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## ITC CORPORATION LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

### ANNOUNCEMENT IN COMPLIANCE WITH RULE 13.09 OF THE LISTING RULES

The directors of ITC Corporation Limited have been informed that on 14 December 2004 a wholly-owned subsidiary of Paul Y. - ITC (a company in which ITC has a 49.6% interest) disposed of its entire shareholding in Downer for gross proceeds of approximately A\$255.8 million before tax and expenses, equivalent to approximately HK\$1,504 million.

Further, Paul Y. - ITC has announced that it is considering distributing a material portion of the proceeds from the sale arising from the disposal by way of a cash dividend to its shareholders. The size of such a dividend, if any, and the timing of its declaration and payment, have not been decided and no meeting of the board of Paul Y. - ITC has been convened to consider the declaration and payment of any special cash dividend yet. **There is no assurance that there will be any such dividend. Accordingly, shareholders and investors should exercise caution when dealing in the securities of ITC.**

Trading in the securities in ITC on the Stock Exchange was suspended at the request of ITC with effect from 9:30 a.m. on Tuesday 14 December 2004 pending the release of this announcement. ITC has applied for a resumption of trading in its securities with effect from 9:30 a.m. on Thursday, 16 December 2004.

The directors of ITC Corporation Limited ("ITC") have been informed that on 14 December 2004, a wholly-owned subsidiary of Paul Y. - ITC Construction Holdings Limited ("Paul Y. - ITC") (a company in which ITC has a 49.6% interest) disposed of its entire shareholding in Downer EDI Limited ("Downer") for gross proceeds of approximately A\$255.8 million before tax and expenses, equivalent to approximately HK\$1,504 million.

It is expected that the Paul Y. - ITC group will recognise an estimated aggregate profit of approximately HK\$839 million and HK\$570 million, before and after tax and expenses respectively, on the disposal. ITC and its controlling shareholder, Dr. Charles Chan, who together hold more than 50% of the issued shares in Paul Y. - ITC have approved such disposal in writing.

As Paul Y. - ITC is an associated company of ITC, the profit recorded by Paul Y. - ITC from the disposal will be equity accounted for in the accounts of ITC. Accordingly, it is expected that ITC will recognise an estimated profit of approximately HK\$475 million and HK\$341 million, before and after tax and expenses respectively. In addition, any cash dividend paid by Paul Y. - ITC to ITC will result in an increase in the cash resources of ITC.

Further, Paul Y. - ITC has announced that it is considering distributing a material portion of the proceeds from the sale arising from the disposal by way of a cash dividend to its shareholders. The size of such a dividend, if any, and the timing of its declaration and payment, have not been decided and no meeting of the board of Paul Y. - ITC has been convened to consider the declaration and payment of any special cash dividend yet. **There is no assurance that there will be any such dividend. Accordingly, shareholders and investors should exercise caution when dealing in the securities of ITC.**

Trading in the securities in ITC on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was suspended at the request of ITC with effect from 9:30 a.m. on Tuesday 14 December 2004 pending the release of this announcement. ITC has applied for a resumption of trading in its securities with effect from 9:30 a.m. on Thursday, 16 December 2004.

As at the date of this announcement, the board of directors of ITC (the "Board") comprises:

*Executive Directors:*

Dr. Chan Kwok Keung, Charles (*Chairman*)  
Mr. Lau Ko Yuen, Tom (*Deputy Chairman*)  
Ms. Chau Mei Wah, Rosanna (*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

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

Hong Kong, 15 December 2004