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HANNY HOLDINGS LIMITED
錦興集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 275)



ITC CORPORATION LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 372)

**(1) PROPOSED OPEN OFFER ON
THE BASIS OF THREE OFFER SHARES
FOR EVERY SHARE HELD ON
THE RECORD DATE (WITH WARRANTS
TO BE ISSUED IN THE PROPORTION OF
FOUR WARRANTS FOR EVERY FIFTEEN
OFFER SHARES SUBSCRIBED FOR)**

AND

(2) RESUMPTION OF TRADING

DISCLOSEABLE TRANSACTION

Financial adviser to Hanny Holdings Limited



Underwriter to the Open Offer



PROPOSED OPEN OFFER WITH BONUS ISSUE

The Company proposes to raise not less than approximately HK\$105.26 million but not more than approximately HK\$121.38 million before expenses, by way of the Open Offer of not less than 300,769,398 Offer Shares (with Warrants) (assuming no rights attaching to the 2011 Convertible Notes are exercised before the Record Date) but not more than 346,790,052 Offer Shares (with Warrants) (assuming full exercise of the rights attaching to the 2011 Convertible Notes, other than those held by ITC's subsidiaries and Dr. Chan before the Record Date) at the Subscription Price of HK\$0.35 per Offer Share on the basis of three Offer Shares for every Share held at the close of business on the Record Date, with Warrants to subscribe for Shares in the proportion of four Warrants for every fifteen Offer Shares subscribed for.

* for identification purpose only

The estimated net proceeds from the Open Offer (with Warrants) will be not less than approximately HK\$101.13 million but not more than approximately HK\$116.84 million and are intended to be used as the general working capital of the Group.

Upon full exercise of the maximum number of 92,477,344 Warrants, the Company will receive approximately HK\$58.26 million before expenses (assuming that the exercise price per Warrant is not adjusted). The Company intends to apply the proceeds raised from the exercise of the Warrants for the general working capital of the Group.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and be a Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:00 p.m. (Hong Kong time) on 12 February 2009.

The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Excluded Shareholders on the Posting Date.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” below). Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 11 February 2009 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 12 March 2009), will accordingly bear the risk that the Open Offer will not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

GENERAL

As the applicable percentage ratio in respect of the Participation exceeds 5% but is less than 25%, the Participation will constitute a discloseable transaction for ITC under Chapter 14 of the Listing Rules.

In accordance with Rule 7.24(5) of the Listing Rules, as the Open Offer will increase the issued share capital of the Company by more than 50%, the Open Offer is subject to the approval of the Shareholders at the SGM by way of poll. Pursuant to Rule 7.24(5)(a) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer. As at the date of this announcement, ITC, Dr. Chan, Dr. Yap and their respective associates hold an aggregate of 51,303,947 Shares, representing approximately 51.17% of the existing issued share capital of the Company. Consequently, ITC, Dr. Chan, Dr. Yap and their respective associates will be required to abstain from voting in favour of the proposed resolution approving the Open Offer at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details about the Open Offer and the terms and conditions of the Warrants; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Open Offer; and (iv) the notice convening the SGM, will be despatched by the Company to the Shareholders as soon as practicable.

After the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders, and the Prospectus will be despatched to the Excluded Shareholders for information only, on the Posting Date.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 7 January 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 8 January 2009.

PROPOSED OPEN OFFER WITH BONUS ISSUE

Issue statistics

| | | |
|---|---|---|
| Basis of the Open Offer | : | Three Offer Shares for every Share held at the close of business on the Record Date (with Warrants to subscribe for Shares in the proportion of four Warrants for every fifteen Offer Shares subscribed for) |
| Subscription Price | : | HK\$0.35 per Offer Share |
| Number of Shares in issue as at the date of this announcement | : | 100,256,466 Shares |
| Number of Offer Shares (<i>Note 1</i>) | : | Not less than 300,769,398 Offer Shares (with Warrants) (assuming no rights attaching to the 2011 Convertible Notes are exercised before the Record Date) but not more than 346,790,052 Offer Shares (with Warrants) (assuming full exercise of the rights attaching to the 2011 Convertible Notes, other than those held by ITC's subsidiaries and Dr. Chan before the Record Date) (<i>Note 1</i>) |
| Number of Warrants | : | Not less than 80,205,172 Warrants but not more than 92,477,344 Warrants |
| Maximum number of Warrant Shares to be issued upon exercise of Warrants in full | : | 92,477,344 Warrant Shares at the exercise price of HK\$0.63 per Warrant (subject to adjustments) |
| Total number of Shares in issue immediately after completion of the Open Offer | : | Not less than 401,025,864 Shares but not more than 462,386,736 Shares |

Note:

1. As at the date of this announcement, (i) Dr. Chan is interested in the CC Convertible Notes in the principal amount of HK\$2,841,810 with conversion rights to convert into 84,830 Shares at the conversion price of HK\$33.50 per Share (subject to adjustments); and (ii) ITC, through its indirect wholly-owned subsidiaries, is interested in the ITC Convertible Notes in the principal amount of HK\$189,959,670 with conversion rights to convert into 5,670,437 Shares at the conversion price of HK\$33.50 per Share (subject to adjustments).

