



# ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock codes: 372 and 206)

## EXCEPTIONAL PRICE MOVEMENT

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increase in the price and trading volume of the ordinary shares of ITC Corporation Limited (“ITC Corporation”). We believe that these increases may be the result of the expectation of a special dividend by ITC Corporation’s listed associated company, Paul Y. - ITC Construction Holdings Limited (“Paul Y. - ITC”). The possibility of this dividend distribution was referred to in an announcement dated 15 December 2004 and interim results announcement dated 23 December 2004 made by Paul Y. - ITC. In this regard, the board of directors of ITC Corporation (the “Board”) would like to caution shareholders and investors generally in trading shares in ITC Corporation and to remind them of the potential dilution of their ordinary shareholding interest and the net asset value attributable to them which will occur upon the conversion of ITC Corporation’s convertible notes and redeemable convertible preference shares as the tabulation below illustrates:

	Net asset value <i>HK\$ millions</i>	Number of ordinary shares of ITC Corporation <i>(in millions)</i>
Net asset value as at 30 September 2004 as shown in the interim report of ITC Corporation for the six months ended 30 September 2004	1,360.4	654.3
Less: attributable to redeemable convertible preference shares	(284.1)	
Before conversion of convertible notes	<u>1,076.3</u>	
Add: Increase on conversion of convertible notes	289.5	965.0
Diluted net asset value after conversion of convertible notes but before conversion of redeemable convertible preference shares	1,365.8	1,619.3
Add: Increase on conversion of redeemable convertible preference shares ( <i>Note</i> )	284.1	273.1
Fully diluted net asset value	<u>1,649.9</u>	<u>1,892.4</u>
Net asset value per ordinary share before conversion of convertible notes and redeemable convertible preference shares ( <i>HK\$</i> )	<u>1.64</u>	
Diluted net asset value per ordinary share after conversion of convertible notes but before conversion of redeemable convertible preference shares ( <i>HK\$</i> )	<u>0.84</u>	
Fully diluted net asset value per ordinary share ( <i>HK\$</i> )	<u>0.87</u>	

*Note:* ITC Corporation may convert compulsorily the redeemable convertible preference shares if:

- a) the closing price of the ordinary shares is 125% or more of the conversion price of HK\$1.04, subject to adjustments, for 20 consecutive trading days; or
- b) there is less than 50 million redeemable convertible preference shares in issue.

Apart from the above, we are not aware of any other reason for the increase in the price and trading volume of the ordinary shares of ITC Corporation.

The Board would like to draw the attention of the shareholders of ITC Corporation to the joint announcement of Paul Y. - ITC, Hanny Holdings Limited (“Hanny”) and China Strategic Holdings Limited (“China Strategic”) dated 21 January 2005 regarding the possible acquisition by a third party of some or all of their interests in the shares of China Strategic from Paul Y. - ITC and, or Hanny, which may or may not result in a general offer for all of the shares of China Strategic.

Save as disclosed in (i) the joint announcements of ITC Corporation and Paul Y. - ITC dated 4 June 2004, 25 June 2004, 13 August 2004, 3 September 2004, 9 September 2004, 24 September 2004, 7 October 2004, 15 October 2004, 20 October 2004 and 30 November 2004; and (ii) the announcements of ITC Corporation dated 10 November 2004 and 15 December 2004, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

*Executive Directors:*

Dr. Chan Kwok Keung, Charles (*Chairman*)  
Mr. Lau Ko Yuen, Tom (*Deputy Chairman*)  
Ms. Chau Mei Wah, Rosanna (*Managing Director*)  
Mr. Chan Kwok Hung  
Mr. Chan Fut Yan  
Mr. Cheung Hon Kit

*Independent Non-Executive Directors:*

Mr. Chuck Winston Calptor  
Mr. Lee Kit Wah  
Mr. Wong Kam Cheong, Stanley

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

Hong Kong, 21 January 2005

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