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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **Announcement Proposed Redemption of Existing Convertible Notes Proposed Placing and Subscription of New Convertible Notes**

It was announced on 16th September, 2002 that the Company had entered into an agreement with Galaxyway, a controlling shareholder of the Company and therefore a connected person, in relation to, among other things, the redemption of the Existing Convertible Notes in an aggregate principal amount of HK\$250,000,000 held by Galaxyway and, in consideration, subscription of the New Convertible Notes in the principal amount of HK\$250,000,000 by Galaxyway at face value.

The Company announced on 20th September, 2002 that it had entered into an agreement with BNP Paribas Peregrine on the same date, in relation to, among other things, the placing of the New Convertible Notes with an aggregate principal amount of up to HK\$330,000,000 to the Other Existing Noteholders and/or other independent investors on a best endeavours basis. If some of the Other Existing Noteholders do not subscribe for the New Convertible Notes, the Placing Agent would endeavour to place the balance of the New Convertible Notes to other independent investors.

On 4th October, 2002, the Company entered into supplemental agreements to the Redemption and Subscription Agreement and the Placing Agreement with Galaxyway and BNP Paribas Peregrine respectively in relation to, among other things, the completion arrangements of the issue of the New Convertible Notes to the holders of the Existing Convertible Notes so that under such agreements, there will not be any redemption of the Existing Convertible Notes prior to their respective maturity dates.

The purpose of this announcement is to provide you with further information in relation to the above arrangement. On 27th September, 2002, securities of the Company were suspended from trading pending for a joint announcement in relation to the reorganisation of Paul Y. – ITC Construction Holdings Limited. The securities of the Company will remain suspended from trading until further announcement is made in relation to the reorganisation of Paul Y. – ITC Construction Holdings Limited.

## **INTRODUCTION**

The directors of ITC Corporation Limited (the “Company”) refer to the announcements (the “Announcements”) of the Company dated 16th September, 2002 and 20th September, 2002 respectively and the circular of the Company to its shareholders dated 23rd September, 2002 (the “Circular”). Terms defined in the Announcements shall have the same meaning when used in this announcement unless the context requires otherwise.

## **SUPPLEMENTAL AGREEMENT TO THE REDEMPTION AND SUBSCRIPTION AGREEMENT AND SUPPLEMENTAL AGREEMENT TO THE PLACING AGREEMENT**

### *Date*

In respect of the supplemental agreement to the Redemption and Subscription Agreement:

4th October, 2002

In respect of the supplemental agreement to the Placing Agreement:

4th October, 2002

### *Parties*

In respect of the supplemental agreement to the Redemption and Subscription Agreement:

the Company and Galaxyway

In respect of the supplemental agreement to the Placing Agreement:

the Company and BNP Paribas Peregrine

### *Subject matter*

Under the supplemental agreement to the Redemption and Subscription Agreement and subject to the satisfaction or waiver of the conditions contained in the agreement (the “Subscription Conditions”), completion of the redemption of the 2002 Convertible Notes held by Galaxyway and the issue of the New Convertible Notes with the same principal amount to Galaxyway (or its nominees) shall take place during the period from the date of fulfilment or waiver of all the Subscription Conditions to the long stop date, upon Galaxyway giving a written notice to the Company in two business days prior to the date of completion, and completion of the redemption of the 2003 Convertible Notes held by Galaxyway and the issue of the New Convertible Notes with the same principal amount to Galaxyway (or its nominees) shall take place on 3rd March, 2003 (or such later date as the parties may agree).

Under the supplemental agreement to the Placing Agreement and subject to the satisfaction or waiver of the conditions contained in the agreement (the “Placing Conditions”), the Placing Agent would place the New Convertible Notes with an aggregate principal amount of up to HK\$330,000,000 to the Other Existing Noteholders and/or other independent investors on a best endeavours basis, of which completion of the issue of the New Convertible Notes to the independent investors procured by the Placing Agent and to the existing holders of the 2002 Convertible Notes (other than Galaxyway), who elect to subscribe for the New Convertible Notes and redeem the 2002 Convertible Notes held by them, shall take place during the period from the date of fulfilment or waiver of all the Placing Conditions to the long stop date, upon the Placing Agent giving a written notice to the Company in two business days prior to the date of completion, and completion of the issue of the New Convertible Notes to the independent investors procured by the Placing Agent and to the existing holders of the 2003 Convertible Notes (other than Galaxyway), who elect to subscribe for the New Convertible Notes and redeem the 2003 Convertible Notes held by them, shall take place on 3rd March, 2003 (or such later date as the parties may agree).

Under such agreements, there will not be any redemption of the Existing Convertible Notes prior to their respective maturity dates. Other than changes stated in the above, the terms and conditions of the Redemption and Subscription Agreement and the Placing Agreement remain the same.

## **GENERAL**

A notice convening the Special General Meeting was despatched with the Circular to the Shareholders on 23rd September, 2002. The Special General Meeting will be held on 9th October, 2002, at which ordinary resolutions will be proposed to the Shareholders to consider: (i) the increase in authorised share capital; and (ii) the Placing Agreement. An ordinary resolution will also be proposed to the Independent Shareholders to consider the Redemption and Subscription Agreement.

Copies of this announcement will be distributed to the Shareholders attending the Special General Meeting. The Directors have notified Dao Heng Securities Limited (“Dao Heng Securities”), the independent financial adviser to the Independent Board Committee, of the entering into of the above supplemental agreements and Dao Heng Securities has advised that its recommendation as stated in the Circular remains the same.

On 27th September, 2002, securities of the Company were suspended from trading pending for a joint announcement in relation to the reorganisation of Paul Y. – ITC Construction Holdings Limited. The securities of the Company will remain suspended from trading until further announcement is made in relation to the reorganisation of Paul Y. – ITC Construction Holdings Limited.

By Order of the Board  
**Law Hon Wa, William**  
*Company Secretary*

Hong Kong, 4th October, 2002

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