Assuming no rights attaching to the 2011 Convertible Notes are exercised before the Record Date, the Offer Shares proposed to be allotted pursuant to the terms of the Open Offer represent three times of the Company's existing issued share capital and approximately 75% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

As at the date of this announcement, there are outstanding 2011 Convertible Notes with an aggregate principal amount of approximately HK\$706.7 million convertible into 21,095,486 Shares upon exercise in full at the conversion price of HK\$33.50 per Share (subject to adjustments).

Save for the 2011 Convertible Notes, the Company has no outstanding convertible securities, options or warrants in issue which entitle the holders thereof to subscribe for or convert into any Shares nor has entered into any agreement to do any of the foregoing as at the date of this announcement.

Qualifying Shareholders

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and be a Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:00 p.m. (Hong Kong time) on 12 February 2009 at the following address:

Tricor Secretaries Limited
26th Floor, Tesbury Centre,
28 Queen's Road East, Wanchai, Hong Kong

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in a form of formal announcement or in the Circular and in the Prospectus. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Excluded Shareholders on the Posting Date.

Any Offer Shares which would otherwise have been made available for application by the Excluded Shareholders will be available for application for subscription by the Qualifying Shareholders by means of EAFs.

Closure of register of members

The register of members of the Company will be closed from 13 February 2009 to 19 February 2009, both dates inclusive. No transfer of any issued share capital of the Company will be registered during this period.

Subscription Price

The Subscription Price is HK\$0.35 per Offer Share payable in full by a Qualifying Shareholder upon application for the Offer Shares (with Warrants) under the Open Offer or application for excess Offer Shares (with Warrants).

The Subscription Price represents:

- (i) a discount of approximately 74.64% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 42.39% to the theoretical ex-entitlement price of approximately HK\$0.6075 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 72.31% to the average of the closing price of approximately HK\$1.264 per Share as quoted on the Stock Exchange from 30 December 2008 to 6 January 2009, both days inclusive, being the last five consecutive trading days including and up to the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors (excluding the independent non-executive Directors who will give their view on the Open Offer after taking into account the advice of the independent financial adviser) consider that the discount of the Subscription Price would encourage the Shareholders to participate in the Open Offer and accordingly maintain their shareholdings in the Company and participate in the future growth of the Group and the terms of the Open Offer (including the rate of commission) to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Terms of the Warrants

Exercise price

The exercise price for the Warrant is HK\$0.63 per Warrant Share (subject to adjustments), which represents:

- (i) a discount of approximately 54.35% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 3.70% over the theoretical ex-entitlement price of approximately HK\$0.6075 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 50.16% to the average of the closing price of approximately HK\$1.264 per Share as quoted on the Stock Exchange from 30 December 2008 to 6 January 2009, both days inclusive, being the last five consecutive trading days including and up to the Last Trading Day.

The exercise price for the Warrant was determined with reference to the current market price of the Shares. The Directors (excluding the independent non-executive Directors who will give their view on the Open Offer after taking into account the advice of the independent financial adviser) consider the terms of the Warrants, including the exercise price thereof, are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The exercise price for the Warrant is subject to anti-dilutive adjustments under certain circumstances, including consolidation or subdivision of Shares, capitalisation of profits or reserves or capital distribution.

Exercise Period

The subscription rights attaching to the Warrants may be exercised in whole or in part(s) within the Exercise Period. Based on the maximum number of Warrants that may be issued under the Open Offer, a maximum of 92,477,344 Warrant Shares may fall to be issued upon full exercise of the subscription rights attached to the Warrants, representing approximately 92.24% of the existing issued share capital of the Company and approximately 20% of the issued share capital of the Company as enlarged by the issue of a maximum number of 346,790,052 Offer Shares. Any subscription rights attaching to the Warrants which have not been exercised on or before the last day of the Exercise Period will lapse and the Warrants will cease to be valid for all purposes. The Warrants are freely transferable.

The Warrant Shares proposed to be issued upon full exercise of the subscription rights attaching to the Warrants, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, will not exceed 20% of the total issued share capital of the Company at the time the Warrants are issued. The Exercise Period for the Warrants is 18 months from the date of issue of the Warrants (which is expected to be from 17 March 2009 to 16 September 2010, both dates inclusive) and the expected market capitalisation of the Warrants will be approximately HK\$11.97 million, which is calculated based on, among others, the premium determined by the Directors with reference to the common market practice. Accordingly, the proposed issue of the Warrants complies with Rules 8.09(4) and 15.02 of the Listing Rules. The Company also confirms that the issue of the Warrants complies with Rules 8.08(2), 8.08(3), 8.13A(1) and 12.03(5) of the Listing Rules and is in conformity with the laws of Bermuda and the Bye-Laws pursuant to Rule 8.14 of the Listing Rules.

