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# ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock code: 372)

## PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

Financial Adviser

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED

Placing Agent



**CLSA Limited**

The Company has entered into a placing agreement with the Placing Agent to place in aggregate up to 214.4 million Ordinary Shares at HK\$0.72 per Ordinary Share on a best effort basis, representing approximately 20% of the existing issued ordinary share capital of the Company.

At the request of ITC, trading in the securities in ITC on the Stock Exchange was suspended at 2:30 p.m. on 14 February 2006 pending the release of this announcement. Application has been made to the Stock Exchange to resume trading in the securities in ITC with effect from 9:30 a.m. on 16 February 2006.

### PLACING AGREEMENT

Parties: The Company  
Placing Agent

Date: 15 February 2006

#### Placing

The Placing Agent has agreed to place in aggregate up to 214.4 million Ordinary Shares at HK\$0.72 per Ordinary Share on a best effort basis, representing approximately 20% of the existing issued ordinary share capital of the Company. The aggregate value of the placing is up to approximately HK\$154.4 million. The placing price of HK\$0.72 per Ordinary Share was agreed after arm's length negotiations and represents a discount of approximately 5.3% to the closing price of HK\$0.76 per Ordinary Share as quoted on the Stock Exchange on 14 February 2006 immediately before the suspension of trading. The Directors consider that the placing price is fair and reasonable and in the interest of the Company and its shareholders as a whole. It was the intention of ITC to enter into the placing agreement in the afternoon on 14 February 2006, however the arm's length negotiations were finalised on 15 February 2006.

The placing will be to more than six independent individual, corporate, institutional or other professional investors. The placees and their ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 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 Company is not aware whether the placing will introduce a new substantial shareholder to the Company. The Placing Agent is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an independent third party and 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 Ordinary Shares to be issued for the placing will rank, upon issue, pari passu in all respects with the existing issued Ordinary Shares. The placing shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 12 September 2005.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Ordinary Shares to be issued under the placing.

Completion of the placing is conditional upon, among other things, the Listing Committee granting approval for the listing of, and permission to deal in, the Ordinary Shares to be issued under the placing.

The completion of the placing is expected to be on or before 24 February 2006 or such other date as agreed by the Company and the Placing Agent.

## REASONS FOR THE PLACING

The Directors consider that the placing represents an opportunity to raise capital for the Company while widening the shareholder base. Although no acquisition or investment proposals are currently under negotiation, the placing will also provide the Company with additional resources to fund acquisitions and investments to diversify its investment base.

## USE OF PROCEEDS

The placing of up to 214.4 million Ordinary Shares will raise up to approximately HK\$154.4 million in cash, before expenses, 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.

Other than the issue of 2,753,274 Ordinary Shares pursuant to the scrip dividend issued on 3 November 2005, the Company has not issued any equity securities in the 12 months immediately preceding this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company upon issue of the Ordinary Shares pursuant to the placing are set out below:

Name	As at the date of this announcement		Immediately after completion of the placing if 214.4 million Ordinary Shares are fully placed	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%
Chan Kwok Keung, Charles ( <i>Note</i> )	359,681,910	33.47	359,681,910	27.90
Public	715,079,905	66.53	929,479,905	72.10
Total	<u>1,074,761,815</u>	<u>100.00</u>	<u>1,289,161,815</u>	<u>100.00</u>

*Note:* Held through his interests in a wholly-owned company.

The controlling shareholder and chairman of the Company, Dr. Chan Kwok Keung, Charles, has indicated to the Company that he intends to maintain his level of interests in the Company through the exercise of conversion rights of convertible notes issued by the Company on 3 March 2003 and held by him, so that the issue of Ordinary Shares pursuant to the conversion will occur on the same day as the issue of the Ordinary Shares pursuant to the placing. For further details of the convertible notes, please refer to the announcement of the Company dated 16 September 2002.

## GENERAL

At the request of ITC, trading in the securities in ITC on the Stock Exchange was suspended at 2:30 p.m. on 14 February 2006 pending the release of this announcement. Application has been made to the Stock Exchange to resume trading in the securities in ITC with effect from 9:30 a.m. on 16 February 2006.

## 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
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Ordinary Share(s)”	ordinary share(s) of HK\$0.10 each in the ordinary share capital of ITC
“Ordinary Shareholder(s)”	holder(s) of Ordinary Share(s)
“Placing Agent”	CLSA Limited
“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, 15 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.