



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

DISPOSAL OF SHARES IN PVI CORPORATION LIMITED

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

Financial Adviser

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

Further to the announcement of ITC dated 10 November 2005 and the circular of ITC dated 30 November 2005, the Directors wish to announce that its wholly-owned subsidiary has agreed to dispose of 150 million PVI Shares at a price of HK\$1.78 per PVI Share, representing approximately 10.97% of the existing issued share capital of PVI, through the Placing Agent, to independent third parties. After such disposal, the ITC's shareholding interest in PVI will decrease from approximately 39.81% to approximately 28.84% of the issued share capital of PVI.

The Company has noted the recent increase in the price and trading volume of the ordinary shares of the Company and wishes to state that it is not aware of any reasons for such increase.

Save for the agreement for disposal of PVI Shares, the Company also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

DISPOSAL OF PVI SHARES

Reference is made to the announcement of ITC dated 10 November 2005 and the circular of ITC dated 30 November 2005.

The Directors wish to announce that its wholly-owned subsidiary, Hollyfield, has agreed to dispose of 150 million PVI Shares at a price of HK\$1.78 per PVI Share, representing approximately 10.97% of the existing issued share capital of PVI as at the date of this announcement, through the Placing Agent, to independent third parties. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the independent third parties are independent of ITC and any director, chief executive or substantial shareholder of any member of the Group or any associate of any of them or any connected persons (as defined by the Listing Rules) of the Company. The Placing Agent is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent of ITC and any director, chief executive or substantial shareholder of any member of the Group or any associate of any of them or any connected persons (as defined by the Listing Rules) of the Company. The disposal price is determined after arm's length negotiation with the Placing Agent and the Directors believe that the terms of the disposal are fair and reasonable and in the interests of the Company and the shareholders as a whole. After such disposal of 150 million PVI Shares, ITC's shareholding interest in PVI will decrease from approximately 39.81% to approximately 28.84% of the issued share capital of PVI. In accordance with the agreement between Hollyfield, the Company and the Placing Agent, the completion of the disposal is expected to take place on or before 15 February 2006.

Hollyfield has agreed to dispose of 150 million PVI Shares at a price of HK\$1.78 per PVI Share, representing:

- a premium of approximately 1.7% to the net asset value of HK\$1.75 per PVI Share (which is calculated based on the unaudited net asset value of approximately HK\$2,373.5 million as at 30 September 2005 divided by the number of PVI Shares outstanding as at 30 September 2005 of approximately 1,358.7 million PVI Shares, this information is obtained from the interim report of PVI for the six months ended 30 September 2005);
- a discount of approximately 11.0% to the closing price of HK\$2.00 per PVI Share as quoted on the Stock Exchange on 9 February 2006; and
- a premium of approximately 2.3% to the average closing price of HK\$1.74 per PVI Share as quoted on the Stock Exchange for the last 10 trading days up to and including 9 February 2006.

The 150 million PVI Shares were sold pursuant to, and in accordance with, the mandate granted by the Ordinary Shareholders of ITC on 15 December 2005. In accordance with the mandate, the disposal of the 150 million PVI Shares have been based on the following basis:

- the minimum disposal price equals to or exceeds HK\$1.5 per PVI Share (subject to adjustment in the event of a share consolidation or share subdivision by PVI), being approximately the 180 day average closing price per PVI Share up to and including 8 November 2005, adjusted by the special dividend paid in July 2005;
- the maximum number of PVI Shares being disposed under the mandate granted by the Ordinary Shareholders does not exceed 178,000,000 PVI Shares (subject to adjustment in the event of a share consolidation or share subdivision by PVI), being approximately 13.0% of the then existing issued share capital of PVI;

- all the PYI Shares to be disposed are disposed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, to parties who are independent of the Company and any director, chief executive or substantial shareholder of any member of the Group or any associate of any of them or any connected persons (as defined by the Listing Rules) of the Company; and
- the disposal is completed within twelve months of the approval of Ordinary Shareholders being given, which the Directors consider to be a reasonable period to conduct such disposal of PYI Shares.

FINANCIAL EFFECT OF THE DISPOSAL ON ITC

The disposal of the 150 million PYI Shares will raise up to approximately HK\$267 million in cash, before expenses and tax, for ITC on completion. As at the date of this announcement, there is no specific use for the proceeds other than to be used for general working capital.

According to the Group's books and records at 30 September 2005, the carrying amount per PYI Share was approximately HK\$1.64, resulting in an estimated profit on the disposal of 150 million PYI Shares of approximately HK\$21 million, before expenses and tax.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The following statement is made at the request of the Stock Exchange.

The Company has noted the recent increase in the price and trading volume of the ordinary shares of the Company and wishes to state that, it is not aware of any reasons for such increase.

Save for the agreement for disposal of PYI Shares, the Company also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board of which the Directors individually and jointly accept responsibility for the accuracy of this statement.

DEFINITIONS

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

“Board”	Board of Directors
“Company” or “ITC”	ITC Corporation Limited, a company whose securities are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hollyfield”	Hollyfield Group Limited, a company incorporated with limited liability in Samoa and a wholly-owned subsidiary of the Company
“Ordinary Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.10 each in the ordinary share capital of ITC
“Placing Agent”	BNP Paribas Peregrine Capital Limited
“PYI”	PYI Corporation Limited, a company whose shares are listed on the Stock Exchange
“PYI Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of PYI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“HK\$”	Hong Kong dollars

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

Hong Kong, 9 February 2006

As at the date of this announcement, the composition of the Board is as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)
 Ms. Chau Mei Wah, Rosanna
 (*Deputy Chairman & Managing Director*)
 Mr. Chan Kwok Hung
 Mr. Chan Fut Yan
 Mr. Cheung Hon Kit

Independent non-executive Directors:

Mr. Chuck Winston Calptor
 Mr. Lee Kit Wah
 Mr. Wong Kam Cheong, Stanley

Please also refer to the published version of this announcement in The Standard.