Cost of subscription of Offer Shares (with Warrants)

The Warrants will be issued to the subscribers of the Offer Shares by way of bonus issue. On the basis that four Warrants will be issued for every fifteen Offer Shares subscribed for, and the Subscription Price of HK\$0.35 per Offer Share and the exercise price of HK\$0.63 per Warrant Share (subject to adjustments), the aggregate of the subscription money payable by the Qualifying Shareholders for 346,790,052 Offer Shares and 92,477,344 Warrant Shares (upon full exercise of the subscription rights attaching to the 92,477,344 Warrants) would be approximately HK\$179.64 million, or an average of approximately HK\$0.41 per Share, which represents:

- (i) a discount of approximately 70.29% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 32.51% to the theoretical ex-entitlement price of approximately HK\$0.6075 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 67.56% to the average of the closing price of approximately HK\$1.264 per Share as quoted on the Stock Exchange from 30 December 2008 to 6 January 2009, both days inclusive, being the last five consecutive trading days including and up to the Last Trading Day.

Status of the Offer Shares and Warrant Shares

The Offer Shares and the Warrant Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the Shares in issue on the respective dates of issue of the Offer Shares and the Warrant Shares. Holders of the Offer Shares and the Warrant Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the respective dates of allotment and issue of the Offer Shares and Warrant Shares, as the case may be.

Certificates for the Offer Shares and the Warrants

Subject to the fulfillment or the waiver in whole or in part by the Underwriter of the conditions of the Open Offer, certificates for all Offer Shares and Warrants are expected to be posted on or before 17 March 2009 to those Qualifying Shareholders who have applied and have paid for the Offer Shares (with Warrants), at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (with Warrants) are also expected to be posted on or before 17 March 2009 at such Shareholders' own risk.

Fractions of the Offer Shares

Fractions of Offer Shares (with Warrants) will not be issued and all fractions of Offer Shares (with Warrants) will be aggregated and made available for application by the Qualifying Shareholders under the EAFs.

Application for excess Offer Shares (with Warrants)

Qualifying Shareholders may apply excess Offer Shares (with Warrants) by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares (with Warrants) being applied for. The Directors will allocate the excess Offer Shares (with Warrants), at their discretion, but on a fair and reasonable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to availability of excess Offer Shares after allocation under principle (1) above, the excess Offer Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Offer Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Offer Shares are allocated with a higher percentage of successful application but will receive less number of Offer Shares; whereas Qualifying Shareholders applying for larger number of Offer Shares are allocated with a smaller percentage of successful application but will receive higher number of Offer Shares) and with board lot allocations to be made on a best effort basis.

Shareholders whose Shares are held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares (with Warrants) will not be extended to beneficial owners individually.

Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents, with the Registrar for completion of the relevant registration by 4:00 p.m. on 12 February 2009.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares, the Warrants and the Warrant Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares, the Warrants and the Warrant Shares on the Stock Exchange, the Offer Shares, the Warrants and the Warrant Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares, the Warrants and the Warrant Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Offer Shares (in board lots of 2,000), the Warrants (in board lots of 16,000) and the Warrant Shares which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Undertakings by Dr. Chan, Dr. Yap and ITC

As at the date of this announcement, Dr. Chan is interested in:

- (i) 478,832 Shares, representing approximately 0.48% of the existing entire issued share capital of the Company; and
- (ii) the 2011 Convertible Notes in the principal amount of HK\$2,841,810 with conversion rights to convert into 84,830 Shares at the conversion price of HK\$33.50 per Share (subject to adjustments).

Dr. Chan has agreed, inter alia, to subscribe, or procure the subscription, for the CC Shares in full under the Open Offer, and not to exercise, and to procure the non-exercise of, the conversion rights under the CC Convertible Notes pursuant to and subject to the terms of the CC Undertaking Letter.

As at the date of this announcement, Dr. Yap is interested in 794,527 Shares, representing approximately 0.79% of the existing entire issued share capital of the Company. Dr. Yap has agreed, inter alia, to subscribe, or procure the subscription, for the AY Shares in full under the Open Offer pursuant to and subject to the terms of the AY Undertaking Letter.

As at the date of this announcement, ITC, through its indirect wholly-owned subsidiaries, is interested in:

- (i) 50,030,588 Shares, representing approximately 49.90% of the existing entire issued share capital of the Company; and
- (ii) the 2011 Convertible Notes in the principal amount of HK\$189,959,670 with conversion rights to convert into 5,670,437 Shares at the conversion price of HK\$33.50 per Share (subject to adjustments).

