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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, 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 takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims 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 ISSUE AND PLACING OF CONVERTIBLE NOTES**

#### **Placing Agent**



TAIFOOK SECURITIES COMPANY LIMITED

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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 Monday, 15 October 2007 at 11:00 a.m. is set out on pages 10 and 11 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.

24 September 2007

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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 the Directors
“Bonus Issue”	the proposed issue of the Bonus Shares to the Shareholders whose names appear on the register of the Shareholders at the close of business on 15 October 2007 on the basis of one Bonus Share for every five Shares held on that day, which has been approved by the Shareholders at the special general meeting held on 19 September 2007. Certificates for the Bonus Shares are expected to be despatched on 5 November 2007, details of the Bonus Issue (including the relevant conditions and proposed timetable) were set out in the Company’s announcements dated 27 July 2007 and 1 August 2007 and circular dated 21 August 2007
“Bonus Share(s)”	new Share(s) to be issued by way of the Bonus Issue by the Company
“Business Day”	any day (excluding Saturday and Sunday) on which banks in Hong Kong are open for business
“Company”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Share(s)”	new Share(s) falling to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	the convertible note(s) in an aggregate principal amount of up to HK\$200,000,000 which may be issued by the Company pursuant to the Placing Agreement
“Director(s)”	the director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the Chairman and a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$328,000,000 comprising 3,000,000,000 Shares and 280,000,000 Preference Shares to HK\$1,028,000,000 by the creation of 7,000,000,000 Shares as detailed in the Company’s circular dated 31 July 2007 which has been approved by the Shareholders at the annual general meeting held on 19 September 2007
“Independent Third Party(ies)”	party(ies) who, together with its/their ultimate beneficial owner(s), is/are person(s) independent of the Company and its connected persons
“Initial Conversion Price”	HK\$0.75 per Conversion Share, subject to adjustments from the date of the Placing Agreement
“Latest Practicable Date”	19 September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder(s)”	holder(s) of the Convertible Notes

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## DEFINITIONS

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“Placee(s)”	the placee(s) to be procured by Taifook Securities under the Placing, all of which and its/their respective beneficial owners is/are Independent Third Party(ies)
“Placing”	the placing of the Convertible Notes, on a best effort basis, by the Placing Agent pursuant to the Placing Agreement
“Placing Agent” or “Taifook Securities”	Taifook Securities Company Limited, a corporation licensed to carry out types 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 5 September 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Preference Share(s)”	the redeemable convertible preference share(s) of HK\$0.10 each in the share capital of the Company issued by the Company in early 1997 as non-redeemable convertible preference shares and converted into redeemable convertible preference shares on 3 November 2004 with a redemption value of HK\$1.06 per preference share, which are listed on the Stock Exchange and will be redeemed on 3 November 2007 (or on the next following business day if it is not a business day), details of which were set out in the Company’s announcements dated 18 August 2004, 13 October 2004 and 29 October 2004 and the Company’s circular dated 21 September 2004. As at the Latest Practicable Date, there were 265,062,000 redeemable convertible preference shares in issue
“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 Monday, 15 October 2007 at 11:00 a.m. to approve, among other things, the Placing Agreement and the transactions contemplated under the Placing Agreement (including the issue of the Convertible Notes and Conversion Shares)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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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, *SBS, 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

24 September 2007

*To the Shareholders and, for information only, holders of Preference Shares*

Dear Sir or Madam,

## PROPOSED ISSUE AND PLACING OF CONVERTIBLE NOTES

### INTRODUCTION

On 5 September 2007, the Company announced that it and the Placing Agent entered into the Placing Agreement in respect of the proposed issue and placing of Convertible Notes. The purpose of this circular is to provide you with information in respect of the Placing Agreement.

### THE PLACING AGREEMENT

On 5 September 2007, the Company and the Placing Agent entered into the Placing Agreement pursuant to which, among other things, the Placing Agent conditionally agreed to place, on a best effort basis, up to a maximum principal amount of HK\$200,000,000 Convertible Notes which are convertible into 266,666,666 Conversion Shares at an Initial Conversion Price of HK\$0.75 per Conversion Share (subject to adjustments), to not less than six Placees who will be Independent Third Parties.

Pursuant to the Placing Agreement, the Convertible Notes will not be offered or sold by the Placing Agent to any person who, to the best knowledge and belief of the Placing Agent, will become a substantial shareholder of the Company upon exercise of the conversion rights attaching to the Convertible Notes save with the prior written approval from the Company. It is expected that none of the Placees will become a substantial shareholder of the Company upon full conversion of the Convertible Notes.

