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If you have sold or transferred all your securities in ITC Corporation Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

GENERAL MANDATES TO ISSUE AND TO REPURCHASE ORDINARY SHARES

Independent Financial Adviser to the Independent Board Committee



First Shanghai Capital Limited

A letter from the independent board committee containing its recommendation to the independent shareholders of ITC Corporation Limited is set out on page 7 of this circular. A letter from First Shanghai Capital Limited, the independent financial adviser to the independent board committee, containing its advice to the independent board committee and the independent shareholders of ITC Corporation Limited is set out on pages 8 to 11 of this circular.

A notice convening a special general meeting of the holders of ordinary shares of ITC Corporation Limited to be held at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Monday, 15 May 2006 at 11:00 a.m. is set out on pages 14 to 16 of this circular. There is a form of proxy for use at the special general meeting of ITC Corporation Limited accompanying this Circular. If holders of ordinary shares of ITC Corporation Limited are not able to attend the meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should they so wish.

28 April 2006

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange
“Connected Person(s)”	has the same meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“Eligible Person(s)”	Any employee of the Company or its subsidiaries, including any Director or any directors of any subsidiary of the Company
“Existing General Mandates”	the general mandates granted to the Directors by the Shareholders at the annual general meeting of the Company held on 12 September 2005 to allot, issue and deal with up to 214,401,708 Shares, representing 20% of the then issued ordinary share capital of the Company and to repurchase up to 107,200,854 Shares, representing 10% of the then issued ordinary share capital of the Company
“Galaxyway”	Galaxyway Investments Limited, a company indirectly wholly owned by Dr. Chan Kwok Keung, Charles (the Chairman of the Company), being the controlling shareholder of the Company holds approximately 34.92% of the issued ordinary share capital of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Chuck Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley, formed to advise the Independent Shareholders on the Issue Mandate
“Independent Financial Adviser”	First Shanghai Capital Limited, the independent financial adviser to the Independent Board Committee and Independent Shareholders, a corporation licensed under the SFO to engage in type 6 (advising on corporate finance) of the regulated activity as defined in the SFO
“Independent Shareholders”	Shareholders other than Galaxyway and its associates
“Issue Mandate”	the mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued ordinary share capital of the Company as at the date of SGM
“Latest Practicable Date”	26 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandates”	the Issue Mandate and Repurchase Mandate
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the mandate proposed to be sought at the SGM to authorise the Directors to exercise power of the Company to repurchase Shares on the Stock Exchange not exceeding 10% of the issued ordinary share capital of the Company as at the date of the SGM
“Scheme Mandate Limit”	has the meaning ascribed to that in the Letter from the Board
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Monday, 15 May 2006 at 11:00 a.m. to approve the refreshment of the Scheme Mandate Limit, the Issue Mandate and the Repurchase Mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the ordinary share capital of the Company
“Share Option Scheme”	The share option scheme of the Company adopted on 16 January 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning as defined in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna (*Deputy Chairman & 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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:

30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

28 April 2006

*To the Shareholders and, for information only, holders
of the redeemable convertible preference shares of the Company*

Dear Sir or Madam,

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME, GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

INTRODUCTION

The purpose of this circular is:

- (a) to provide you with details regarding the refreshing of the 10% limit on grant of options under the Share Option Scheme;
- (b) to provide you with details regarding grant of Issue Mandate;
- (c) to serve as an explanatory statement required by the Listing Rules to be given in relation to the Repurchase Mandate; and
- (d) to give you notice of the SGM.

REFRESHING OF THE 10% LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 16 January 2002. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the Share Option Scheme ("Scheme Mandate Limit"). The Company may refresh the Scheme Mandate Limit by an ordinary resolution of the Shareholders at general meeting provided that the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit. Options previously granted under any existing schemes (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed.

LETTER FROM THE BOARD

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

As at 16 January 2002 (being the date of adoption of the Share Option Scheme), the total number of issued Shares was 630,960,774 thus the Scheme Mandate Limit is 63,096,077 Shares. By an ordinary resolution passed on 12 September 2005, the Scheme Mandate Limit has been refreshed. The current Scheme Mandate Limit is 107,200,854 Shares (represented approximately 10% of Shares in issue as at 12 September 2005).

As at the Latest Practicable Date, there were in issue 1,837,495,145 Shares and no options under the Share Option Scheme have been granted since its date of adoption. No options under the Share Option Scheme or any other share option scheme(s) of the Company were outstanding as at the Latest Practicable Date.

