as enlarged by the full conversion of the Bonds. Upon full conversion of the Bonds at the initial Conversion Price of HK\$0.25 per Conversion Share, Improvemany will be interested in a total of 498,000,000 Conversion Shares, representing approximately 36.12% of the issued share capital of China Star as enlarged by the full conversion of the Bonds.

The Subscription constitutes a discloseable transaction for Hanny under the Listing Rules. A circular of Hanny containing, among other things, details of the Subscription Agreement will be despatched to the Hanny Shareholders as soon as practicable.

As Hanny is an indirect non-wholly owned subsidiary of ITC, the Subscription also constitutes a discloseable transaction for ITC under the Listing Rules. A circular of ITC containing, among other things, details of the Subscription Agreement will be despatched to the shareholders of ITC as soon as practicable.

## **INTRODUCTION**

On 19 January 2007, Improvemany, an indirect wholly-owned subsidiary of Hanny, entered into the Subscription Agreement with China Star in relation to the subscription by Improvemany of the Convertible Bond with a principal amount of HK\$124.5 million. Hanny is an indirect non-wholly owned subsidiary of ITC. On the same day, China Star entered into the Other Subscription Agreements with two other subscribers on terms no more favourable than those offered to Improvemany under the Subscription Agreement.

As at the date of this announcement, Hanny is interested in 36,176,000 shares of Macau Success, the holding company of one of the subscribers of the Bonds, representing approximately 1.69% of the existing issued share capital of Macau Success. Save as aforesaid, to the best of the knowledge, information and belief of the directors of Hanny, and having made all reasonable enquiries, each of the other subscribers is a third party independent of Hanny and its connected persons. Save as aforesaid, to the best of the knowledge, information and belief of the directors of ITC, and having made all reasonable enquiries, each of the other subscribers is a third party independent of ITC and its connected persons. The aggregate principal amount of the Bonds to be issued by China Star (including the Convertible Bond) is HK\$168.5 million.

The principal terms and conditions of the Subscription Agreement and the Convertible Bond are detailed as follows:

## **SUBSCRIPTION AGREEMENT**

**Date:** 19 January 2007

### **Parties to the Subscription Agreement**

- (a) Improvemany as the subscriber for the Convertible Bond; and
- (b) China Star as the issuer of the Convertible Bond.

To the best of the knowledge, information and belief of the respective directors of ITC and Hanny, and having made all reasonable enquiries, China Star is a third party independent of ITC and Hanny and their respective connected persons and Improvemany is not acting in concert with the other subscribers of the Bonds or any shareholders of China Star in respect of China Star.

### **Conditions of the Subscription Agreement**

Completion of the Subscription Agreement is conditional upon:

- (a) the passing of the necessary resolution(s) by the shareholders of China Star in general meeting approving the Subscription Agreement and all transactions contemplated therein including but not limited to the creation and the issue of the Convertible Bond, and the issuance of Conversion Shares upon exercise by the holder(s) of the Bonds thereof of the conversion rights, each in accordance with the bye-laws of China Star and the requirements of the Listing Rules;
- (b) the passing of the necessary resolution(s) by the shareholders of Hanny (if necessary) approving the Subscription Agreement and all transactions contemplated therein;
- (c) Improvemany shall have been satisfied with the results of its due diligence investigations on the China Star Group within 30 days from the date of the Subscription Agreement or such other extended time as the parties may agree;

- (d) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject only to such conditions as China Star and Improvemany both acting reasonably do not object) the listing of, and the permission to deal in, the Conversion Shares to be allotted and issued upon conversion of the Bonds;
- (e) the issue and delivery of a legal opinion by Bermuda counsel (on matters relating to, among other things, the due incorporation and existence of China Star and the validity, legality and enforceability of the issue of the Convertible Bond and of the Subscription Agreement by China Star and such other resolutions, consents, authorities and documents relating to the issue of the Convertible Bond) in such form and substance as may reasonably be required by Improvemany;
- (f) if required, an increase in the authorised share capital of China Star to facilitate the issue of the Conversion Shares and the Bermuda Monetary Authority shall have granted its approval to the allotment and issue of the Conversion Shares;
- (g) the representations, warranties and undertakings made by China Star in the Subscription Agreement shall be true, accurate and correct in all respects at, and as if made at Completion; and
- (h) at the closing date, there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the financial condition, operations, business or properties of the China Star Group (including as revealed in the audited consolidated financial statements of the China Star Group for the year ended 31 December 2005) which, in the reasonable opinion of Improvemany, is material and adverse.

