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If you have sold or transferred all your securities in **ITC Corporation Limited** (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or 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.

This circular is for information purposes only and does not constitute an invitation to sell, purchase or subscribe for or issue any securities of the Company or the solicitation of an offer to buy or subscribe for securities of the Company.



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

(Warrant code: 779)

**PROPOSED REPURCHASE OF CONVERTIBLE NOTES DUE 2 NOVEMBER 2009
AND
ISSUE OF NEW CONVERTIBLE NOTES DUE 2011
AND
PLACING OF NEW CONVERTIBLE NOTES DUE 2011**

A notice convening the special general meeting of the Company to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 22 October 2009 at 11:00 a.m. is set out on pages 12 and 13 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 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.

7 October 2009

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ACCOMPANYING DOCUMENT

– Form of proxy

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which licensed banks generally are open for business in Hong Kong throughout their normal business hours
“Company”	ITC Corporation Limited (Stock code: 372), a company incorporated under the laws of Bermuda with limited liability and whose issued securities listed on the Main Board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	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 Repurchase Consideration Notes and/or the Placing Notes (as the case may be)
“Director(s)”	director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the controlling shareholder of the Company, the Chairman of the Company and an executive Director
“Existing Note(s)”	the 5% convertible note(s) due 2 November 2009 issued by the Company with an aggregate outstanding principal amount of HK\$200,000,000 as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Latest Practicable Date”	5 October 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Notes”	the Repurchase Consideration Notes and the Placing Notes, or any of them as the context may require
“Noteholder(s)”	holder(s) of the New Notes
“Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing, all of which and its/their respective beneficial owners is/are Independent Third Party(ies)
“Placing”	the placing of the Placing Notes, on a best efforts basis, by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Success Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Placing Agreement”	the conditional placing agreement dated 30 September 2009 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Announcement”	the announcement of the Company dated 30 September 2009 in relation to, among other things, the Placing
“Placing Notes”	the 5% convertible notes due 2011 in the maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the Repurchase Consideration Notes to be issued pursuant to the Repurchase Offer) to be issued by the Company pursuant to the Placing Agreement
“Repurchase Announcement”	the announcement of the Company dated 24 September 2009 in relation to, among other things, the Repurchase Offer
“Repurchase Code”	The Hong Kong Code on Share Repurchases
“Repurchase Consideration Notes”	the 5% convertible notes due 2 November 2011 in an aggregate principal amount of HK\$128,000,000 to be issued by the Company pursuant to the Repurchase Offer
“Repurchase Offer”	an offer made by the Company to repurchase the Existing Notes at their face value, details of which are set out in the Repurchase Announcement
“SGM”	a special general meeting of the Company to be held on 22 October 2009 to consider and, if thought fit, approve, among other things, the issue of the New Notes pursuant to the Repurchase Offer and/or the Placing and the issue and allotment of the Conversion Shares at the initial conversion price of HK\$0.50 each (subject to adjustments)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 16 January 2002 (as amended on 19 September 2007)
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	a total of 538,768,186 listed warrants of the Company outstanding as at the Latest Practicable Date carrying rights to subscribe at the current subscription price of HK\$1.466 per Share (subject to adjustments) for 26,938,409 Shares at any time until 4:10 p.m. on 4 November 2009 pursuant to an instrument issued by the Company dated 5 November 2008 (Warrant code: 779)
“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)

(Warrant code: 779)

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
Mr. Chan Yiu Lun, Alan

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

7 October 2009

*To the Shareholders and, for information only,
the holders of the Warrants and/or the Existing Notes*

Dear Sir or Madam,

**PROPOSED REPURCHASE OF CONVERTIBLE NOTES DUE 2 NOVEMBER 2009
AND
ISSUE OF NEW CONVERTIBLE NOTES DUE 2011
AND
PLACING OF NEW CONVERTIBLE NOTES DUE 2011**

INTRODUCTION

The Company announced on 24 September 2009 that the Board resolved to make the Repurchase Offer (subject to the fulfilment of certain conditions precedent) by the Company to repurchase the Existing Notes at their face value. The purchase price is to be satisfied by the issue of the Repurchase Consideration Notes of the same principal amount.

