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**ITC CORPORATION LIMITED**  
**(德祥企業集團有限公司)**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

**PROPOSED BONUS WARRANTS ISSUE**

On 28 July 2008, the Board proposed the Bonus Warrants Issue to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date on the basis of one Warrant for every five Shares held on the Record Date.

Each Warrant will entitle the holder thereof to subscribe in cash for one New Share at the Initial Subscription Price of HK\$0.22 per New Share, subject to adjustments, upon exercise of the subscription right attaching to each Warrant at any time during a term of twelve months from the date of issue.

A circular containing, among other things, details of the Bonus Warrants Issue together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

**PROPOSED BONUS WARRANTS ISSUE**

On 28 July 2008, the Company announced the results of the Group for the year ended 31 March 2008 and on the same day, the Board proposed the Bonus Warrants Issue to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date on the basis of one Warrant for every five Shares held on the Record Date.

The Warrants may be exercised by the holders thereof at any time for a term of twelve months commencing on the date of issue of the Warrants (currently expected to be on or about 5 November 2008) and up to 4:10 p.m. on the date immediately preceding the first anniversary of the date of issue of the Warrants (currently expected to be on or about 4 November 2009 (if that day is not a trading day, the trading day immediately preceding such day)), both dates inclusive.

Each Warrant will entitle its holder to subscribe in cash for one New Share at the Initial Subscription Price of HK\$0.22 per New Share, subject to adjustments, upon exercise of the subscription right attaching to each Warrant. The Initial Subscription Price represents:

- (i) a discount of approximately 22.8% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange on 28 July 2008, being the date on which the Company announced the results of the Group for the year ended 31 March 2008;
- (ii) a discount of approximately 20.9% to the average closing price of HK\$0.278 per Share for the last five consecutive trading days up to and including 28 July 2008; and
- (iii) a discount of 20.0% to the average closing price of HK\$0.275 per Share for the last ten consecutive trading days up to and including 28 July 2008.

### **Number of Warrants and New Shares to be issued**

On the basis of 2,694,605,269 Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, a total of 538,921,053 Warrants are proposed to be issued pursuant to the Bonus Warrants Issue, entitling holders thereof to subscribe for 538,921,053 New Shares, representing approximately 20.0% of the issued share capital of the Company as at the date of this announcement and approximately 16.7% of the issued share capital as enlarged by the New Shares to be issued upon full exercise of the subscription rights attaching to the aggregate of 538,921,053 Warrants. Save for the convertible notes in the aggregate outstanding principal amount of HK\$200 million (which are convertible into 317,460,317 Shares at the prevailing conversion price of HK\$0.63 per Share, subject to adjustments) and the 198,600,000 outstanding options granted under the Share Option Scheme, there are no other outstanding options, warrants and similar rights to subscribe or purchase equity securities of the Company as at the date of this announcement. Assuming full conversion of the aforesaid outstanding convertible notes, exercise in full of the outstanding options granted under the Share Option Scheme and no other Shares will be issued or repurchased on or before the Record Date, a total of 642,133,117 Warrants will be issued by the Company, entitling the holders thereof to subscribe for 642,133,117 New Shares, representing approximately 23.8% of the issued share capital of the Company as at the date of this announcement and approximately 20.0% of the issued share capital of the Company as enlarged by the full conversion of the convertible notes and exercise of the outstanding options in full.

The Warrants will be issued in registered form and will form one class of securities and rank pari passu in all respects with each other. The New Shares will rank pari passu in all respects with the then issued Shares.

### **Fractional Entitlements**

Fractional entitlements (if any) to the Warrants will not be granted to the Shareholders but will be aggregated and sold for the benefit of the Company.

## **Conditions**

The Bonus Warrants Issue is subject to (i) the approval of the Shareholders of the Bonus Warrants Issue and the allotment and issue of the New Shares at the SGM; and (ii) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Warrants and the New Shares.

## **Excluded Shareholders**

The Warrants will not be registered or filed under the securities legislation of any jurisdiction other than in Hong Kong and Bermuda. The Company will exclude, from the Bonus Warrants Issue, the Excluded Shareholder(s) whose address(es) on the Register of Members on the Record Date is(are) outside Hong Kong and whom the Board is of the view that his(their) exclusion from the Bonus Warrants Issue is necessary or expedient on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that(those) place(s). However, arrangements will be made for the Warrants which would otherwise be issued to such Excluded Shareholder(s) to be sold in the market as soon as practicable after dealings in the Warrants commence, if a premium can be obtained (net of expenses). Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excluded Shareholders at their own risks pro rata to their respective holdings of Shares, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

The Company will make appropriate enquiries pursuant to Rule 13.36(2) of the Listing Rules to determine whether any Overseas Shareholder(s) should be entitled to the Bonus Warrants Issue and the result of the legal enquiries will be included in the circular in respect of the Bonus Warrants Issue to be despatched to the Shareholders. As at the date of this announcement, the Company has a total of five Overseas Shareholders with registered addresses outside Hong Kong, namely the PRC, British Virgin Islands, Singapore and Australia.