### Placing Agent

The Placing Agent is Taifook Securities. The Placing Agent and its holding company, Taifook Securities Group Limited (a company which shares are listed on the Stock Exchange), are Independent Third Parties. The Placing Agent will receive a placing commission of 2% on the gross proceeds from the Placing on a best effort basis of the Convertible Notes with a principal amount of up to HK\$200 million. The placing commission will be payable by the Company upon completion of the Placing.

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## LETTER FROM THE BOARD

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### Principal terms of the Convertible Notes

Issuer:	the Company
Maximum aggregate principal amount:	Up to HK\$200,000,000
Initial Conversion Price:	HK\$0.75 per Conversion Share

The Initial Conversion Price was determined on an arm's length basis between the Company and the Placing Agent with reference to, among other things, the recent performance of the price of the Shares.

The Initial Conversion Price is subject to anti-dilutive adjustments, including consolidation or subdivision of the Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events, which may or may not occur at any time from the date of the Placing Agreement. Adjustment to the Initial Conversion Price shall be certified either (at the option of the Company) by the auditor of the Company for the time being or by a merchant bank of repute in Hong Kong or financial advisor selected by the Company.

The Initial Conversion Price of HK\$0.75 per Conversion Share represents (i) a premium of approximately 8.7% over the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; (ii) a premium of approximately 9.0% over the average of the closing prices of approximately HK\$0.688 per Share in the last five consecutive trading days as quoted on the Stock Exchange prior to and including the date of the Placing Agreement; (iii) a premium of approximately 9.6% over the average of the closing prices of approximately HK\$0.684 per Share in the last ten consecutive trading days as quoted on the Stock Exchange prior to and including the date of the Placing Agreement; (iv) a premium of approximately 7.1% over the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and (v) a discount of approximately 50% to the audited consolidated net assets value attributable to equity holders of the Company of approximately HK\$1.5 per Share as at 31 March 2007.

Interest:	5% per annum, payable semi-annually
Maturity date:	The second anniversary of the date of issue of the Convertible Notes
Redemption:	On the maturity date, the Noteholder shall be entitled to demand from the Company the full repayment of the outstanding principal amount of any outstanding and unconverted Convertible Notes (if any) plus accrued and unpaid interest in respect of the outstanding principal amount of the outstanding and unconverted Convertible Notes in cash. This is without prejudice to the right of the Noteholder prior to the expiry of the conversion period to convert (i) the whole (but not part only) of the outstanding principal amount of the outstanding and unconverted Convertible Notes into Shares or (ii) part thereof into Shares and to require the full repayment on the maturity date of the remaining principal balance thereof plus accrued and unpaid interest in respect of the outstanding principal amount of the outstanding and unconverted Convertible Notes in cash.
Transferability:	The Convertible Notes will be freely transferable but may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company. The Company shall inform the Stock Exchange when there is any transfer or assignment of Convertible Notes to a connected person of the Company.
Conversion period:	A Noteholder shall have the right at any time and from time to time during the period commencing immediately on and including the 7th day after the date of issue of the Convertible Notes (or such earlier date as may be agreed in writing between the Company and the Noteholder) up to and including the date which is 7 days prior to the maturity date to convert the whole or part of the principal amount of the Convertible Note(s) in amounts of not less than HK\$1,000,000 (and in integral multiples of HK\$1,000,000) of the principal amount outstanding under the Convertible Notes into Conversion Shares on each conversion, save that if at any time, the principal amount outstanding of the Convertible Notes is less than HK\$1,000,000 the whole (but not part only) of the outstanding principal amount of the Convertible Notes may be converted.

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## LETTER FROM THE BOARD

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- Voting rights: The Noteholder will not be entitled to receive notice of, attend or vote at any general meeting of the Company by reason only of it being the Noteholder.
- Listing: No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchanges. An application has been made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Convertible Notes.
- Ranking: The Convertible Notes will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
- The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Notes will, when issued, rank pari passu in all respects with all other Shares in issue as at the date of conversion.

### Conversion Shares

Assuming that the maximum aggregate principal amount of HK\$200,000,000 Convertible Notes are placed by the Placing Agent, upon full conversion of the Convertible Notes at the Initial Conversion Price (subject to adjustments), a total of 266,666,666 Conversion Shares will be issued, representing (i) approximately 12.3% of the issued ordinary share capital of the Company as at the Latest Practicable Date; and (ii) approximately 10.9% of the issued ordinary share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes.

### Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) approval for the listing of, and permission to deal in, the Conversion Shares;
- (ii) the passing by the Shareholders at the SGM of the resolution in compliance with the Listing Rules to approve the transactions contemplated under the Placing Agreement including but not limited to the issue of the Convertible Notes and the Conversion Shares; and
- (iii) the passing by the Shareholders at the annual general meeting of the Company held on 19 September 2007 to approve the Increase in Authorised Share Capital.

If the above conditions are not fulfilled on or before 30 October 2007 (or such later date as may be agreed between the Placing Agent and the Company in writing), the Placing Agreement shall thereupon lapse and become null and void and the parties will be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

As at the date of the Placing Agreement, the authorised share capital of the Company was HK\$328,000,000 divided into 3,000,000,000 Shares and 280,000,000 Preference Shares, of which 2,174,001,598 Shares and 265,062,000 Preference Shares were in issue. As such, the remaining number of Shares which the Company may issue and allot under the then authorised share capital of 825,998,402 is insufficient to cover the issue of the Bonus Shares and the Conversion Shares, and any Shares which may be issued upon exercise of the share options which may be granted by the Company under its existing share option scheme and the conversion rights attached to the Preference Shares. As such, the completion of the Placing Agreement is conditional upon the passing by the Shareholders at the annual general meeting held on 19 September 2007 to approve the Increase in Authorised Share Capital. The Increase in Authorised Share Capital has been approved by the Shareholders on 19 September 2007.

### Completion of the Placing

Completion of the Placing shall take place on the third Business Day after fulfilment of the last of the above conditions (or such other date as may be agreed between the Company and the Placing Agent).

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) immediately after full conversion of the Convertible Notes at the Initial Conversion Price (assuming the maximum principal amount of the Convertible Notes of HK\$200 million has been placed by the Placing Agent) is set out in the table below assuming that there is no other change in the issued ordinary share capital of the Company as at the Latest Practicable Date except for the issue of the Conversion Shares.

Shareholders	As at the Latest Practicable Date		Immediately after full conversion of the Convertible Notes at the Initial Conversion Price	
	Shares	%	Shares	%
Galaxyway (Note)	642,939,242	29.5	642,939,242	26.3
Dr. Chan	40,888,000	1.9	40,888,000	1.7
	<u>683,827,242</u>	<u>31.4</u>	<u>683,827,242</u>	<u>28.0</u>
<b>Public</b>				
– Placees	–	–	266,666,666	10.9
– Other public Shareholders	1,490,174,356	68.6	1,490,174,356	61.1
<b>Subtotal of public</b>	<u>1,490,174,356</u>	<u>68.6</u>	<u>1,756,841,022</u>	<u>72.0</u>
<b>Total</b>	<u><b>2,174,001,598</b></u>	<u><b>100.0</b></u>	<u><b>2,440,668,264</b></u>	<u><b>100.0</b></u>

As the Bonus Issue has not become unconditional as at the Latest Practicable Date, the above table has not taken into account the effect on the shareholding structure as a result of the Bonus Issue.

In the event that the Bonus Shares are issued, the Initial Conversion Price would be adjusted to HK\$0.63 (“Adjusted Initial Conversion Price”) (subject to (a) the certification either by the auditor of the Company or by a merchant bank or financial advisor selected by the Company and (b) other adjustments) as a result of the Bonus Issue in accordance with the terms of the Placing Agreement or the terms of the Convertible Notes (as the case may be) assuming that there are no other changes to the shareholding structure of the Company. Set out below is a table showing the Company’s shareholding structure (i) as at the Latest Practicable Date; (ii) immediately after the Bonus Issue; and (iii) immediately after the Bonus Issue and full conversion of the Convertible Notes at the Adjusted Initial Conversion Price (assuming the maximum principal amount of the Convertible Notes of HK\$200 million has been placed by the Placing Agent and there is no other change in the issued ordinary share capital of the Company as at the Latest Practicable Date except for the issue of the Bonus Shares and the Conversion Shares).