ITC has agreed, inter alia, to subscribe, or procure the subscription, for the ITC Shares in full under the Open Offer and not to exercise, and to procure the non-exercise of, the conversion rights under the ITC Convertible Notes pursuant to and subject to the terms of the ITC Undertaking Letter.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled or waived (as appropriate):

- a. the passing of the requisite resolution by the Shareholders (other than those persons, if any, who are precluded from voting under the Listing Rules or other applicable rules, regulations or codes) at the SGM approving;
 - (i) the Open Offer and authorising the Directors to allot and issue the Offer Shares; and
 - (ii) the creation, issue and grant of the Warrants and authorising the Directors to allot and issue the Warrant Shares upon exercise of the subscription rights attaching to the Warrants pursuant to the terms and conditions of the Warrant Instrument,

each in accordance with the Bye-Laws, the Listing Rules and the Takeovers Code (if applicable) on or before the Record Date;

- b. the delivery to the Stock Exchange and the filing with and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents in compliance with the requirements of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules;

- c. the filing of the Prospectus Documents with the Registrar of Companies in Bermuda in compliance with the Companies Act on or before the Posting Date;
- d. the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders and of the Prospectus marked “**For information only**” to the Excluded Shareholders;
- e. the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, all the Offer Shares, the Warrants and the Warrant Shares before their respective dates of commencement of dealings on the Stock Exchange, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) and not having withdrawn or revoked such listing and permission;
- f. the compliance with and performance of the CC Undertaking Letter by Dr. Chan, the AY Undertaking Letter by Dr. Yap and the ITC Undertaking Letter by ITC;
- g. the compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- h. obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof; and
- i. if necessary, the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Offer Shares and the Warrant Shares on or before the Posting Date.

If the conditions of the Open Offer have not been satisfied or waived (as applicable) in accordance with the Underwriting Agreement on or before the time and dates specified above, all obligations of the parties thereto shall cease and determine and neither party shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been reasonably and properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall, to the extent agreed by the Company, be borne by the Company, and the Open Offer will not proceed.

The Underwriting Agreement

- Date : 6 January 2009
- Underwriter : Get Nice Securities Limited. To the best of the Directors' knowledge and information, Get Nice Securities Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
- Total number of Offer Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the balance of the Offer Shares (less the CC Shares, the AY Shares and the ITC Shares) not subscribed by the Shareholders on a fully underwritten basis, (i) being 146,857,557 Offer Shares in the event that no rights attaching to the 2011 Convertible Notes are exercised before the Record Date; or (ii) being 192,878,211 Offer Shares in the event that all rights attaching to the 2011 Convertible Notes (excluding those held by ITC's subsidiaries and Dr. Chan) are exercised in full before the Record Date, subject to the terms and conditions of the Underwriting Agreement
- Commission : 2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares as determined on the Record Date

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

If, prior to 4:00 p.m. on the Settlement Date, one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (i) the Underwriter shall become aware of the fact that, or shall, in its reasonable opinion, believe that any of the warranties contained in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same represents or is likely to represent (in the reasonable opinion of the Underwriter) a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer;**
- (ii) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;**
- (iii) (a) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;**
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency, epidemic or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);**
 - (c) any change in local, national or international equity securities or currency markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise);**
 - (d) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;**
 - (e) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which shall or may materially and adversely affect the Group or a material proportion of the shareholders in their capacity as such;**

- (f) any withdrawal of the current listing of the Shares or suspension in the trading of the Shares on the Stock Exchange for more than 14 consecutive trading days (save for the purposes of clearing the Announcement or any other announcements or circulars relating to the Underwriting Agreement and the ancillary agreements thereto) or indication being received from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to in connection with the terms of the Underwriting Agreement or for any other reason;**
- (g) any change occurs in the circumstances of the Company or any member of the Group,**

which event or events is or are in the reasonable opinion of the Underwriter:

- (1) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or**
- (2) likely to have a material adverse effect on the success of the Open Offer or the level of the Offer Shares “taken up”; or**
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer,**

then, and in such case the Underwriter may in its absolute discretion, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing given to the Company on or before 4:00 p.m. on the Settlement Date terminate the Underwriting Agreement.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees as may then be agreed by the parties. If the Underwriter exercises such right, the Open Offer will not proceed.

EXPECTED TIMETABLE OF THE OPEN OFFER AND THE BONUS ISSUE

2009

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| Expected date of despatch of the Circular | | Monday, 2 February |
| Last day of dealings in Shares on a cum-entitlement basis | | Tuesday, 10 February |
| First day of dealings in Shares on an ex-entitlement basis | | Wednesday, 11 February |
| Latest time for lodging transfers of Shares in order to qualify for Open Offer | 4:00 p.m., | Thursday, 12 February |
| Register of members to be closed | | Friday, 13 February Thursday, 19 February (both dates inclusive) |
| Latest time for return of proxy form for the SGM (not less than 48 hours) | 10:00 a.m., | Tuesday, 17 February |
| Date of SGM | 10:00 a.m., | Thursday, 19 February |
| Record Date | | Thursday, 19 February |
| Register of members to be re-opened | | Friday, 20 February |
| Prospectus Documents or Prospectus (as the case may be) to be posted | | Friday, 20 February |
| Latest time for subscription and payment for Offer Shares and application for excess Offer Shares | 4:00 p.m., | Monday, 9 March |
| Open Offer expected to become unconditional | after 4:00 p.m., | Thursday, 12 March |
| Announcement of allotment results of the Open Offer | | Monday, 16 March |
| Refund cheques for wholly and partially unsuccessful applications for excess Offer Shares expected to be posted on or before | | Tuesday, 17 March |
| Certificates for Offer Shares and certificates for the Warrants expected to be despatched on or before | | Tuesday, 17 March |
| First day of dealings in the Offer Shares and the Warrants | | Thursday, 19 March |

All references to time in this announcement are references to Hong Kong time.