The Company further announced on 30 September 2009 that it entered into the Placing Agreement with the Placing Agent on the same day.

The purpose of this circular is to give you further information on the Repurchase Offer and the Placing and to give notice to the Shareholders of the SGM at which ordinary resolutions will be proposed to consider, and if they find fit, approve the issue of the New Notes and the issue and allotment of the Conversion Shares.

THE REPURCHASE OFFER

The Existing Notes

The Directors refer to the Company's announcement dated 5 September 2007 of the placing of the Existing Notes in an aggregate principal amount of up to HK\$200,000,000 convertible into Shares at an initial conversion price of HK\$0.75 per share of the Company, subject to adjustments. As a result of intervening corporate exercises, the prevailing conversion price of the Existing Notes is HK\$4.12 per Share, subject to adjustments.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the aggregate outstanding principal amount of the Existing Notes was HK\$200,000,000 and the Existing Notes will mature on 2 November 2009. Pursuant to the terms of the Existing Notes, 48,543,689 new Shares will fall to be issued upon full conversion of the Existing Notes at the prevailing conversion price of HK\$4.12 per Share (subject to adjustments). To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the holders of the Existing Notes and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Terms of the Repurchase Offer

The Company made the Repurchase Offer (subject to the fulfilment of certain conditions precedent described below) to repurchase the Existing Notes at their face value. The purchase price is to be satisfied by the issue of the Repurchase Consideration Notes of the same principal amount. Partial acceptance of the Repurchase Offer (in HK\$1,000,000 or integral multiples thereof) by a holder of the Existing Notes is permitted.

The Company sent an offer letter in relation to the Repurchase Offer to each of the holders of the Existing Notes on 24 September 2009. The Repurchase Offer was open for acceptance until 4:00 p.m. on 30 September 2009, by which time the Company received valid acceptances in respect of the Existing Notes in an aggregate principal amount of HK\$128,000,000 (representing 64% of the aggregate principal amount of the Existing Notes outstanding as at the Latest Practicable Date). Accordingly, subject to the fulfilment of conditions precedent described below, the Company is required to issue the Repurchase Consideration Notes in an aggregate principal amount of HK\$128,000,000 upon completion of the Repurchase Offer. The Company expects to issue the Repurchase Consideration Notes within 7 Business Days after the fulfilment of the conditions precedent referred to below.

The Existing Notes tendered for acceptance under the Repurchase Offer will be cancelled.

Conversion Shares

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse, upon full conversion of the Repurchase Consideration Notes at the initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments), a total of 256,000,000 Conversion Shares will be issued, representing (i) approximately 33.97% of the issued share capital of the Company as at the Latest Practicable Date; (ii) approximately 25.36% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Repurchase Consideration Notes; and (iii) approximately 22.19% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the New Notes.

Conditions precedent to the Repurchase Offer

The Repurchase Offer (including the issue of the Repurchase Consideration Notes pursuant to acceptances of the Repurchase Offer) is conditional upon:-

- (i) the Shareholders (other than those required under the Listing Rules to abstain from voting) approving the issue of the Repurchase Consideration Notes and the issue and allotment of the Conversion Shares as required by the Listing Rules; and
- (ii) the Listing Committee granting listing of and permission to deal in the Conversion Shares.

If the conditions precedent above are not satisfied on or before 30 October 2009, the Repurchase Offer will lapse.

THE PLACING

As disclosed in the Repurchase Announcement, the Directors were then considering and in discussion with third parties the possibility of issuing convertible notes, on substantially the same terms as the Repurchase Consideration Notes, to fund the repayment of any Existing Notes which are not repurchased pursuant to the Repurchase Offer. On 30 September 2009, the Company entered into the Placing Agreement with the Placing Agent.

Pursuant to the Placing Agreement, the Placing Agent conditionally agreed to place, on a best efforts basis, the Placing Notes up to a maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the Repurchase Consideration Notes to be issued pursuant to the Repurchase Offer). The maximum

LETTER FROM THE BOARD

aggregate principal amount of the New Notes to be issued by the Company under the Placing Agreement and the Repurchase Offer will not exceed HK\$200,000,000, which is equal to the outstanding principal amount of the Existing Notes due to mature on 2 November 2009.