If any of the above conditions precedent have not been fulfilled or waived by Improvemany (other than conditions (a), (b), (d) and (f) above) on or before the date falling 4 months from the date of the Subscription Agreement (or such later date as Improvemany and China Star may agree in writing), then the Subscription Agreement shall lapse immediately thereafter and be of no further effect and neither party to the Subscription Agreement shall have any claim against or liability or obligation to the other party under the Subscription Agreement except for any antecedent breach.

Completion of the Subscription Agreement is not conditional on the completion of the Other Subscription Agreements.

### **Completion**

Subject to the fulfilment or, as the case may be, waiver of the conditions stated above, Completion shall take place on or before the date falling 4 months from the date of the Subscription Agreement (or such other date as the parties to the Subscription Agreement may agree in writing).

### **Termination**

Improvemany may, by notice to China Star given at any time prior to payment of the net subscription monies for the Convertible Bond to China Star, terminate the Subscription Agreement in any of the following circumstances:

- a) if there shall have come to the notice of Improvemany any material breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement, which includes, among other things, the due and valid issue of fully-paid, non-assessable and free from all encumbrances Conversion Shares which will rank *pari passu* with all other China Star Shares then outstanding, no material adverse change in the condition and financial prospect of the China Star Group since 31 December 2005; or any failure by China Star to perform any of its undertakings, indemnities or agreements in the Subscription Agreement;

- b) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political, industrial or economic conditions or currency exchange rates or foreign exchange controls or other nature which would, in Improvemany's reasonable view, prejudice materially the success of the offering or the subscription or distribution of the Convertible Bond;
- c) if there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would, in Improvemany's view, prejudice materially the success of the offering or the subscription or distribution of the Convertible Bond; or
- d) if on or after the date of the Subscription Agreement there shall have occurred a suspension in trading in China Star's securities for more than 15 consecutive trading days on the Stock Exchange other than in connection with the clearance of announcements in connection with the transactions contemplated therein, which would, in Improvemany's reasonable view, prejudice materially the success of the subscription or distribution of the Convertible Bond.

In the event that Improvemany terminates the Subscription Agreement, all obligations of each of the parties under the Subscription Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Subscription Agreement except for any antecedent breach.

## **THE CONVERTIBLE BOND**

### **Principal terms**

Principal amount: HK\$124.5 million payable by Improvemany by cash upon Completion

Subscription price: 95% of the principal amount of the Convertible Bond (i.e. approximately HK\$118.3 million)

Conversion Price: the initial Conversion Price is the lower of (i) HK\$0.32 per Conversion Share and (ii) the average closing price of China Star Share for the ten trading days prior to the date of the issue of the Convertible Bond, provided that the initial Conversion Price shall in no event be less than HK\$0.25 per Conversion Share (subject to adjustments). The Conversion Price is subject to customary anti-dilution adjustments in events including share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivative issues.

However, no adjustments will be made to the Conversion Price when China Star Shares are issued pursuant to the exercise of the 200,602,625 share options granted under China Star's existing share option scheme as at the date of the Subscription Agreement.

The initial Conversion Price is determined after arm's length negotiations between Improvemany and China Star with reference to the prevailing market price of the China Star Shares prior to the suspension of trading in the China Star Shares on 22 January 2007. The initial Conversion Price of HK\$0.32 per Conversion Share represents:

- (a) a premium of approximately 6.7% over the closing price of HK\$0.30 per China Star Share as quoted on the Stock Exchange on 19 January 2007, being the last trading day (the "Last Trading Day") prior to the suspension of trading in the China Star Shares pending the release by China Star of the announcement in relation to the issue of the Bonds;

- (b) a premium of approximately 6.0% over the average closing price of HK\$0.302 per China Star Share for the last 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 7.0% over the average closing price of HK\$0.299 per China Star Share for the last 10 trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 71.4% to the unaudited consolidated net asset value of China Star attributable to its shareholders of approximately HK\$1.12 per China Star Share based on the unaudited consolidated net asset value of China Star attributable to its shareholders of approximately HK\$702,622,000 as at 30 June 2006, being the date to which the latest unaudited consolidated financial statements of the China Star Group were made up, and the issued share capital of 624,646,000 China Star Shares as at 30 June 2006.