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

Set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Open Offer save pursuant to the exercise of the conversion rights under the 2011 Convertible Notes (excluding those held by ITC's subsidiaries and Dr. Chan):

Scenario 1:

Assuming there is no conversion of the 2011 Convertible Notes on or before the Record Date

| | As at the date of this announcement | | Immediately after completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders) | | Immediately after completion of the Open Offer (assuming no Offer Shares are taken up by the Qualifying Shareholders (other than the Offer Shares which ITC, Dr. Chan and Dr. Yap have undertaken to subscribe)) | |
|------------------------------------|-------------------------------------|---------------|--|---------------|--|---------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % |
| ITC and its subsidiary (Note 1) | 50,030,588 | 49.90 | 200,122,352 | 49.90 | 200,122,352 | 49.90 |
| Dr. Chan | 478,832 | 0.48 | 1,915,328 | 0.48 | 1,915,328 | 0.48 |
| Dr. Yap (Note 2) | 794,527 | 0.79 | 3,178,108 | 0.79 | 3,178,108 | 0.79 |
| sub-total | 51,303,947 | 51.17 | 205,215,788 | 51.17 | 205,215,788 | 51.17 |
| Underwriter (Note 3) | - | - | - | - | 146,857,557 | 36.62 |
| Public (Note 4) | 48,952,519 | 48.83 | 195,810,076 | 48.83 | 48,952,519 | 12.21 |
| Total | 100,256,466 | 100.00 | 401,025,864 | 100.00 | 401,025,864 | 100.00 |

Scenario 2:

Assuming exercise in full of the conversion rights under the 2011 Convertible Notes (excluding those held by ITC's subsidiaries and Dr. Chan) on or before the Record Date

| | As at the date of this announcement | | Immediately after completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders) | | Immediately after completion of the Open Offer (assuming no Offer Shares are taken up by the Qualifying Shareholders (other than the Offer Shares which ITC, Dr. Chan and Dr. Yap have undertaken to subscribe)) | |
|---|-------------------------------------|---------------|--|---------------|--|---------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % | No. of Shares | Approximate % |
| ITC and its subsidiary (Note 1) | 50,030,588 | 49.90 | 200,122,352 | 43.28 | 200,122,352 | 43.28 |
| Dr. Chan | 478,832 | 0.48 | 1,915,328 | 0.41 | 1,915,328 | 0.41 |
| Dr. Yap (Note 2) | 794,527 | 0.79 | 3,178,108 | 0.69 | 3,178,108 | 0.69 |
| sub-total | 51,303,947 | 51.17 | 205,215,788 | 44.38 | 205,215,788 | 44.38 |
| Underwriter (Note 3) | – | – | – | – | 192,878,211 | 41.71 |
| Public: (Note 4) 2011 Convertible Notes holders (excluding those held by ITC's subsidiaries and Dr. Chan) | – | – | 61,360,872 | 13.27 | 15,340,218 | 3.32 |
| Others | 48,952,519 | 48.83 | 195,810,076 | 42.35 | 48,952,519 | 10.59 |
| Total | 100,256,466 | 100.00 | 462,386,736 | 100.00 | 462,386,736 | 100.00 |

Notes:

- These Shares are held by Famex Investment Limited which is a wholly-owned subsidiary of Mankar Assets Limited. Mankar Assets Limited is a wholly-owned subsidiary of ITC Investment Holdings Limited, which in turn is a wholly-owned subsidiary of ITC. ITC is deemed to be a controlled corporation of Dr. Chan.
- Dr. Yap is an executive Director.

3. The Underwriter has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and the sub-underwriters (together with their respective parties acting in concert as defined in the Takeovers Code) will not own 30% or more of the issued share capital of the Company after completion of the Open Offer (for both scenarios 1 and 2 referred above). Each of the Underwriter and the sub-underwriters (and their respective ultimate beneficial owners) (i) is not a party acting in concert with each other; and (ii) is not a party acting in concert with ITC, ITC's subsidiaries and their respective parties acting in concert. Each of the Underwriter and the sub-underwriters and their respective ultimate beneficial owners do not have any shareholding in the Company and are not connected persons of the Company.

In the event that the Underwriter or any of the sub-underwriters is required to take up the Offer Shares pursuant to its underwriting obligations under the Underwriting Agreement, the Underwriter or such sub-underwriter will procure independent placees to take up such number of Offer Shares as may be necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with. It is expected none of such placees will become substantial Shareholders as a result of the Open Offer.