## **Application for listing of the Warrants**

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Warrants and the New Shares.

Subject to the granting of listing of, and permission to deal in, the Warrants and the New Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Warrants and the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The exercise period for the Warrants is twelve months from the date of issue of the Warrants and the expected market capitalisation of the Warrants will be approximately HK\$50.4 million, which is calculated based on the closing price of the Share as quoted on the Stock Exchange on 28 July 2008 and the premium determined by the Directors with reference to common market practice. Accordingly, the proposed issue of the Warrants complies with Rule 8.09(4) of the Listing Rules. The Company ensures that the Warrants and the New Shares are governed by and will be issued in accordance with the laws of Bermuda and the memorandum and bye-laws of the Company as required under Rule 8.14 of the Listing Rules.

It is proposed that the board lot for trading in the Warrants is 40,000 Warrants, entitling the holder thereof to subscribe for 40,000 New Shares at the Initial Subscription Price of HK\$0.22 per New Share, subject to adjustments. The Warrants are not proposed to be listed on any other stock exchange other than the Stock Exchange.

### **REASONS FOR THE BONUS WARRANTS ISSUE**

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.

The Board believes that the Bonus Warrants Issue is a return to the Shareholders for their long-term support for the Company, and will provide the Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrants Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised. The Board believes that the Bonus Warrants Issue is beneficial to the Company and the Shareholders as a whole.

On the basis of 2,694,605,269 Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date and the subscription rights attaching to the Warrants are exercised in full at the Initial Subscription Price of HK\$0.22 per New Share, the Company will be able to raise approximately HK\$118.56 million in total. The Company intends to apply any subscription monies received as and when the subscription rights attaching to the Warrants are exercised towards the general working capital of the Group depending on its requirements at the relevant time.

**CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Thursday, 16 October 2008 to Monday, 20 October 2008, both dates inclusive, in order to determine entitlements of the Qualifying Shareholders to the Bonus Warrants Issue. No transfer of Share(s) will be registered during this period. All transfers, accompanied by the relevant Share certificate(s), must be lodged with the Company’s branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 15 October 2008 in order to qualify for the Bonus Warrants Issue.

**EXPECTED TIMETABLE**

The expected timetable for implementing the Bonus Warrants Issue is set forth below:

2008

- SGM . . . . . Tuesday, 30 September
- Last day of dealings in Shares cum-entitlements  
to the Bonus Warrants Issue . . . . . Monday, 13 October
- First day of dealings in Shares ex-entitlements  
to the Bonus Warrants Issue . . . . . Tuesday, 14 October
- Latest time for lodging transfers of Shares  
for entitlements to the Bonus Warrants Issue . . .4:00 p.m. on Wednesday, 15 October
- Closure of the Register of Members . . . . . Thursday, 16 October to  
Monday, 20 October  
(both dates inclusive)
- Record Date . . . . . Monday, 20 October
- Despatch of the Warrant certificates on or about . . . . . Wednesday, 5 November
- Commencement of dealings in the Warrants . . . . .9:30 a.m. on Friday, 7 November

*All time references in this announcement refer to Hong Kong time.*

**SGM**

The Bonus Warrants Issue is subject to, among other things, the Shareholders’ approval at the SGM. As at the date of this announcement, none of the Shareholders has any interest that is different from the other Shareholders and therefore no Shareholder is required to abstain from voting in respect of the Bonus Warrants Issue at the SGM. A circular containing, among other things, details of the Bonus Warrants Issue together with a notice of the SGM will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Bonus Warrants Issue”	the conditional bonus issue of Warrants by the Company to the Qualifying Shareholders as described in this announcement
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board is of the view that his(their) exclusion from the Bonus Warrants Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that(those) place(s)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Subscription Price”	the initial subscription price for each Warrant, being HK\$0.22 per New Share, subject to adjustments, payable in cash
“Listing Committee”	has the same meaning as ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Share(s)”	the new Share(s) which may fall to be issued by the Company upon exercise of the subscription rights attaching to the Warrant(s)
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown in the Register of Members as at the close of business on the Record Date, is(are) outside Hong Kong
“PRC”	the People’s Republic of China
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear on the Register of Members as at the close of business on the Record Date
“Record Date”	Monday, 20 October 2008, being the date for determination of entitlements to the Bonus Warrants Issue
“Register of Members”	the register of members of the Company
“SGM”	the special general meeting proposed to be convened and held by the Company on Tuesday, 30 September 2008 at 11:10 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 11:00 a.m. shall have been concluded or adjourned) for the purpose of approving the Bonus Warrants Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option Scheme”	share option scheme adopted by the Company on 16 January 2002 (as amended on 19 September 2007)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“trading day”	a day on which the Stock Exchange is open for business

“Warrant(s)”	warrant(s) to be constituted by an instrument by way of deed poll to be executed and issued by the Company under the Bonus Warrants Issue entitling the holders to subscribe in cash for New Shares at the Initial Subscription Price (subject to adjustments)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 31 July 2008

As at the date of this announcement, the Board 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*