



PAUL Y. - ITC CONSTRUCTION HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 0498)

REFORM OF THE BOARD AND RE-DESIGNATION OF DIRECTOR

- Dr. Joseph Chow, an existing independent non-executive director, has taken up the position of Chairman;
- Mr. Tom Lau, Deputy Chairman, succeeded Mr. Chan Fut Yan as Managing Director; and
- Dr. Charles Chan stepped down as Chairman and was re-designated as a non-executive director

The board of directors (the "Board") of Paul Y. – ITC Construction Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce certain reform of the Board effective on 22 July 2005.

APPOINTMENT OF DR. JOSEPH CHOW AS CHAIRMAN

Dr. Chow Ming Kuen, Joseph *OBE, JP*, an existing independent non-executive director, took up the position of Chairman of the Company.

Dr. Chow, aged 64, was appointed as an independent non-executive director of the Company in September 2004. He is also the Chairman of the Company's Remuneration Committee, a member of the Company's Audit Committee and an independent non-executive director of two subsidiaries of the Company. Dr. Chow is a civil and structural engineer by profession. He is a member of CPPCC of Shanghai and a Hon Senior Superintendent of the Hong Kong Auxiliary Police Force. Dr. Chow previously served as President of the Hong Kong Institution of Engineers, Chairman of Hong Kong Engineers' Registration Board, Hong Kong Examinations and Assessment Authority, Pamela Youde Nethersole Eastern Hospital as well as the Hong Kong Country Club. He is currently Chairman of Joseph Chow & Partners Ltd., a firm of independent civil and structural consulting engineers and an independent non-executive director of Chevalier International Holdings Limited (0025.HK), Wheelock Properties Limited (0049.HK) and Build King Holdings Limited (0240.HK).

Dr. Chow, the new Chairman, has been entrusted with the important task of initiating and implementing such further measures to strengthen an independently governed Board and to align with prevailing corporate governance practices and standards.

APPOINTMENT OF MR. TOM LAU AS MANAGING DIRECTOR

Mr. Lau Ko Yuen, Tom, Deputy Chairman, succeeded Mr. Chan Fut Yan as Managing Director of the Company.

Mr. Lau, aged 54, is the Deputy Chairman of the Company, a member of the Remuneration Committee of the Company and a director of various subsidiaries of the Company. Mr. Lau has over 32 years' international corporate management experience. He joined the Group in 1991 and is responsible for its general corporate development and administration. Mr. Lau is also the Deputy Chairman of ITC Corporation Limited (0372.HK), Paul Y. Engineering Group Limited (0577.HK) and Downer EDI Limited (DOW.AX).

RE-DESIGNATION OF DR. CHARLES CHAN AS NON-EXECUTIVE DIRECTOR

Dr. Chan Kwok Keung, Charles stepped down as Chairman and was re-designated as a non-executive director.

Dr. Chan, aged 50, joined the Group in 1987 and was the Chairman since the Company's successful listing on The Stock Exchange of Hong Kong Limited in September 1993. He is a director of a subsidiary of the Company. Dr. Chan holds an Honorary degree of Doctor of Laws and a Bachelor's degree in Civil Engineering and has over 25 years' international corporate management experience in the construction and property sectors as well as in strategic investments. He is currently Chairman of ITC Corporation Limited (0372.HK) and Hanny Holdings Limited (0275.HK). He is also the Chairman and Chief Executive Officer of China Strategic Holdings Limited (0235.HK). Dr. Chan previously held directorships in other listed public companies including Pacific Century Premium Developments Limited (0432.HK) (Chairman and executive director), Wing On Travel (Holdings) Limited (1189.HK) (executive director), Downer EDI Limited (DOW.AX) (non-executive director) and China Enterprises Limited (CSHEF - OTC Bulletin Board) (Chairman). Save as disclosed, Dr. Chan did not hold any directorships in any listed public companies in the last three years.

Dr. Chan has personal interest in 11,840,896 ordinary shares of HK\$0.10 each in the issued share capital of the Company. He also indirectly owns approximately 33.55% in the entire issued ordinary share capital of ITC Corporation Limited which is indirectly interested in approximately 49.64% of the entire issued share capital of the Company. Dr. Chan is therefore deemed to be a substantial shareholder of the Company. Save as disclosed above, he does not have any interest in the shares or underlying shares of the Company which are discloseable under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), nor does he have any relationship with any directors or senior management or substantial shareholder or controlling shareholder of the Company.

Dr. Chan has not entered into any service contract with the Company. He received total emoluments of HK\$1,210,000 from the Group during the financial year ended 31 March 2005. As a non-executive director, he will be subject to retirement by rotation at least once every three years and in accordance with the Company's bye-laws. He will receive a director's fee (currently HK\$10,000 per annum for non-executive directors) as determined by the Board pursuant to the authority given by the shareholders at the Company's annual general meetings and with reference to the benchmark in the industry and prevailing market conditions.

Dr. Chan confirmed that he has no disagreement with the Board nor are there any matters that need to be brought to the attention of shareholders of the Company in relation to his re-designation as a non-executive director.

RETIREMENT OF DIRECTORS AT ANNUAL GENERAL MEETING

In accordance with bye-law 87(1) and 87(2) of the Company's bye-laws, Messrs. Chan Fut Yan, Cheung Hon Kit and Cheung Ting Kau, Vincent and Ms. Chau Mei Wah, Rosanna will retire by rotation at the forthcoming annual general meeting. All of these retiring directors have informed the Board of their intention not to seek, and do not offer themselves for, re-election.

APPRECIATION

The Board would like to express its appreciation to Dr. Charles Chan and Mr. Chan Fut Yan for their tremendous leadership of the Company as Chairman and Managing Director respectively since 1993, and to the retiring directors for their valuable contribution to the Company throughout the past years.

Taking this opportunity, the Board would like to extend its warmest welcome to Dr. Joseph Chow and Mr. Tom Lau for their new positions with the Board.

GENERAL

As at the date of this announcement, the Board comprises:

Dr. Chow Ming Kuen, Joseph : *Chairman (Independent Non-Executive)*
Mr. Lau Ko Yuen, Tom : *Deputy Chairman and Managing Director*
Dr. Chan Kwok Keung, Charles : *Non-Executive Director*
Mr. Chan Fut Yan : *Executive Director*
Ms. Chau Mei Wah, Rosanna : *Executive Director*
Mr. Cheung Hon Kit : *Executive Director*
Mr. Cheung Ting Kau, Vincent : *Non-Executive Director*
Mr. Kwok Shiu Keung, Ernest : *Independent Non-Executive Director*
Mr. Chan Shu Kin : *Independent Non-Executive Director*

By Order of the Board
Paul Y. - ITC Construction Holdings Limited
Wong Lai Kin, Elsa
Company Secretary

Hong Kong, 25 July 2005.

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