4. Assuming none of the Qualifying Shareholders takes up the allotment of the Offer Shares, the public float of the Shares may drop to approximately 12.21% (for scenario 1) or approximately 13.91% (for scenario 2) upon completion of the Open Offer, which is below the minimum 25% requirement under Rule 8.08 of the Listing Rules. The Company and the controlling Shareholder undertake to the Stock Exchange that they will use their respective reasonable endeavours to make prior arrangements (including but not limited to the placing of Shares to independent third parties) to ensure that the minimum public float is maintained upon completion of the Open Offer.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

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

Given the recent sluggish Hong Kong stock market and the gloomy economic outlook, the Directors consider that the capability of the Company to raise additional funding in the foreseeable future is very uncertain. The Board has considered other means of fund raising in both the debt market and the equity market other than the Open Offer. Fund raising through the debt market will increase the interest burden of the Group. Regarding the equity market, a private placement of Shares by its nature excludes existing Shareholders, and at the same time, result in immediate dilution of existing Shareholders' interest in the Company. The Board considers that the Open Offer will enable the Group to strengthen its capital base and to enhance its financial position for future strategic investments as and when opportunities arise. The Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and, hence the Board considers that fund raising through the Open Offer is in the interests of the Group and the Shareholders as a whole.

The gross proceeds from the Open Offer will be not less than approximately HK\$105.26 million (assuming no rights attaching to the 2011 Convertible Notes are exercised before the Record Date) but not more than approximately HK\$121.38 million (assuming full exercise of the rights attaching to the 2011 Convertible Notes (other than those held by the ITC's subsidiaries and Dr. Chan) before the Record Date). The estimated net proceeds from the Open Offer (with Warrants) will be not less than approximately HK\$101.13 million but not more than approximately HK\$116.84 million and are intended to be used as the general working capital of the Group.

Upon full exercise of the maximum number of 92,477,344 Warrants, the Company will receive approximately HK\$58.26 million before expenses (assuming that the exercise price per Warrant is not adjusted). The Company intends to apply the proceeds raised from the exercise of the Warrants for the general working capital of the Group.

The following table sets out a summary of the audited consolidated financial results of the Company for the two financial years:

| | For the year ended 31 March 2008 (audited) HK\$'000 | For the year ended 31 March 2007 (audited) HK\$'000 |
|--|--|--|
| Revenue | 627,588 | 358,573 |
| Profit (loss) before tax (<i>Note</i>) | 192,749 | (23,967) |
| Profit for the year | 47,986 | 1,461,502 |
| | As at 31 March 2008 (audited) HK\$'000 | As at 31 March 2007 (audited) HK\$'000 |
| Total assets | 5,193,985 | 5,007,707 |
| Total liabilities | 1,426,384 | 1,808,595 |
| Net assets | 3,767,601 | 3,199,112 |

Note:

The profit before tax for the year ended 31 March 2008 increased critically from a loss before tax of approximately HK\$24.0 million for the year ended 31 March 2007 to profit before tax of approximately HK\$192.7 million. The increase was mainly attributable to the gain on convertible notes converted into investments held for trading of approximately HK\$434.2 million while it was nil for the year ended 31 March 2007. However, such increase was offset by the loss on disposal and dilution/disposal of interest in an associate of HK\$268.5 million as compared to the gain of HK\$5.1 million for year ended 31 March 2007.

PARTICIPATION OF ITC IN THE OPEN OFFER

As at the date of this announcement, ITC, through its indirect wholly-owned subsidiary, holds 50,030,588 Shares, representing approximately 49.90% of the existing issued share capital of the Company. Pursuant to the ITC Undertaking Letter, ITC will subscribe, or procure the subscription, for 150,091,764 Offer Shares in full, being its entitlement under the Open Offer subject to the terms and conditions of the Open Offer. Immediately after the completion of the Open Offer and assuming no exercise of the rights attaching to the 2011 Convertible Notes, ITC's indirect interest in the Company will be approximately 49.90%. The Subscription Price of HK\$0.35 per Offer Share to be acquired by ITC represents:

- (i) a discount of approximately 74.64% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 42.39% to the theoretical ex-entitlement price of approximately HK\$0.6075 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 72.31% to the average of the closing price of approximately HK\$1.264 per Share as quoted on the Stock Exchange from 30 December 2008 to 6 January 2009, both days inclusive, being the last five consecutive trading days including and up to the Last Trading Day.

As at the date of this announcement, ITC has not yet considered whether to apply for any excess Offer Shares. However, ITC will comply with the Listing Rules requirements including the obtaining of its shareholders' approval (if required) before applying for any excess Offer Shares.

To the best of the knowledge, information and belief of the directors of ITC having made all reasonable enquiries, the Company is a third party independent of ITC and connected persons of ITC.