Interest rate: zero interest.

Maturity: the day falling 5 years from the date of issue of the Convertible Bond.

Redemption: Unless previously converted, redeemed or cancelled in accordance with the terms of the Convertible Bond, China Star will redeem the Convertible Bond on the Maturity Date at 100% of the principal amount of the Convertible Bond then outstanding.

The yield to maturity of the Convertible Bond is approximately 1.0% per annum.

Transferability: The Convertible Bond is freely transferable.

Conversion period: Holder(s) of the Convertible Bond shall have the right to convert, the whole or any part of the outstanding principal amount of the Convertible Bond into Conversion Shares at the then prevailing Conversion Price at any time on or after the 7th day after the issue of the Convertible Bond up to the close of business on the business day immediately before the Maturity Date; or, if such Convertible Bond shall have been called for redemption before 5 business days from the Maturity Date, then up to the close of business on a date no later than 7 business days prior to the date fixed for redemption thereof but in any event before the Maturity Date.

Conversion Shares: On the basis of the 704,646,608 China Star Shares in issue as at the date of this announcement and assuming the other two subscribers of the Bonds not exercising the conversion rights, upon full conversion of the entire principal amount of the Convertible Bond of HK\$124.5 million into the Conversion Shares at the initial Conversion Price of HK\$0.32 per Conversion Share by Improvemany, a total of 389,062,500 Conversion Shares will be issued and an aggregate of 1,093,709,108 China Star Shares will be in issue as enlarged by such conversion. Accordingly, Improvemany will be interested in approximately 35.57% of the enlarged issued share capital of China Star.

Assuming the other two subscribers of the Bonds not exercising the conversion rights, upon full conversion of the entire principal amount of the Convertible Bond of HK\$124.5 million into the Conversion Shares at the lowest possible initial Conversion Price of HK\$0.25 per Conversion Share by Improvemany, a total of 498,000,000 Conversion Shares will be issued by China Star and an aggregate of 1,202,646,608 China Star Shares will be in issue as enlarged by such conversion. Improvemany will then be interested in approximately 41.41% of the enlarged issued share capital of China Star.

Fractions of Conversion Shares will not be issued on conversion and no amount in lieu thereof shall be refunded to Improvemany.

**Voting:** Improvemany will not be entitled to receive notice of, attend or vote at any general meeting of China Star by reason only of it being the holder of the Convertible Bond.

**Listing:** No application will be made for the listing of the Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made by China Star for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Bonds.

**Ranking:** The obligations of China Star arising under the Bonds shall at all times rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of China Star.

The Conversion Shares shall, when issued, rank *pari passu* in all respects with all other issued share capital of China Star on the date of conversion including the right to all dividends or other distributions.

**Default interest and delay in payment:** If China Star fails to pay any sum in respect of the Convertible Bond when it becomes due and payable, interest shall accrue on the overdue sum at the prime rate as quoted by The Hongkong and Shanghai Banking Corporation Limited plus 5.0% per annum from the due date, calculated on the basis of the actual number of days elapsed and a 360-day year.

## SHAREHOLDING STRUCTURE OF CHINA STAR

Based on the best of the knowledge and information available to the respective directors of ITC and Hanny, set out below is the shareholding structure of China Star and the effect of conversion of the Bonds assuming no change in the shareholding structure of China Star during the period between the date of this announcement and the conversion of the Bonds:

	As at the date of this announcement		Upon full conversion of the Bonds at HK\$0.32 per Conversion Share		Upon full conversion of the Convertible Bond by Improvemany only at HK\$0.32 per Conversion Share		Upon full conversion of the Bonds at HK\$0.25 per Conversion Share		Upon full conversion of the Convertible Bond by Improvemany only at HK\$0.25 per Conversion Share	
	Number of China Star Shares	(Approximate) %	Number of China Star Shares	(Approximate) %	Number of China Star Shares	(Approximate) %	Number of China Star Shares	(Approximate) %	Number of China Star Shares	(Approximate) %
Porterstone Limited	61,905,000	8.79	61,905,000	5.03	61,905,000	5.66	61,905,000	4.49	61,905,000	5.15
Dorest Company Limited	18,510,000	2.62	18,510,000	1.50	18,510,000	1.69	18,510,000	1.34	18,510,000	1.54
Mr. Heung Wah Keung (a director of China Star)	36,395,000	5.17	36,395,000	2.96	36,395,000	3.33	36,395,000	2.64	36,395,000	3.02
Ms. Chen Ming Yin, Tiffany (a director of China Star)	21,144,410	3.00	21,144,410	1.72	21,144,410	1.93	21,144,410	1.53	21,144,410	1.76
Ms. Li Yuk Sheung (a director of China Star)	16	0.00	16	0.00	16	0.00	16	0.00	16	0.00
Improvemany	-	-	389,062,500	31.60	389,062,500	35.57	498,000,000	36.12	498,000,000	41.41
Other subscribers of the Bonds	-	-	137,500,000	11.16	-	-	176,000,000	12.77	-	-
Public shareholders of China Star	566,692,182	80.42	566,692,182	46.03	566,692,182	51.82	566,692,182	41.11	566,692,182	47.12
<b>Total</b>	<b>704,646,608</b>	<b>100.00</b>	<b>1,231,209,108</b>	<b>100.00</b>	<b>1,093,709,108</b>	<b>100.00</b>	<b>1,378,646,608</b>	<b>100.00</b>	<b>1,202,646,608</b>	<b>100.00</b>

As at the date of this announcement, no decision has been made as to whether or when or the extent to which the conversion rights attached to the Convertible Bond are to be exercised by Improvemany. The extent of exercise of the conversion rights attached to the Convertible Bond by Improvemany will depend on a number of factors such as the future financial position and business prospects of the China Star Group and the market performance of the China Star Shares.

Depending on the then shareholding structure of China Star and the extent to which the conversion rights of the Convertible Bond are to be exercised by Improvemany, Improvemany may become interested in 30% or more of the enlarged issued share capital of China Star upon conversion of the Convertible Bond. In such circumstances, Improvemany will be obliged to make a mandatory offer to the shareholders of China Star to acquire all the China Star Shares and comparable offers to the holders of other securities of China Star, other than those already owned or agreed to be acquired by Improvemany and parties acting in concert with it, in accordance with Rule 26 of the Takeovers Code. Improvemany will comply with the relevant requirements of the Takeovers Code in the event that an obligation for a mandatory general offer arises.

## **INFORMATION ON CHINA STAR**

The China Star Group is principally engaged in film production, distribution of film and television drama series, and the provision of post-production services.

According to the annual report of China Star for the year ended 31 December 2005, the China Star Group recorded an audited consolidated turnover of approximately HK\$165.3 million and HK\$92.2 million for each of the two years ended 31 December 2004 and 2005 respectively. The audited consolidated loss before and after taxation and minority interests of the China Star Group for the year ended 31 December 2005 were approximately HK\$20.9 million and HK\$21.0 million respectively. The audited consolidated loss before and after taxation and minority interests of the China Star Group for the year ended 31 December 2004 were both approximately HK\$303.2 million.

As stated in the interim report of China Star for the six months ended 30 June 2006, the China Star Group recorded an unaudited consolidated turnover of approximately HK\$56.0 million as compared with HK\$46.4 million for the same period in 2005. The unaudited consolidated profit before and after taxation and minority interests of the China Star Group for the six months ended 30 June 2006 were both approximately HK\$71.0 million. The unaudited consolidated net asset value of China Star attributable to its shareholders was approximately HK\$702.6 million as at 30 June 2006.

ITC and Hanny understand from China Star that China Star intends to apply the net proceeds from the issue of the Bonds of approximately HK\$159 million for the acquisition by China Star of a 38.5% equity interest in Kingsway Hotel Limited from Great Trust – Gestao E Participacoes, Limitada, details of which were set out in the announcement of China Star dated 4 January 2007.

## **REASONS FOR THE SUBSCRIPTION**

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the ITC 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.

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 associated companies whose shares are listed on the Stock Exchange and the Singapore Exchange Limited and long-term convertible notes issued by companies whose shares are listed on the Stock Exchange. Hanny is an investment holding company.