Assuming no further issue or repurchase of Shares prior to the SGM, upon the refreshing of the Scheme Mandate Limit by the Shareholders at the SGM, the Company may grant options entitling holders thereof to subscribe for a total of 183,749,514 Shares (representing approximately 10% of Shares in issue as at the date of the SGM approving the refreshing of the Scheme Mandate Limit). No options may be granted if this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company exceed 30% of the Shares in issue from time to time.

The Company believes the refreshment of the Scheme Mandate Limit would allow the Company to further achieve the purpose of the Share Option Scheme which is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Company. The Directors consider that the refreshing of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole as it provides the Company with more flexibility in providing incentives to those Eligible Persons by way of granting of options.

The refreshing of the Scheme Mandate Limit is conditional on:

- (a) the passing of an ordinary resolution to approve the refreshing of the Scheme Mandate Limit by the Shareholders at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares (representing 10% of the Shares in issue as at the date of the SGM approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of and permission to deal in the Shares (representing a maximum of 10% of the Shares in issue as at the date of the SGM approving the refreshing of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of options under the Share Option Scheme and any other share option scheme(s) of the Company.

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 12 September 2005, general mandates were granted to the Directors authorising them, inter alia, (a) to exercise the powers of the Company to allot and issue a maximum of 214,401,708 Shares; (b) to repurchase Shares not exceeding 10% of the issued ordinary share capital of the Company as at 12 September 2005; and (c) to extend the general mandate to issue the Shares by the number of Shares purchased under the repurchase mandate mentioned in (b) above. Pursuant to the general mandate to issue new Shares granted to the Directors on 12 September 2005, 214,400,000 Shares were issued under a placing by the Company in February 2006. Accordingly, the general mandate granted to the Company on 12 September 2005 were almost fully utilized. Ordinary resolutions will be proposed at the SGM to grant to the Directors a new general mandate authorising them, inter alia, (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the issued ordinary share capital of the Company as at the date of the passing of such resolution; (b) to repurchase Shares not exceeding 10% of the issued ordinary share capital of the Company as at the date of the passing of such resolution; and (c) to extend the general mandate to issue the Shares by the number of Shares purchased under the Repurchase Mandate.

LETTER FROM THE BOARD

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the Issue Mandate and Repurchase Mandate are granted at the SGM. Given the previous general mandate to allot, issue and deal with Shares granted to the Directors were almost fully utilized, the Issue Mandate will provide the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. However, as at the Latest Practicable Date, the Directors have no present intention of any acquisition by the Company nor any plan for raising capital by issuing new Shares. An explanatory statement providing all the information required under the Listing Rules concerning the Repurchase Mandate is set out in the Appendix to this circular.

At the SGM, Galaxyway, the controlling Shareholder of the Company, and its associates will be required to abstain from voting in favour of the resolution to approve the Issue Mandate. An Independent Board Committee comprising Mr. Chuck Winston Calptor, Mr. Lee Kit Wah and Mr. Wong Kam Cheong, Stanley, has been formed to advise the Independent Shareholders on the Issue Mandate and First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Issue Mandate and make recommendations on how to vote in respect of the Issue Mandate. Your attention is drawn to its letter to the Independent Board Committee and the Independent Shareholders set out on pages 8 to 11 and the letter of the Independent Board Committee set out on page 7 of this circular. As regards the other resolutions relating to the refreshment of the Scheme Mandate Limit and the Repurchase Mandate, all Shareholders are entitled to vote.

SGM

A notice convening the SGM is set out on pages 14 to 16 of this circular at which resolutions will be proposed, inter alia, to approve the refreshing of the Scheme Mandate Limit and the grant of the Issue Mandate and the Repurchase Mandate.

A form of proxy for use by the Shareholders for the SGM is enclosed. If you do not intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to bye-law 79 of the bye-laws of the Company, at any general meeting a resolution put to the vote at the meeting shall be determined by a show of hands of the members present in person or by a duly authorised corporate representative or by proxy entitled to vote unless voting by way of a poll is required by the rules of the Designated Stock Exchange or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (1) by the Chairman of the meeting; or
- (2) by at least three (3) members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (3) by any member or members present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) by any member or members present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (5) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting, and if on a show of hand a meeting votes in the opposite manner to that instructed in those proxies, provided that if it is apparent from the total proxies held that a vote taken on a poll shall not reverse the vote taken on a show of hands, then the Director or Directors shall not be required to demand a poll.

LETTER FROM THE BOARD

In accordance with the requirements of the Listing Rules, the results of the poll will be published by way of an announcement in the local newspapers on the business day following the meeting.

