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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**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 the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of ITC Corporation Limited.

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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

### **PROPOSED BONUS ISSUE OF NEW ORDINARY SHARES**

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A notice convening the special general meeting of ITC Corporation Limited to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Wednesday, 19 September 2007 at 11:05 a.m. (or so soon thereafter as the annual general meeting of ITC Corporation Limited convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) is set out on pages 8 and 9 of this circular. If you are not able to attend the meeting, you 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 ITC Corporation Limited 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.

21 August 2007

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>EXPECTED TIMETABLE</b> .....	3
<b>LETTER FROM THE BOARD</b>	
INTRODUCTION .....	4
PROPOSED BONUS ISSUE .....	4
CLOSURE OF REGISTER OF ORDINARY SHAREHOLDERS .....	6
ODD LOT ARRANGEMENTS .....	6
ADJUSTMENTS TO THE CONVERSION PRICE OF THE PREFERENCE SHARES .....	6
GENERAL .....	6
PROCEDURE BY WHICH A POLL MAY BE DEMANDED .....	6
RECOMMENDATION .....	7
RESPONSIBILITY STATEMENT .....	7
<b>NOTICE OF SPECIAL GENERAL MEETING</b> .....	8

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## DEFINITIONS

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

“Board”	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 Share(s)”	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(s)”	the director(s) of the Company
“Entitlement”	entitlement to the Bonus Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 August 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Share(s)”	ordinary share(s) of a nominal value of HK\$0.10 each in the share capital of the Company
“Ordinary Shareholder(s)”	holder(s) of the Ordinary Share(s)
“Overseas Shareholder(s)”	Ordinary Shareholder(s) whose address(es) as shown on the register of Ordinary Shareholders on the Record Date are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Preference Share(s)”	redeemable convertible preference share(s) of a nominal value of HK\$0.10 each in the share capital of the Company
“Preference Shareholder(s)”	holder(s) of the Preference Share(s)
“Record Date”	Monday, 15 October 2007, being the date to determine the Entitlement of each Ordinary Shareholder

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## DEFINITIONS

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“SGM”	a special general meeting of the Company to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Wednesday, 19 September 2007 at 11:05 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) to approve matters related to the Bonus Issue
“Shareholder(s)”	Ordinary Shareholder(s) and Preference Shareholder(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## EXPECTED TIMETABLE

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The expected timetable is set out below:-

**2007**

SGM .....	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
First day of odd lot facility .....	Monday, 5 November
Commencement of dealings in the Bonus Shares .....	9:30 a.m. on Wednesday, 7 November
Last day of odd lot facility .....	Tuesday, 27 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 announcement(s) if such changes are made.

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## LETTER FROM THE BOARD

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# 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 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*

*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

21 August 2007

*To the Ordinary Shareholders and, for information only,  
the Preference Shareholders*

Dear Sir or Madam,

## PROPOSED BONUS ISSUE OF NEW ORDINARY SHARES

### INTRODUCTION

The purpose of this circular is to provide you with information in respect of the Bonus Issue.

### PROPOSED BONUS ISSUE

#### (1) Introduction

On 27 July 2007, the Directors proposed that the Bonus Issue will be made 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 Latest Practicable Date, there was an aggregate of 2,174,001,598 Ordinary Shares in issue. Assuming that no conversion of rights attached to the Preference Shares and no further Ordinary Shares will be issued or repurchased before the Record Date, there would be 2,174,001,598 Ordinary Shares in issue on the Record Date. Accordingly, 434,800,319 Bonus Shares will be issued under the Bonus Issue and there will be a total of 2,608,801,917 Ordinary Shares in issue as enlarged by the issue of 434,800,319 Bonus Shares. As at the Latest Practicable Date, there were 265,062,000 Preference Shares in issue. In the event that all such Preference Shares were converted into Ordinary Shares, a further 270,159,346 Ordinary Shares would be required to be issued.

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. It is proposed that the Directors be authorised to capitalise an amount of approximately HK\$43.5 million standing to the credit of the share premium account of the Company and to apply such amount in paying up in full the Bonus Shares.

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## LETTER FROM THE BOARD

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### (2) Fractions of Bonus Shares

Because the Bonus Issue is made 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. Any fractional Bonus Shares will be aggregated and sold for the benefit of the Company.

### (3) Conditions precedent to the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Ordinary Shareholders at the SGM; and
- (ii) the Listing Committee 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.