Reasons for the Participation

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of ITC and its subsidiaries comprise investment holding, the provision of finance, property investment and treasury investment. As at the date of this announcement, ITC is interested in approximately 49.90% of the existing issued share capital of the Company.

The directors of ITC consider that the terms of the Participation are fair and reasonable as it will enable ITC and its subsidiaries to maintain their shareholding in the Company and share the benefit from the growth of the Group. Accordingly, the directors of ITC believe that the Participation is in the interests of ITC and its shareholders as a whole.

The directors of ITC further consider that the Open Offer is on normal commercial terms and the Subscription Price is fair and reasonable and in the interests of ITC and its shareholders as a whole. The aggregate Subscription Price payable by ITC in respect of the Participation will be approximately HK\$52.5 million, which will be financed by internal resources of ITC.

POSSIBLE ADJUSTMENT TO THE 2011 CONVERTIBLE NOTES

The Open Offer may lead to adjustments to the exercise price and/or the number of Shares to be issued upon conversion of the 2011 Convertible Notes. The Company will notify the holders thereof by the way of announcement regarding adjustments to be made (if any) pursuant to the terms of the 2011 Convertible Notes (as and when appropriate).

PREVIOUS FUND RAISING EXERCISE IN THE PRIOR 12-MONTH PERIOD

As disclosed in the announcement and the circular of the Company on 12 September 2008 and 8 October 2008 respectively, the Company proposed a rights issue to raise gross proceeds of not less than approximately HK\$200.5 million and not more than approximately HK\$231.2 million. As the resolution approving such rights issue was not passed by the Independent Shareholders at the then special general meeting of the Company, such rights issue was not proceeded, the details of which have been set out in the announcement of the Company on 3 November 2008.

Save as disclosed above, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” above). Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 11 February 2009 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 12 March 2009), will accordingly bear the risk that the Open Offer will not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

GENERAL

As the applicable percentage ratio in respect of the Participation exceeds 5% but is less than 25%, the Participation will constitute a discloseable transaction for ITC under Chapter 14 of the Listing Rules.

In accordance with Rule 7.24(5) of the Listing Rules, as the Open Offer will increase the issued share capital of the Company by more than 50%, the Open Offer is subject to the approval of the Shareholders at the SGM by way of poll. Pursuant to Rule 7.24(5)(a) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer. As at the date of this announcement, ITC, Dr. Chan, Dr. Yap and their respective associates hold an aggregate of 51,303,947 Shares, representing approximately 51.17% of the existing issued share capital of the Company. Consequently, ITC, Dr. Chan, Dr. Yap and their respective associates will be required to abstain from voting in favour of the proposed resolution approving the Open Offer at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details about the Open Offer and the terms and conditions of the Warrants; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Open Offer; and (iv) the notice convening the SGM, will be despatched by the Company to the Shareholders as soon as practicable.

After the passing of the resolution approving the Open Offer by the Independent Shareholders at the SGM, the Prospectus Documents will be despatched to the Qualifying Shareholders, and the Prospectus will be despatched to the Excluded Shareholders, for information only, on the Posting Date.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 7 January 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 8 January 2009.

DEFINITIONS

| | |
|--------------------------|---|
| “2011 Convertible Notes” | the 2% convertible notes due 2011 in the aggregate principal amount of HK\$770,973,210 issued by the Company in June 2006, of which an aggregate principal amount of HK\$706,698,786 remains outstanding as at the date of this announcement |
| “Acceptance Date” | the latest time as the Underwriter may agree in writing with the Company for acceptance of, and payment for, the Offer Shares |
| “Application Form(s)” | the application form(s) for use by the Qualifying Shareholders to apply for the Offer Shares |
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “AY Shares” | 2,383,581 Offer Shares (with Warrants) to be taken up by Dr. Yap pursuant to the AY Undertaking Letter |
| “AY Undertaking Letter” | the irrevocable undertaking given by Dr. Yap on 6 January 2009 to, inter alia, subscribe, or procure the subscription, for the AY Shares |
| “Board” | board of Directors |
| “Business Day” | a day, (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning is hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business |
| “Bye-Laws” | the bye-laws of the Company from time to time |
| “CC Convertible Notes” | the 2011 Convertible Notes in the outstanding principal amount of HK\$2,841,810 which Dr. Chan is deemed to be interested in as at the date of this announcement |
| “CC Shares” | 1,436,496 Offer Shares (with Warrants) to be taken up by Dr. Chan pursuant to the CC Undertaking Letter |