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer as disclosed above) are fulfilled and the Repurchase Offer does not lapse, the maximum aggregate principal amount of the Placing Notes that can be issued is HK\$72,000,000.

Placees

Pursuant to the Placing Agreement, the Placing Notes will be placed to not less than six Placees who will be Independent Third Parties.

Pursuant to the Placing Agreement, the Placing 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 Placing 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 Placing Notes.

Placing Agent

The Placing Agent is Success Securities Limited. The Placing Agent and its ultimate beneficial owner(s), are Independent Third Parties.

The Placing Agent has informed the Company that as at the date of the Placing Agreement, the beneficial owner of the Placing Agent directly and indirectly owned in total 485,000 Shares, 60,000 Warrants and the Existing Notes in the aggregate principal amount of HK\$25,000,000. On the same date, the Company was informed that a close relative of that beneficial owner and, separately, a director of the Placing Agent beneficially owned in aggregate 6,654,257 Warrants and the Existing Notes in the aggregate principal amount of HK\$70,000,000. The Company was informed that the Existing Notes beneficially owned by such persons are all registered in the name of the Placing Agent, and the Placing Agent has accepted the Repurchase Offer in full in respect of all Existing Notes registered in its name. The Placing Agent will receive a placing commission of 0.25% on the gross proceeds from the Placing and 0.25% of the aggregate principal amount of the Repurchase Consideration Notes to be issued under the Repurchase Offer.

Conversion Shares

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse and the maximum aggregate principal amount of the Placing Notes of HK\$72,000,000 are placed by the Placing Agent, upon full conversion of the Placing Notes at the initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments), a total of 144,000,000 Conversion Shares will be issued, representing (i) approximately 19.11% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 12.48% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the New Notes.

Conditions precedent to the Placing

Completion of the Placing is conditional upon: –

- (i) the Listing Committee 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; and
- (ii) the passing by the Shareholders (other than those required under the Listing Rules to abstain from voting) 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 Placing Notes and the Conversion Shares.

If the above conditions precedent are not fulfilled on or before 30 October 2009 (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.

LETTER FROM THE BOARD

Completion of the Placing

Subject to the conditions precedent being fulfilled, completion of the Placing shall take place prior to completion of the Repurchase Offer assuming that it becomes fully unconditional on 2 November 2009 (or such other date as may be agreed between the Company and the Placing Agent).

THE NEW NOTES

Principal terms of the New Notes

The terms and conditions of the New Notes are substantially the same as those of the Existing Notes, save that (i) the maturity date is 2 November 2011; and (ii) the initial conversion price is HK\$0.50 per Conversion Share, subject to adjustments.

The following is a summary of the principal terms of the New Notes:

Issuer	:	the Company
Maximum aggregate principal amount	:	Up to HK\$200,000,000
Conversion price	:	HK\$0.50 per Conversion Share, subject to anti-dilutive adjustments, including consolidation and subdivision of the Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events.
Interest	:	5% per annum, payable semi-annually on 2 May and 2 November in each year
Maturity date	:	2 November 2011
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 New Notes (if any) plus accrued and unpaid interest in respect of the outstanding principal amount of the outstanding and unconverted New Notes in cash.
Transferability	:	The New 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.
Conversion period	:	A Noteholder shall have the right at any time and from time to time from the period commencing immediately on and including the 7th day after the issue of the New 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 New 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 New Notes into Conversion Shares on each conversion, save that if at any time, the principal amount outstanding of the New Notes is less than HK\$1,000,000 the whole (but not part only) of the outstanding principal amount of the New Notes may be converted.
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 New Notes on the Stock Exchange or any other stock exchanges. An application will be 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 New Notes.

LETTER FROM THE BOARD

Ranking : The New 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 New Notes will, when issued, rank pari passu in all respects with all other Shares in issue as at the date of conversion.

Repurchases : The Company or any of its subsidiaries may at any time and from time to time purchase the New Notes at any price as may be agreed between the Company or such subsidiary and the relevant Noteholder. Any New Note so purchased shall forthwith be cancelled.