### (4) Listing and dealings

Application will be made to the Listing Committee 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 Operational Procedures in effect from time to time. It is expected that the dealings in Bonus Shares on the Stock Exchange will commence on Wednesday, 7 November 2007.

### (5) 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).

### (6) Overseas Shareholders

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 his 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.

As at the Latest Practicable Date, the Company had certain Ordinary Shareholders whose addresses as shown on the register of Ordinary Shareholders are located in a number of places outside Hong Kong and in Canada, the PRC, the British Virgin Islands, Australia and Singapore. As such, the Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquires regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges.

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## LETTER FROM THE BOARD

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The Directors have been advised by the relevant legal advisers that there is no restriction on, or there is an applicable exemption for, extending the Bonus Issue to the Overseas Shareholders in Canada, the PRC, the British Virgin Islands, Australia and Singapore. Therefore, the provisional allotment of the Bonus Shares to such Overseas Shareholders will be made.

### **(7) 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 dealings in the 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 26th Floor, 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.

### **ADJUSTMENTS TO THE CONVERSION PRICE OF THE PREFERENCE SHARES**

The conversion price of the Preference Shares will be required to be adjusted as a result of the Bonus Issue. A further announcement will be made in relation to such adjustment as and when appropriate.

### **GENERAL**

The notice of the SGM to the Ordinary Shareholders is set out on pages 8 and 9 of this circular. The notice will also be sent to the Preference Shareholders for information only. A form of proxy for use at the SGM is enclosed. Whether or not Ordinary Shareholders are able to attend the SGM, Ordinary Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon 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 but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude Ordinary Shareholders from attending and voting in person at the SGM or any adjournment thereof should Ordinary Shareholders so wish.

### **PROCEDURE BY WHICH A POLL MAY BE DEMANDED**

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 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



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## LETTER FROM THE BOARD

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- (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.

In accordance with the requirements of the Listing Rules, the results of the polls will be published by way of an announcement on the websites of the Stock Exchange and the Company.

### **RECOMMENDATION**

The Board is of the opinion that the proposed Bonus Issue is in the interests of the Company and the Shareholders as a whole, and so recommends the Ordinary Shareholders to vote in favour of the resolution to be proposed at the SGM.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,  
On behalf of the Board of  
**ITC Corporation Limited**  
**Dr. Chan Kwok Keung, Charles**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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# 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 B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Wednesday, 19 September 2007 at 11:05 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution):–

- (a) upon the recommendation of the directors of the Company (the “Directors”), an amount of approximately HK\$43.5 million standing to the credit of the share premium account of the Company be capitalised and the Directors be and are hereby authorised to apply such amount in paying up in full at par of approximately 434,800,319 new ordinary shares of HK\$0.10 each in the share capital of the Company (the “Bonus Shares”), subject to adjustment by reference to the number of ordinary shares of the Company in issue on the Record Date (as defined hereinafter), to be allotted, issued and distributed, credited as fully paid, to the members of the Company whose names appear on the register of ordinary shareholders of the Company on 15 October 2007 (the “Record Date”), on the basis of one Bonus Share for every five ordinary shares of HK\$0.10 each in the share capital of the Company then held by them respectively (the “Bonus Issue”);
- (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum of association and bye-laws of the Company, rank *pari passu* in all respects with the existing issued ordinary shares of HK\$0.10 each in the share capital of the Company as at the date of issuing such Bonus Shares, except that they will not be eligible for the Bonus Issue mentioned in this resolution and the final dividend of the Company for the year ended 31 March 2007; and
- (c) the Directors be and are hereby authorised to do all acts and things as may be necessary or in their opinion expedient in connection with the allotment and issue of the Bonus Shares including but not limited to arrangements in relation to fractional entitlements, adjustment of the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be allotted and issued in the manner referred to in paragraph (a) above and rounding fractional entitlements in accordance with the bye-laws of the Company.”

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

Hong Kong, 21 August 2007

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

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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## NOTICE OF SPECIAL GENERAL MEETING

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*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 notorially 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 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 the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.
3. The register of holders of ordinary shares of the Company will be closed for the purposes of determining the entitlements to the Bonus Shares from Thursday, 11 October 2007 to Monday, 15 October 2007, both dates inclusive, during which period no transfers of ordinary shares shall be effected. In order to qualify for the Bonus Shares, all transfers of ordinary shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by 4:00 p.m. on Wednesday, 10 October 2007.

As at the date of this notice, 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*