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|---------------------------|---|
| “CC Undertaking Letter” | the irrevocable undertaking given by Dr. Chan on 6 January 2009, inter alia, to subscribe, or procure the subscription, for the CC Shares and not to exercise, and to procure the non-exercise of, the conversion rights under the CC Convertible Notes on or before the close of business on the Record Date |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Circular” | the circular to be issued by the Company to the Shareholders giving details of the Open Offer and containing the notice convening the SGM |
| “Companies Act” | the Companies Act 1981 of Bermuda |
| “Company” | Hanny Holdings Limited (Stock Code: 275), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “connected persons” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Dr. Chan” | Dr. Chan Kwok Keung, Charles, the controlling shareholder, the chairman and an executive director of ITC as at the date of this announcement |
| “Dr. Yap” | Dr. Yap, Allan, the chairman of the Company and an executive Director as at the date of this announcement |
| “EAF(s)” | the form(s) of application for use by the Qualifying Shareholders who wish to apply for subscription of additional Offer Shares over and above those to which they are entitled under the Open Offer |
| “Excluded Shareholder(s)” | Overseas Shareholder(s) in respect of whom the Directors, based on opinions provided by legal advisers, consider it necessary or expedient not to offer the Offer Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |

| | |
|----------------------------|--|
| “Exercise Period” | a period of 18 months commencing from the date of the issue of the Warrants |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholders” | Shareholders other than ITC, Dr. Chan, Dr. Yap and their respective associates |
| “ITC” | ITC Corporation Limited (Stock Code: 372), a company incorporated in Bermuda with limited liability and the issued securities of which are listed on the Main Board of the Stock Exchange |
| “ITC Convertible Notes” | the 2011 Convertible Notes in the outstanding principal amount of HK\$189,959,670 held by the indirect wholly-owned subsidiaries of ITC as at the date of this announcement |
| “ITC Shares” | 150,091,764 Offer Shares (with Warrants) to be taken up by ITC through its wholly-owned subsidiary pursuant to the ITC Undertaking Letter |
| “ITC Undertaking Letter” | the irrevocable undertaking given by ITC on 6 January 2009, inter alia, to subscribe, or procure the subscription, for the ITC Shares and not to exercise, and to procure the non-exercise of, the conversion rights under the ITC Convertible Notes on or before the close of business on the Record Date |
| “Last Trading Day” | 6 January 2009, being the last trading day for the Shares on the Stock Exchange before the suspension of their trading pending the release of this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|-----------------------------|---|
| “Offer Share(s)” | not less than 300,769,398 and not more than 346,790,052 new Shares to be allotted and issued pursuant to the Open Offer |
| “Open Offer” | the proposed issue for subscription by way of rights of the Offer Shares on the basis of three Offer Shares for every Share held on the Record Date to the Qualifying Shareholders at the Subscription Price (with four Warrants for every fifteen Offer Shares subscribed for), payable in full on application and on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents |
| “Overseas Shareholder(s)” | Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong |
| “Participation” | the proposed subscription by ITC, through its indirect wholly-owned subsidiary, for the allotment of the ITC Shares, being its pro-rata entitlement under the Open Offer, pursuant to the ITC Undertaking Letter |
| “Posting Date” | the date of despatch of the Prospectus Documents or the Prospectus only (as the case may be) to the Shareholders |
| “PRC” | the People’s Republic of China |
| “Prospectus” | the prospectus to be despatched to the Shareholders on the Posting Date in connection with the Open Offer |
| “Prospectus Documents” | the Prospectus, the Application Form and the EAF |
| “Qualifying Shareholder(s)” | Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders |
| “Record Date” | the date for determining the entitlements of the Shareholders to participate in the Open Offer |

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|--------------------------|---|
| “Registrar” | Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the Company’s Hong Kong branch share registrar and transfer office |
| “Settlement Date” | the date being the third Business Day following the Acceptance Date |
| “SFC” | Securities and Futures Commission of Hong Kong |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened to consider and, if thought fit, approve the Open Offer |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$0.35 per Offer Share |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Underwriter” | Get Nice Securities Limited, a corporation deemed licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO |
| “Underwriting Agreement” | the underwriting agreement dated 6 January 2009 entered into between the Company and the Underwriter in relation to the Open Offer |
| “Underwritten Shares” | not less than 146,857,557 and not more than 192,878,211 Offer Shares, being the Offer Shares (less the CC Shares, the AY Shares and the ITC Shares) underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement |

| | |
|----------------------|---|
| “Warrants” | bonus warrants to be issued by the Company to successful applicants of the Offer Shares pursuant to the Open Offer, represented by certificates, conferring the right in their registered form to the holders thereof to subscribe in cash, during the Exercise Period, for up to an aggregate of 92,477,344 Warrant Shares at an initial exercise price of HK\$0.63 per Warrant Share (subject to adjustments) on the terms and conditions set out in the Warrant Instrument |
| “Warrant Instrument” | instrument to be executed by the Company by way of a deed poll constituting the Warrants |
| “Warrant Share(s)” | new Share(s) falling to be issued by the Company upon exercise of the subscription rights attaching to the Warrant(s) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board
Hanny Holdings Limited
Dr. Yap, Allan
Chairman

By order of the board of directors
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 7 January 2009

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

Executive Directors:

Dr. Yap, Allan (*Chairman*)
Mr. Lui Siu Tsuen, Richard
(*Managing Director*)
Mr. Chan Kwok Chuen, Augustine

Independent non-executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
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 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, *SBS, JP*