Shareholders	As at the Latest Practicable Date		Immediately after the Bonus Issue		Immediately after the Bonus Issue and full conversion of the Convertible Notes at the Adjusted Initial Conversion Price	
	Shares	%	Shares	%	Shares	%
Galaxyway (Note)	642,939,242	29.5	771,527,090	29.5	771,527,090	26.3
Dr. Chan	40,888,000	1.9	49,065,600	1.9	49,065,600	1.7
	<u>683,827,242</u>	<u>31.4</u>	<u>820,592,690</u>	<u>31.4</u>	<u>820,592,690</u>	<u>28.0</u>
<b>Public</b>						
– Placees	–	–	–	–	317,460,317	10.9
– Other public Shareholders	1,490,174,356	68.6	1,788,209,227	68.6	1,788,209,227	61.1
<b>Subtotal of public</b>	<u>1,490,174,356</u>	<u>68.6</u>	<u>1,788,209,227</u>	<u>68.6</u>	<u>2,105,669,544</u>	<u>72.0</u>
<b>Total</b>	<u><b>2,174,001,598</b></u>	<u><b>100.0</b></u>	<u><b>2,608,801,917</b></u>	<u><b>100.0</b></u>	<u><b>2,926,262,234</b></u>	<u><b>100.0</b></u>

Note: Galaxyway Investments Limited (“Galaxyway”) is a company indirectly beneficially wholly-owned by Dr. Chan, the Chairman and a substantial shareholder of the Company.



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## LETTER FROM THE BOARD

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### DILUTION EFFECT ON SHAREHOLDERS

As the Company foresees that there will be future dilution effect on the Shareholders resulting from the exercise of the conversion rights attaching to the Convertible Notes, the Company will keep the Shareholders informed of the level of dilution effect and all relevant details of any conversion of the Convertible Notes in the following manner:

- (a) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange. Such announcement will be made on or before the fifth Business Day following the end of each calendar month and will include the following details:
  - (i) whether there is any conversion of the Convertible Notes during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
  - (ii) the principal amount of outstanding Convertible Notes after the conversion, if any;
  - (iii) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company or exercise of conversion rights attached to the Preference Shares by the holders, if any; and
  - (iv) the total issued ordinary share capital of the Company as at the commencement and the last day of the relevant month; and
- (b) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued ordinary share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (a) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued ordinary share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be).

### SPECIFIC MANDATE

The Directors were granted the existing general mandate at the annual general meeting held on 13 September 2006 (“2006 AGM”) to allot, issue and otherwise deal with a maximum of 367,499,029 Shares, representing 20% of the total amount of the issued share capital of the Company of 1,837,495,145 Shares as at the date of the 2006 AGM.

Since the date of the 2006 AGM, the Company has utilised a portion of the existing general mandate by the allotment and issue of an aggregate of 300,000,000 Shares for the allotment and issue of Shares under a placing and top up subscription in June 2007 as announced by the Company on 18 June 2007. As at the date of the Placing Agreement, only a total of 67,499,029 new Shares may further be allotted and issued under the general mandate.

Since the balance of the then general mandate is insufficient to cover the Conversion Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes, the Company will seek the grant of a specific mandate at the SGM to allot and issue Shares to satisfy the Conversion Shares.

### REASONS FOR THE PLACING

The Company is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the Group comprise investment holding, provision of finance, property investment and treasury investment.

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## LETTER FROM THE BOARD

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The Directors consider that the recent market sentiment provides a good opportunity for the Company to raise funds. Assuming all the Convertible Notes are successfully placed by the Placing Agent, the total gross proceeds from the Placing would amount to HK\$200 million. After deducting related expenses of approximately HK\$4.7 million, approximately HK\$195.3 million will be made available for the Group. It is intended that all of the net proceeds will be used to redeem the outstanding Preference Shares. As at the Latest Practicable Date, there were 265,062,000 Preference Shares in issue. Assuming there being no exercise of conversion rights attached to the Preference Shares by the holders thereof from the Latest Practicable Date and up to the date of redemption of the Preference Shares (the "PS Redemption Date"), the Company will have to pay a redemption amount of approximately HK\$281 million to redeem the outstanding Preference Shares. The Company considers that the Placing will provide the Company with a material portion of the necessary funds to execute the redemption of the Preference Shares. In the event that the net proceeds from the Placing is not sufficient to redeem all outstanding Preference Shares on the PS Redemption Date, the Company intends to finance such remaining balance by internal resources. On the other hand, in case the Preference Shares are converted to an extent that the amount required for the redemption of the outstanding Preference Shares at the PS Redemption Date is less than that of the net proceeds arising from Placing, the Directors intend to apply the excess portion (if any) as general working capital of the Group.

The Company has considered various ways of raising funds other than the placing of Convertible Notes, such as bank borrowings, placing of Shares, rights issue and open offer. However, the Company considers that such other methods of financing would be less preferable and effective than the placing of Convertible Notes in view of the immediate dilution effect to the existing Shareholders under a placing of Shares, the size of the new capital to be raised and the relatively higher cost and longer time involved in other funding arrangement such as rights issue, open offer and bank borrowings. The Company considers the placing of Convertible Notes as the most convenient, quickest and best available fund-raising methods as compared to the other methods of financing under current circumstances.

