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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

PROPOSED BONUS ISSUE OF NEW ORDINARY SHARES

The Bonus Issue

As set out in the Announcement, the Directors proposed a bonus issue of new Ordinary Shares to the Ordinary Shareholders whose names appear on the register of Ordinary Shareholders on the Record Date on the basis of one Bonus Share for every five Ordinary Shares held by the Ordinary Shareholders on the Record Date. To qualify for the Bonus Issue, any transfer of Ordinary Shares must be lodged for registration by 4:00 p.m. on Wednesday, 10 October 2007. **The register of Ordinary Shareholders will be closed from Thursday, 11 October 2007 to Monday, 15 October 2007, both days inclusive.** The expected timetable for the Bonus Issue is set out below in this announcement.

As set out in the Announcement, the Board is pleased to announce that the Directors proposed the Bonus Issue to the Ordinary Shareholders on the basis of one Bonus Share for every five Ordinary Shares held on the Record Date. The Bonus Shares to be issued pursuant to the Bonus Issue will be credited as fully paid by way of capitalisation of a portion of the Company's share premium account and will rank pari passu in all respects with the then issued Ordinary Shares with effect from the date of issue, except that they will not be entitled to the Bonus Issue and the final dividend for the year ended 31 March 2007.

As at the date of this announcement, there was an aggregate of 2,172,982,368 Ordinary Shares in issue. Assuming no further Ordinary Shares are issued or repurchased before the Record Date, 434,596,473 Bonus Shares will be issued under the Bonus Issue and there will be a total of 2,607,578,841 Ordinary Shares in issue as enlarged by the issue of 434,596,473 Bonus Shares. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount of approximately HK\$43.5 million in the share premium account of the Company.

Because the Bonus Issue is on the basis of one Bonus Share for every five Ordinary Shares held on the Record Date, the Company will not allot any fractions of Bonus Shares.

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Ordinary Shareholders at the special general meeting of the Company; and

- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue.

Subject to fulfillment of the above conditions precedent, certificates for the Bonus Shares are expected to be despatched to the Ordinary Shareholders on or about Monday, 5 November 2007.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue. The Bonus Shares are not listed or dealt in any other stock exchanges nor is listing or permission to deal in the same being or proposed to be sought from any other stock exchanges.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from the date of commencement of dealings in the Bonus Shares or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading day thereafter. All activities under the CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from time to time. It is expected that the dealing in Bonus Shares on the Stock Exchange will commence on Wednesday, 7 November 2007.

SHARE CERTIFICATES OF THE BONUS SHARES

In the absence of any specific instruction to the contrary received in writing by Tricor Secretaries Limited, the Company's branch share registrar in Hong Kong, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the register of Ordinary Shareholders or in the case of joint holders, to the address of the joint holder whose name stands first in the register of Ordinary Shareholders in respect of the joint holding. It is expected that certificates for the Bonus Shares will be posted to those entitled thereto at their own risk by ordinary mail on or about Monday, 5 November 2007. Dealings in the Bonus Shares are subject to stamp duty pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

OVERSEAS SHAREHOLDERS

As at the date of this announcement, the Company has certain Ordinary Shareholders whose addresses as shown on the register of Ordinary Shareholders are located in a number of places outside Hong Kong. The Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for the Company's offering the Bonus Shares to the Overseas Shareholders pursuant to Rule 13.36(2) of the Listing Rules, and details including an explanation for the exclusion (if any) of the Overseas Shareholders will be disclosed in the circular of the Company accordingly.

Overseas Shareholders will not be allotted the Bonus Shares if the laws of jurisdiction at which their registered address is located prohibit the Company from allotting the Bonus Shares to them, or require the Company to comply with any requirements (such as filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them would be sold in the market as soon as practicable after dealings in the Bonus Shares commence if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholder, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

REASONS FOR THE BONUS ISSUE

The Board believes that the Bonus Issue is a return to the long-term support of the Ordinary Shareholders. The Bonus Issue will also allow the Ordinary Shareholders to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

CLOSURE OF REGISTER OF ORDINARY SHAREHOLDERS

The register of Ordinary Shareholders will be closed from Thursday, 11 October 2007 to Monday, 15 October 2007, both dates inclusive, during which period no transfer of Ordinary Shares will be effected. The last day for dealing in Ordinary Shares on a cum-Entitlement basis will be Monday, 8 October 2007.

In order to qualify for the Entitlement, person(s) who would like to be registered as Ordinary Shareholders should lodge forms of transfer with the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 10 October 2007.

ODD LOT ARRANGEMENTS

In order to facilitate the trading of odd lots of Ordinary Shares after the Bonus Issue, Taifook Securities Company Limited will be appointed by the Company to provide a matching service to those Ordinary Shareholders who wish to acquire or to dispose of their holdings of odd lots of Ordinary Shares. Holders of odd lots of Ordinary Shares who wish to take advantage of this trading facility should contact Mr. Gilbert Lam of Taifook Securities Company Limited at 25th Floor, New World Tower, 16-18 Queen's Road Central, Hong Kong (telephone number: (852) 2160 9963) during the period from Monday, 5 November, 2007 to Tuesday, 27 November 2007, both dates inclusive. Ordinary Shareholders should note that successful matching of the sale and purchase of odd lots of the Ordinary Shares is not guaranteed.

EXPECTED TIMETABLE

2007

Despatch of the circular by the Company to the shareholders of the Company	on or before Tuesday, 21 August
Special general meeting of the Company	Wednesday, 19 September
Last day of dealings in the Ordinary Shares on a cum-Entitlement basis	Monday, 8 October
Commencement of dealings in the Ordinary Shares on an ex-Entitlement basis	Tuesday, 9 October
Latest time for lodging transfer of the Ordinary Shares in order to be entitled to the Bonus Shares	4:00 p.m. on Wednesday, 10 October
Register of Ordinary Shareholders closes for the Bonus Issue	Thursday, 11 October to Monday, 15 October (both dates inclusive)
Record Date	Monday, 15 October
Register of Ordinary Shareholders reopens	Tuesday, 16 October
Certificates for the Bonus Shares expected to be despatched	Monday, 5 November
Commencement of dealings in the Bonus Shares	Wednesday, 7 November

The expected timetable may be subject to change(s) by the Company and is subject to fulfillment of all conditions precedent to the Bonus Issue. The Company will make further announcements if such changes are made.

DEFINITIONS

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

“Announcement”	the results announcement of the Company for the year ended 31 March 2007 dated 27 July 2007
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the Bonus Shares to the Ordinary Shareholders whose names appear on the register of Ordinary Shareholders at the close of business on the Record Date on the basis of one Bonus Share for every five Ordinary Shares held on that day

“Bonus Shares”	new Ordinary Share(s) to be issued by way of the Bonus Issue by the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Entitlement”	entitlement to the Bonus Issue
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Ordinary Shareholders whose addresses as shown on the register of Ordinary Shareholders on the Record Date are outside Hong Kong
“Record Date”	Monday, 15 October 2007, being the date to determine the Entitlement of each Ordinary Shareholder
“Ordinary Share(s)”	ordinary share(s) of a nominal value of HK\$0.10 each in the capital of the Company
“Ordinary Shareholder(s)”	holder(s) of the Ordinary Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
ITC CORPORATION LIMITED
Law Hon Wa, William
Company Secretary

Hong Kong, 1 August 2007

As at the date of this announcement, the Directors 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, *JP*