RECOMMENDATION

The Directors consider that the refreshing of Scheme Mandate Limit, the Issue Mandate and the Repurchase Mandate are in the best interest of the Company and the Shareholders as a whole and recommend Shareholders to vote in favour of all resolutions to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to (i) Independent Financial Adviser's letter to the Independent Board Committee and the Independent Shareholders set out on pages 8 to 11 and the letter of the Independent Board Committee set out on page 7 of this circular; and (ii) the additional information as set out in the Appendix to this Circular.

Yours faithfully,
For and on behalf of the Board of
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

28 April 2006

To the Independent Shareholders

Dear Sir or Madam,

GENERAL MANDATE TO ISSUE SHARES

We refer to the circular of the Company to the Shareholders dated 28 April 2006 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall bear the same meanings when used herein unless the context requires otherwise.

The Independent Board Committee has been established to give a recommendation to the Independent Shareholders in respect of the proposed Issue Mandate. First Shanghai Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in connection with the proposed Issue Mandate. Details of its advice, together with the principal factors and reasons taken into account in arriving at such advice, are set out in their letter on pages 8 to 11 of the Circular.

Your attention is also drawn to the "Letter from the Board" on pages 3 to 6 of the Circular.

Having taken into account the terms of the Issue Mandate and the advice of the Independent Financial Adviser, we consider that the terms of the Issue Mandate are fair and reasonable in so far as the Independent Shareholders are concerned and the granting of the Issue Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote for the resolutions to be proposed at the SGM to approve the Issue Mandate.

Yours faithfully,

For and on behalf of

The Independent Board of Committee

Chuck Winston Calptor
*Independent Non-executive
Director*

Lee Kit Wah
*Independent Non-executive
Director*

Wong Kam Cheong, Stanley
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from First Shanghai Capital Limited in respect of the Issue Mandate for the purpose of incorporation in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

28 April 2006

*The Independent Board Committee and
the Independent Shareholders*

ITC Corporation Limited
30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Issue Mandate. Details of the Issue Mandate are described in the letter from the Board contained in the circular of the Company dated 28 April 2006 (the "Circular"), of which this letter forms part. Unless otherwise requires, capitalised terms used in this letter have the same meanings as defined in the Circular.

On 15 February 2006, the Board announced that the Company has entered into a placing agreement (the "Placing Agreement") with CLSA Limited (the "Placing Agent") to place in aggregate up to 214.4 million Shares at HK\$0.72 per Share on a best effort basis to more than six independent individual, corporate, institutional or other professional investors (the "Placing"), representing approximately 20% of the then existing issued ordinary share capital of the Company. On 22 February 2006, the Company further announced that the 214.4 million new Shares under the Placing Agreement have been fully subscribed for. The Placing was completed on 24 February 2006. The Placing Shares were issued under the Existing General Mandates. Under the Existing General Mandates, which was granted at the annual general meeting of the Company held on 12 September 2005, the Directors may allot, issue and deal with up to 214,401,708 Shares, representing 20% of the then issued share capital of the Company. As a result of the completion of the Placing, only a further 1,708 Shares can be issued under the Existing General Mandates.

Pursuant to Rule 13.36(4) of the Listing Rules, an ordinary resolution will be required and proposed at a general meeting of the Company to obtain approval from the Independent Shareholders if the Company would like to refresh the number of Shares which the Board may be allowed to allot and issue under the Existing General Mandates before the next annual general meeting, so that the Directors will be entitled to exercise the powers to allot and issue new Shares not exceeding 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the SGM. Galaxyway, the controlling Shareholder, and its associates will be required to abstain from voting in favour of the resolution to approve the Issue Mandate at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on the information and representations contained in the Circular and information provided, and opinions expressed, by the Company and its directors. We have assumed such information and representation were true, accurate and complete at the time they were made and continue to be true as at the date hereof. We have also assumed that all statements of belief, opinion and intention made by the Company and its directors in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company and its directors and the information contained in this Circular. We have also been advised by the Company and its directors that no material facts have been omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted an independent investigation into the business, operations or financial condition of the Group. We have taken reasonable steps as required under Rule 13.80 of the Listing Rules in forming our opinion.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation on the Issue Mandate, we have considered, among other things, the following principal factors and reasons:

Background

The Existing General Mandates were approved at the Company's annual general meeting on 12 September 2005. The Existing General Mandates were based on the then issued Shares of 1,072,008,541. On 15 February 2006, the placing agent agreed to place, on a best effort basis, up to 214.4 million Shares at a price of HK\$0.72 per Share on behalf of the Company (the "Placing"). Upon the completion of the Placing, the Company would only have a further 1,708 new Shares that can be issued under the Existing General Mandates. As stated in the Company's announcement on the same date, the Company expected to raise gross proceeds, before expenses, of approximately HK\$154.4 million. The net proceeds from the Placing was approximately HK\$150 million and there was no specific use for the proceeds other than to be used for general working capital.