Having regard to the above, the Directors consider that the terms of the Placing Agreement (including the terms of the Convertible Notes) are fair and reasonable and the entering into of the Placing Agreement is in the interests of the Company and its shareholders as a whole.

### FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

As announced by the Company on 18 June 2007, on 16 June 2007, the Company, Dr. Chan and Kingston Securities Limited had entered into a placing and subscription agreement, pursuant to which (i) Dr. Chan agreed to place, through Kingston Securities Limited, an aggregate of 300,000,000 Shares at a price of HK\$0.74 per Share to not less than six placees; and (ii) the Company agreed to issue and Dr. Chan agreed to subscribe for 300,000,000 Shares at a price of HK\$0.74 per Share. The subscription by Dr. Chan was completed on 29 June 2007 and net proceeds of approximately HK\$215.3 million was received by the Company from the subscription by Dr. Chan. It was intended that the net proceeds would be used as general working capital of the Group. As at the Latest Practicable Date, approximately HK\$104.4 million of such proceeds has been used.

### GENERAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, certain holders of the Preference Shares were holding 1,062 Shares, representing approximately 0.00005% of the voting rights of the Company. Given the net proceeds from the Placing will be used to redeem the outstanding Preference Shares, Shareholders who are also holders of the Preference Shares shall abstain from voting at the SGM on the resolution to approve the Placing Agreement and the transactions contemplated thereunder by way of poll.

The notice of the SGM to the Shareholders is set out on pages 10 and 11 of this circular. The notice will also be sent to the holders of the Preference Shares for information only. A form of proxy for use at the SGM is enclosed. Whether or not Shareholders are able to attend the SGM, 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 Shareholders from attending and voting in person at the SGM or any adjournment thereof should Shareholders so wish.

**Shareholders, holders of the Preference Shares and investors of the Company should be aware of and take note that the Placing is conducted on a best effort basis and completion of the Placing Agreement is conditional upon satisfaction of all the conditions precedent set out in the Placing Agreement and accordingly may or may not proceed. Shareholders, holders of the Preference Shares and investors of the Company are advised to exercise caution when dealing in the Shares and the Preference Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

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## LETTER FROM THE BOARD

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### 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
- (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 terms of the Placing Agreement are fair and reasonable and the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole, and therefore recommends the 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 Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, 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 the 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 Monday, 15 October 2007 at 11:00 a.m. 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:**

- (i) the terms of the conditional placing agreement (the "Placing Agreement") (a copy of which has been produced to this Meeting marked "A" and initialed by the chairman of the Meeting for identification) dated 5 September 2007, between the Company as issuer and Taifook Securities Company Limited ("Taifook Securities") as placing agent pursuant to which, inter alia, subject to the fulfillment of the conditions set out therein, Taifook Securities has agreed to procure, on a best effort basis, subscribers to subscribe for up to HK\$200,000,000 principal amount of convertible notes to be issued by the Company (collectively, the "Convertible Notes") subject to the terms as set out in the Placing Agreement, entitling the holders thereof to convert the principal amount thereof into new ordinary shares of HK\$0.10 each of the Company (the "Conversion Shares") at an initial conversion price of HK\$0.75 per Conversion Share (subject to adjustments), the details of which are described in the circular of the Company dated 24 September 2007, be and are hereby approved;
- (ii) the issue by the Company of the Convertible Notes in accordance with the Placing Agreement, be and is hereby approved;
- (iii) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares (either conditionally or subject only to conditions to which the Company does not reasonably object), allotment and issue by the Company of the Conversion Shares upon the exercise of any of the conversion rights attaching to the Convertible Notes by the holders thereof in accordance with the terms of the Convertible Notes be and is hereby approved; and
- (iv) the directors of the Company be and are hereby authorized to exercise all the powers of the Company and take all steps as might in their opinion be desirable or necessary in connection with the Placing Agreement including without limitation to:
  - (a) the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements with Taifook Securities or any other parties in relation to the issue and allotment of the Convertible Notes and the Conversion Shares;
  - (b) the issue of the Convertible Notes and the issue and allotment of the Conversion Shares; and
  - (c) the taking of all necessary actions to implement the transaction contemplated under the Placing Agreement."

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

Hong Kong, 24 September 2007

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## NOTICE OF SPECIAL GENERAL MEETING

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*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

*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 ordinary 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 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.

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 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, *SBS, JP*