Conversion price of the New Notes

The initial conversion price of HK\$0.50 per Conversion Share under the New Notes represents:–

- (i) a premium of approximately 14.94% over the closing price of HK\$0.435 per Share as quoted on the Stock Exchange on the date of the Repurchase Announcement;
- (ii) a premium of approximately 19.05% over the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the date of the Placing Announcement;
- (iii) a premium of approximately 10.38% over the average closing price of HK\$0.453 per Share for the last five consecutive trading days up to and including the date of the Repurchase Announcement;
- (iv) a premium of approximately 16.28% over the average closing price of HK\$0.430 per Share for the last five consecutive trading days up to and including the date of the Placing Announcement;
- (v) a premium of approximately 11.11% over the average closing price of HK\$0.450 per Share for the last ten consecutive trading days up to and including the date of the Repurchase Announcement;
- (vi) a premium of approximately 12.61% over the average closing price of HK\$0.444 per Share for the last ten consecutive trading days up to and including the date of the Placing Announcement; and
- (vii) a premium of approximately 19.05% over the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The initial conversion price of each Conversion Share of HK\$0.50 was determined with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the initial conversion price of HK\$0.50 per Conversion Share is fair and reasonable.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after full conversion of the Repurchase Consideration Notes; and (iii) immediately after full conversion of the New Notes, assuming that HK\$128,000,000 of the Repurchase Consideration Notes are issued under the Repurchase Offer and the Placing Notes in the maximum principal amount of HK\$72,000,000 have been placed by the Placing Agent and there is no other change in the issued share capital and shareholding structure of the Company from the Latest Practicable Date up to conversion except for the issue of the Conversion Shares:–

	As at the Latest Practicable Date		Immediately after full conversion of the Repurchase Consideration Notes at the initial conversion price of HK\$0.50 per Conversion Share		Immediately after full conversion of the New Notes at the initial conversion price of HK\$0.50 per Conversion Share	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Galaxyway Investments Limited (Note 1)	202,678,125	26.89	202,678,125	20.07	202,678,125	17.57
Dr. Chan	33,326,330	4.42	33,326,330	3.30	33,326,330	2.89
Holders of the Repurchase Consideration Notes	–	–	256,000,000 (Note 2)	25.36 (Note 2)	256,000,000 (Note 3)	22.19 (Note 3)
Placees	–	–	–	–	144,000,000 (Note 3)	12.48 (Note 3)
Public shareholders	517,685,075	68.69	517,685,075	51.27	517,685,075	44.87
Total	753,689,530	100.00	1,009,689,530	100.00	1,153,689,530	100.00

Notes:

- Galaxyway Investments Limited is a company indirectly beneficially wholly-owned by Dr. Chan, the controlling shareholder of the Company, the Chairman of the Company and an executive Director.
- The two existing registered holders of the Existing Notes, namely the Placing Agent and Dragonsford Investment Limited, have accepted the Repurchase Offer in respect of the Existing Notes in principal amount of HK\$120,000,000 and HK\$8,000,000 respectively. Accordingly, the Repurchase Consideration Notes in the same principal amounts will be issued on completion of the Repurchase Offer assuming all conditions precedent to such issue are fulfilled. Upon full conversion of the Repurchase Consideration Notes at the initial conversion price of HK\$0.50 per Conversion Share, 240,000,000 Conversion Shares and 16,000,000 Conversion Shares respectively will fall to be issued, representing approximately 23.77% and 1.59% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Repurchase Consideration Notes, and approximately 20.80% and 1.39% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the New Notes.
- If the conditions precedent for the issue of the Repurchase Consideration Notes cannot be fulfilled, the maximum principal amount of the Placing Notes that can be issued is HK\$200,000,000. Assuming that the entire HK\$200,000,000 Placing Notes are placed, then the aggregate number of the Conversion Shares that fall to be issued on full conversion of the Placing Notes at the initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments) will be 400,000,000 Conversion Shares, representing approximately 34.67% of the aggregate number of the Shares in issue as enlarged by the Conversion Shares that fall to be issued assuming no other change in the issued share capital of the Company from the Latest Practicable Date except for the issue of such Conversion Shares, and no Shares will be issued to holders of the Existing Notes.

LETTER FROM THE BOARD

REASONS FOR THE REPURCHASE OFFER AND THE PLACING

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

As at 31 March 2009, the Company had a cash balance of approximately HK\$13,700,000 and outstanding bank borrowings of approximately HK\$83,843,000.