Up to the Latest Practicable Date, the net proceeds from the Placing have been utilised to the extent of approximately HK\$37 million as working capital of the Group. The Issue Mandate would then provide the Company with additional flexibility to raise further funds from other sources that may be needed to finance the Group's working capital requirement and/or other investment opportunities that may arise in the future.

Financial flexibility

The Directors believe that the Issue Mandate will provide them with flexibility to issue new Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where new Shares are to be issued as consideration and which has to be completed speedily. However, as at the Latest Practicable Date, the Directors have no present intention of any acquisition by the Company nor any plan for raising capital by issuing new Shares.

Increasing the amount of equity capital raised

As at the Latest Practicable Date, the Company had a total of 1,837,495,145 Shares in issue. Assuming that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be permitted to allot and issue up to 367,499,029 new Shares under the Issue Mandate.

As mentioned above, the Company only has a further 1,708 new Shares which could be allotted and issued under the Existing General Mandates. The Issue Mandate would then allow the Company to further allot and issue a maximum of 367,499,029 new Shares. The Issue Mandate would enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group. The Company would then have an enlarged amount of capital which could be raised under the Issue Mandate to provide for additional financial resources and give the Company more financing options when necessary and negotiating for investment and/or acquisition opportunities in a timely manner.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shortening the time required for fund raising

As stated in the “Letter from the Board” of the Circular, the Company may conduct a transaction involving an acquisition by the Company. As advised by the Directors, funding decisions may have to be made and completed speedily when these investment or acquisition opportunities arise. The Issue Mandate will enable the Company to take advantage of the market condition to raise additional funds for the Company when investment opportunities are identified and/or when the Directors think fit and appropriate. These opportunities may or may not result in issuance of new Shares depending on the circumstances and market conditions. As advised by the Directors, as at the Latest Practicable Date, the Company does not have any definitive investment or acquisition plans with concrete terms now or any immediate funding needs. The Issue Mandate would then enable the Group to allot and issue Shares as consideration or raise capital to fund such opportunities in a short period of time.

Providing an alternative financing method

As indicated by the Directors, the Company may generally consider various methods when raising funds. These include bank and other debt financing, or equity fund raising such as rights issue of new Shares, depending on the financial position, capital structure and cost of funding to the Group. Although there are many fund raising methods as outlined above, we note that these exercises generally tend to involve longer completion time and/or higher costs as well. As such, the Issue Mandate would provide an additional fund raising alternative to the Company without incurring additional debt and interest costs.

Based on the above, we consider that the granting of the Issue Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of new Shares for its business development.

Potential dilution to Shareholders’ shareholding

The table below shows the ordinary shareholding structure of the Company, based on the register of the Company kept under Part XV of the Securities and Futures Ordinance, as at the Latest Practicable Date and the assumed shareholding structure of the Company upon full utilisation of the Issue Mandate:

	Issued Shares as at the Latest Practicable Date		Issued Shares upon full utilisation of the Issue Mandate	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Galaxyway (<i>Note</i>)	641,639,242	34.9	641,639,242	29.1
PMA Capital Management Ltd. as investment manager	216,008,000	11.8	216,008,000	9.8
Shares which may be issued under the Issue Mandate	–	–	367,499,029	16.7
Public Shareholders	<u>979,847,903</u>	<u>53.3</u>	<u>979,847,903</u>	<u>44.4</u>
Total	<u>1,837,495,145</u>	<u>100.0</u>	<u>2,204,994,174</u>	<u>100.0</u>

Note: Galaxyway, a company indirectly wholly owned by Dr. Chan Kwok Keung, Charles, is interested in the 641,639,242 Shares.

Upon full utilisation of the Issue Mandate, 367,499,029 Shares will be issued, representing 20% and approximately 16.7% of the existing issued ordinary share capital and the enlarged issued ordinary share capital of the Company, respectively. The aggregate ordinary shareholding of the existing public Shareholders will decrease from approximately 53.3% to approximately 44.4% after full utilisation of the Issue Mandate, resulting in a dilution of approximately 8.9%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shareholders should note that the Issue Mandate will, if granted, remain effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Bermuda law or bye-laws of the Company; and (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

Taking into account the granting of the Issue Mandate would increase the amount of equity capital that could be raised under the Issue Mandate, shorten the time required for fund raising and provide more financing options to the Group for its business development and potential acquisitions, as well as the fact that the shareholding of all Shareholders would be diluted to the same extent upon utilisation of the Issue Mandate, we consider that the potential dilution to the Independent Shareholders' shareholding is acceptable.