In light of the improved financial results of the China Star Group for the six months ended 30 June 2006 and the intended use of the net proceeds from the issue of the Bonds for the acquisition of equity interest in Kingsway Hotel Limited, the directors of Hanny are optimistic about the business prospects of the China Star Group. The Convertible Bond is to be issued to Improvemany at a 5% discount to the principal amount. The conversion rights attached to the Convertible Bond offer Improvemany a five-year time frame to evaluate the financial performance of the China Star Group and the market performance of the China Star Shares, and the flexibility to acquire equity interests in China Star and an opportunity to enjoy any potential capital gain in the value of the China Star Shares. Based on the above, the directors of Hanny consider that the Subscription is in the interests of Hanny and the Hanny Shareholders as a whole and the terms of the Subscription Agreement are fair and reasonable as far as the Hanny Shareholders are concerned. Based on the above, the directors of ITC also consider that the Subscription is in the interests of ITC and the shareholders of ITC as a whole and the terms of the Subscription Agreement are fair and reasonable as far as the shareholders of ITC are concerned.

## FINANCIAL EFFECTS OF THE SUBSCRIPTION

At present, Hanny intends to fund the Subscription by its internal resources. It is expected that the Subscription would not have material impact on the net asset position of Hanny or ITC.

## GENERAL

The Subscription constitutes a discloseable transaction for Hanny under the Listing Rules. A circular of Hanny containing, among other things, details of the Subscription Agreement will be despatched to the Hanny Shareholders as soon as practicable.

As at the date of this announcement, the ITC Group holds 169,471,504 Hanny Shares, representing approximately 67.10% of the total issued share capital of Hanny. As Hanny is an indirect non-wholly owned subsidiary of ITC, the Subscription also constitutes a discloseable transaction for ITC under the Listing Rules. A circular of ITC containing, among other things, details of the Subscription Agreement will be despatched to the shareholders of ITC as soon as practicable.

Should Improvemany decide to exercise the conversion rights attached to the Convertible Bond, Hanny and ITC will comply with the Listing Rules and the Takeovers Code, and seek approval from their respective shareholders (if necessary) as and when appropriate.

## DEFINITIONS

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

“Bonds”	the zero-coupon convertible bonds due 2012 in the aggregate principal amount of HK\$168.5 million (including the Convertible Bond) proposed to be issued by China Star, which entitle the holder(s) thereof to convert the principal amount outstanding into the Conversion Shares at the then effective conversion price
“China Star”	China Star Entertainment Limited (stock code: 326), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“China Star Group”	China Star and its subsidiaries
“China Star Share(s)”	fully paid ordinary share(s) of HK\$0.05 each in the share capital of China Star
“Completion”	completion of the Subscription Agreement
“connected person(s)”	have the meaning as defined in the Listing Rules
“Conversion Price”	the initial conversion price of the lower of (i) HK\$0.32 per Conversion Share; and (ii) the average closing price of China Star Share for the ten trading days prior to the date of the issue of the Convertible Bond, provided that the initial conversion price shall in no event be less than HK\$0.25 per Conversion Share (subject to adjustments pursuant to the terms of the Convertible Bond)
“Conversion Shares”	new China Star Shares which will fall to be allotted and issued by China Star upon the exercise of the conversion rights attached to the Bonds (including the Convertible Bond) at the then effective conversion price

“Convertible Bond”	the Bond with a principal amount of HK\$124.5 million to be subscribed by Improvemany pursuant to the terms of the Subscription Agreement
“Hanny”	Hanny Holdings Limited (stock code: 275), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange, and an indirect non-wholly owned subsidiary of ITC
“Hanny Group”	Hanny and its subsidiaries
“Hanny Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of Hanny
“Hanny Shareholder(s)”	holder(s) of the Hanny Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Improvemany”	Improvemany International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Hanny
“ITC”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“ITC Group”	ITC and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau Success”	Macau Success Limited (stock code: 487), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange, being the holding company of one of the subscribers of the Bonds
“Maturity Date”	the day falling 5 years from the date of issue of the Convertible Bond or, if that is not a business day, the first business day thereafter
“Other Subscription Agreements”	the other two subscription agreements both dated 19 January 2007 for the subscription of the Bonds (excluding the Convertible Bond) with an aggregate principal amount of HK\$44.0 million entered into between China Star and the other two subscribers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Convertible Bond by Improvemany pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 19 January 2007 entered into between Improvemany and China Star in relation to the Subscription, subject to the terms and conditions contained therein
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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 Chuen, Augustine  
(*formerly known as Mr. Chan Kwok Hung*)  
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, *J.P.*

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. Kwok Ka Lap, Alva  
Mr. Wong King Lam, Joseph  
Mr. Sin Chi Fai

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

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

Hong Kong, 26 January 2007

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