The Directors have considered alternative fund raising methods including bank financing and rights issue. Given the banks' current stringent lending policy, there was a lack of positive response from financial institutions. As the Company completed a rights issue on the basis of four rights shares for one share then held in May 2009, the Directors did not consider it in the interests of the Company and the Shareholders as a whole to propose a similar exercise within such a short span of time.

The Directors consider that (i) the issue pursuant to the Repurchase Offer of the Repurchase Consideration Notes which carry extended maturity date and a conversion price which is closer to current market prices of the Shares when compared to the Existing Notes, and (ii) the issue of the Placing Notes pursuant to the Placing the net proceeds of which is to be applied for the repayment of the Existing Notes which are not repurchased pursuant to the Repurchase Offer, will allow the Group to retain funds as general working capital and thereby strengthen the cashflow position of the Group and facilitate the broadening of the share capital base of the Company.

Taking into account the above, notwithstanding the potential dilutive effect on the shareholding of the existing Shareholders as a result of the conversion of the New Notes at a price which is at a premium of over 10% to the current market price per Share, the Directors (including the independent non-executive Directors) consider that the terms of the Repurchase Offer and the Placing Agreement are fair and reasonable and that the issue of the New Notes pursuant to the Repurchase Offer and the Placing and the issue and allotment of the Conversion Shares on conversion of the New Notes are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Apart from the Repurchase Offer, the Placing and the fund raising activities set out below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of the Placing Agreement:-

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
31 July 2008	Bonus issue of 538,921,053 Warrants (which will expire on 4 November 2009), of which 152,867 Warrants have been exercised from the date of issue up to the Latest Practicable Date	Approximately HK\$34,000	General working capital of the Group	General working capital of the Group

LETTER FROM THE BOARD

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
17 March 2009	Rights issue of 538,951,624 rights shares at the subscription price of HK\$0.20 per rights share	Approximately HK\$103.8 million	General working capital of the Group	(i) Approximately HK\$45.4 million has been utilized for the acquisition of the convertible exchangeable notes of Wing On Travel (Holdings) Limited; (ii) approximately HK\$12.6 million has been utilized for the exercise of warrants of Hanny Holdings Limited; and (iii) the balance of approximately HK\$45.8 million has been fully utilized for the subscription of rights shares issued by PYI Corporation Limited
10 June 2009	Placing of 80,000,000 Shares at a price of HK\$0.75 per Share	Approximately HK\$58.2 million	General working capital of the Group	(i) Approximately HK\$40.0 million has been utilized for the acquisition of the convertible exchangeable notes of Wing On Travel (Holdings) Limited; and (ii) the balance of approximately HK\$18.2 million has been fully utilized for the subscription of rights shares issued by PYI Corporation Limited

POSSIBLE ADJUSTMENTS TO THE SUBSCRIPTION PRICE OF THE WARRANTS AND THE EXERCISE PRICE OF THE OPTIONS

As a result of the issue of the New Notes, the subscription price and the number of Shares to be issued under the Warrants and the exercise price and the number of Shares to be issued pursuant to the Options may be adjusted in accordance with the respective instrument creating the Warrants and the Share Option Scheme. Further announcement(s) will be made by the Company in respect of such adjustments as and when appropriate.

GENERAL

The Repurchase Offer constitutes an exempt share repurchase by the Company under the Repurchase Code.

Shareholders, holders of the Warrants and potential investors of the Company should note that (i) completion of the Repurchase Offer is subject to the fulfillment of the conditions precedent as set out in the section headed “Conditions precedent to the Repurchase Offer” above; and (ii) the Placing is conducted on a best efforts basis and the completion of the Placing Agreement is subject to the fulfillment of the conditions precedent set out in the section headed “Conditions precedent to the Placing” above, and

LETTER FROM THE BOARD

accordingly the Repurchase Offer and the Placing may or may not proceed. As the Repurchase Offer and the Placing may or may not proceed, Shareholders, holders of the Warrants and potential investors of the Company are reminded to exercise caution when dealing in the Shares and the Warrants, and if they are in doubt about their position, they should consult their professional advisers.