RECOMMENDATION

Having considered all factors referred to above, we consider that the Issue Mandate is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Issue Mandate.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited
Helen Zee **Eric Lee**
Managing Director *Director*

This is an explanatory statement given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares and proposed to be passed by the Shareholders by means of an ordinary resolution at the SGM.

This explanatory statement contains a summary of the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:

Share capital

- As at the Latest Practicable Date, the authorised share capital of the Shares were 3,000,000,000 Shares, of which a total of 1,837,495,145 Shares were issued and fully paid.
- Assuming that no further Shares are issued or repurchased after the Latest Practicable Date and before the date of SGM, there will be 1,837,495,145 Shares in issue, and exercise in full of the Repurchase Mandate would result in up to a maximum of 183,749,514 Shares being repurchased by the Company during the relevant period.

Reasons for repurchases

- The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to purchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

Funding of repurchases

- The repurchase of Shares shall be made with funds legally available for such purpose in accordance with the memorandum of association and the bye-laws of the Company and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.
- As compared to the financial position of the Company as at 31 March 2005 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of Shares will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Directors, their associates and connected persons

- None of the Directors or, to the best of their knowledge having made all reasonable enquiries any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.
- No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

Undertaking of the Directors

- The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Company's bye-laws and the applicable laws of Bermuda.

Share repurchase made by the Company

- The Company had not purchased any Shares, whether on the Stock Exchange or otherwise, in the six months preceding the Latest Practicable Date.

GENERAL

If as a result of a repurchase of Shares an ordinary shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of ordinary shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. If the Company were to repurchase Shares up to the permitted maximum of 10% of the issued ordinary share capital of the Company, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Galaxyway which is ultimately and beneficially owned by Dr. Chan Kwok Keung, Charles, held 641,639,242 Shares representing approximately 34.92% interest in the issued ordinary share capital of the Company. On the basis that no further Shares are issued or repurchased and that there is no change in Galaxyway's shareholding in the Company, in the event that the Repurchase Mandate is exercised in full, the shareholding of Galaxyway would be increased to approximately 38.80% of the issued ordinary share capital of the Company. Should such increase arise, Galaxyway would become obliged to make a mandatory offer for all Shares not already owned by it or its concert parties under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

PRICES OF THE SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
2006		
April (up to the Latest Practicable Date)	0.780	0.720
March	0.820	0.670
February	0.840	0.600
January	0.680	0.540
2005		
December	0.620	0.490
November	0.520	0.480
October	0.580	0.490
September	0.590	0.530
August	0.580	0.510
July	0.570	0.480
June	0.630	0.445
May	0.790	0.500
April	0.880	0.770

NOTICE OF SPECIAL GENERAL MEETING



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

NOTICE IS HEREBY GIVEN that a special general meeting of ITC Corporation Limited (the “Company”) will be held at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Monday, 15 May 2006 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

- (A) **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the ordinary shares of HK\$0.10 each in the capital of the Company (representing 10 per cent. of the ordinary shares of the Company in issue as at the date of passing this resolution) which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 16 January 2002 (the “Scheme”), the refreshing of the scheme limit in respect of the grant of options to subscribe for ordinary shares in the Company under the Scheme provided that the total number of ordinary shares which may be allotted or issued pursuant to the grant or exercise of options under the Scheme and any other share option schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) shall not exceed 10 per cent. of the ordinary shares of the Company in issue as at the date of passing this resolution (the “Refreshed Mandate Limit”) be and is hereby approved and the directors of the Company be and is hereby authorised to grant options under the Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with ordinary shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”
- (B) **“THAT:**
- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
 - (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
 - (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under the outstanding warrants to subscribe for shares of the Company or any securities which are convertible into shares of the Company or the share option scheme of the Company or any scrip dividend in lieu of the whole or part of a dividend on shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF SPECIAL GENERAL MEETING

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(C) **“THAT:**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the Directors;
- (iii) the aggregate nominal amount of the ordinary share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF SPECIAL GENERAL MEETING

- (D) “**THAT** conditional upon resolutions numbered (B) and (C) as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued ordinary shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered (C) above shall be added to the aggregate nominal amount of the ordinary share capital that may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to and in accordance with the resolution numbered (B) as set out in the notice convening this meeting.”

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

Hong Kong, 28 April 2006

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, together with such evidence as the Board may require under the bye-laws of the Company shall be deposited at the Company's principal place of business at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.

As at the date of this notice, the board of directors of the Company comprises:

Executive Directors:
Dr. Chan Kwok Keung, Charles (*Chairman*)
Ms. Chau Mei Wah, Rosanna
(*Deputy Chairman & 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