SGM

The issue of the New Notes pursuant to the Repurchase Offer and the Placing and the issue and allotment of the Conversion Shares on conversion of the New Notes will be put to the Shareholders for their approval at the SGM. The Company was informed by the Placing Agent that the beneficial owner of the Placing Agent directly and indirectly beneficially owned in aggregate 485,000 Shares as at the date of the Placing Agreement. Accordingly, the Placing Agent was required to procure that its beneficial owner abstains from voting on any resolutions to approve the issue of the Placing Notes, the Repurchase Consideration Notes and any Conversion Shares that fall to be issued on conversion of the New Notes. Save as disclosed above, none of the holders of the Existing Notes and their respective associates held any Shares as at the Latest Practicable Date, and no other Shareholders are expected to be required under the Listing Rules to abstain from voting at the SGM on such resolutions.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the SGM will therefore put the resolutions to be proposed at the SGM to be voted by way of a poll pursuant to bye-law 79 of the Company's bye-laws.

A notice convening the SGM to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 22 October 2009 at 11:00 a.m. is set out on pages 12 and 13 of this circular.

A form of proxy for use by the Shareholders is enclosed. If Shareholders are not able to attend the SGM in person, they are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to 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 but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). 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 (as the case may be) should you so wish.

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.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider the terms of the Repurchase Offer and the Placing Agreement are fair and reasonable and the issue of the New Notes pursuant to the Repurchase Offer and the Placing Agreement and the issue and allotment of the Conversion Shares on conversion of the New Notes are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the issue of the New Notes pursuant to the Repurchase Offer and the Placing and the issue and allotment of the Conversion Shares upon conversion on the New Notes.

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

NOTICE OF SPECIAL GENERAL MEETING



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

(Warrant code: 779)

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 Thursday, 22 October 2009 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

1. **“THAT:**

- (a) the issue by the Company pursuant to the conditional offer made by the Company to repurchase the 5% convertible notes due 2 November 2009 issued by the Company at their face value, of convertible notes (the “Repurchase Consideration Notes”), the form of which having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, in an aggregate principal amount of HK\$128,000,000 entitling the holders thereof to convert the principal amount thereof into ordinary shares of the Company (the “Conversion Shares”) at an initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments) and the issue and allotment of the Conversion Shares on conversion of the Repurchase Consideration Notes be and are hereby approved; and
- (b) the directors of the Company be and are hereby authorised to exercise all the powers of the Company and take all steps as might in their opinion be desirable, necessary or expedient in relation to the issue of the Repurchase Consideration Notes, the issue and allotment of the Conversion Shares and otherwise in connection therewith including without limitation to the execution, amendment, supplement, delivery, submission and implementation of any further necessary documents or agreements.”

2. **“THAT:**

- (a) the issue by the Company pursuant to the conditional placing agreement dated 30 September 2009 entered into between the Company and Success Securities Limited (a copy of which having been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification), of convertible notes (the “Placing Notes”) in an aggregate principal amount of up to HK\$200,000,000 (less the aggregate principal amount of the convertible notes to be issued by the Company pursuant to the conditional offer made by the Company to repurchase the 5% convertible notes due 2 November 2009 issued by the Company at their face value) entitling the holder(s) thereof to convert the principal amount thereof into ordinary shares of the Company (the “Conversion Shares”) at an initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments) and the issue and allotment of the Conversion Shares on conversion of the Placing Notes be and are hereby approved; and
- (b) the directors of the Company be and are hereby authorised to exercise all the powers of the Company and take all steps as might in their opinion be desirable, necessary or expedient in relation to the issue of the Placing Notes, the issue and allotment of the Conversion Shares and otherwise in connection therewith including without limitation to the execution, amendment, supplement, delivery, submission and implementation of any further necessary documents or agreements.”

By order of the Board
ITC Corporation Limited
Lee Hon Chiu
Company Secretary

Hong Kong, 7 October 2009

NOTICE OF SPECIAL GENERAL MEETING

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 shares may appoint more than one proxy to represent and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. A form of proxy for use at 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 of directors of the Company 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 adjournment thereof (as the case may be) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
4. Completion and return of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

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
Mr. Chan Yiu Lun, Alan

Independent Non-executive Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *SBS, JP*