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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you have sold or transferred** all your securities in **ITC Corporation Limited**, you should at once hand this circular and the accompanying form of election to the purchaser or the 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.

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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 372)

*Executive Directors:*

Chan Kwok Keung, Charles (*Chairman*)  
Chau Mei Wah, Rosanna  
(*Deputy Chairman and Managing Director*)  
Chan Kwok Chuen, Augustine  
Chan Fut Yan  
Chan Yiu Lun, Alan

*Independent Non-executive Directors:*

Chuck, Winston Calptor  
Lee Kit Wah  
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

30th August, 2012

*To the Shareholders and, for information only,  
the holders of convertible notes of the Company*

Dear Sir or Madam,

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31ST MARCH, 2012**

On 22nd June, 2012, the board of directors (the "Board") of ITC Corporation Limited (the "Company") announced the recommendation of the payment of a final dividend (the "Dividend") of HK\$0.03 per ordinary share of HK\$0.01 each in the issued share capital of the Company (the "Share") for the year ended 31st March, 2012 with an option to elect to receive the Dividend wholly or partly by allotment of new Shares credited as fully paid up (the "Scrip Shares") in lieu of cash, payable to the holders of Shares (the "Shareholders") whose names were recorded on the register of Shareholders as at the close of business on 29th August, 2012 (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme was approved by the Shareholders at the annual general

meeting of the Company held on 16th August, 2012. The register of Shareholders was closed from 27th August, 2012 to 29th August, 2012, both dates inclusive, during which period no transfer of Shares was effected.

**Particulars of the Scrip Dividend Scheme**

Under the Scrip Dividend Scheme, each Shareholder whose name appeared on the register of Shareholders as at 29th August, 2012 (the “Record Date”) had the following choices of receiving:

- (a) the Dividend of HK\$0.03 in cash for each Share held; or
- (b) an allotment of Scrip Shares at HK\$0.4496 per Scrip Share (as determined below), save for adjustment for fractions, equal to the total amount of the Dividend which such Shareholder would otherwise receive in cash; or
- (c) a combination of partly of (a) and partly of (b) above.

As stated in the announcement of the Company dated 22nd June, 2012, for the purpose of calculating the number of Scrip Shares to be allotted, the market value of Scrip Shares has been fixed at HK\$0.4496 per Share, which is determined by reference to the average of the closing prices of one Share traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the three consecutive trading days up to and including the Record Date (the “Average Closing Price”) less a discount of five per cent. of such Average Closing Price or the par value of HK\$0.01 per Share, whichever is the higher.

Accordingly, the number of Scrip Shares which each Shareholder will receive under the Scrip Dividend Scheme will be calculated by the following formula:

$$\begin{array}{rclcl}
 \text{Number of Scrip Shares} & & \text{Number of Shares} & & \\
 \text{to be received} & = & \text{held on Record Date} & & 0.03 \\
 & & \text{for which the Dividend is to be satisfied} & \times & \hline
 & & \text{in Shares} & & 0.4496
 \end{array}$$

If all Shareholders elect to receive the Dividend in Scrip Shares, based on 783,695,342 Shares in issue as at the Record Date, not more than 52,292,838 Scrip Shares will be issued under the Scrip Dividend Scheme.

The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will not be allotted and the benefit thereof will accrue to the Company.

The Scrip Shares when issue will rank pari passu in all respects with the Shares existing as at the date of issue of the Scrip Shares save that they will not be entitled to the Dividend. The Scrip Shares will rank in full for all future dividends and distribution which may be declared, made or paid after the date of issue thereof.

Dividend in cash will be paid out in Hong Kong dollars regardless of the place of residence of the Shareholders as at the Record Date.

**Scrip Election Form**

An election form (the “Scrip Election Form”) is enclosed. **Any Shareholder who wishes to receive only cash in respect of his Dividend does not need to take any action. No Scrip Election Forms are being sent to those Shareholders who have previously lodged forms of election electing to receive all future dividend in cash. Any Shareholder who wishes to receive Scrip Shares in lieu of cash in respect of his Dividend, either in whole or in part, must complete the Scrip Election Form in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, no later than 4:00 p.m. on 13th September, 2012. No acknowledgement of receipt of the Scrip Election Form will be issued.**

If you complete the Scrip Election Form but do not specify the number of Shares in respect of which you elect to receive Scrip Shares, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case you will be deemed to have exercised your election to receive the Scrip Shares in lieu of cash dividend in respect of all the Shares of which you were then registered as the holder(s).

For the avoidance of doubt, the Scrip Shares are not offered to the public other than the Shareholders whose names appeared at the register of Shareholders as at the Record Date and the Scrip Election Forms are non-transferable.

### **Overseas Shareholders**

Based on the register of Shareholders as at the Record Date, all of the Shareholders have registered addresses in Hong Kong save that there were seven overseas Shareholders residing in six jurisdictions, namely People's Republic of China (1 Shareholder holding 7 Shares), the British Virgin Islands (1 Shareholder holding 3 Shares), Taiwan (1 Shareholder holding 1 Share), Macau (1 Shareholder holding 40 Shares), Australia (2 Shareholders holding in aggregate 18 Shares) and Singapore (1 Shareholder holding 7 Shares), who together hold an aggregate of 76 Shares (collectively the "Overseas Shareholders"). The aggregate amount of the Dividend to which these Overseas Shareholders are entitled under the Scrip Dividend Scheme is approximately HK\$2.28.

Under the Scrip Dividend Scheme, the number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will not be allotted and the benefit thereof will accrue to the Company. Assuming that these Overseas Shareholders all elected to receive the Dividend wholly in Scrip Shares, most of them will not be issued with any Scrip Share and only two Overseas Shareholders who reside in Macau and Australia respectively will be issued with no more than 3 Scrip Shares in total.

In compliance with Rule 13.36(2) of the Listing Rules, the Company has made enquiries with its overseas legal advisers on the laws of Macau and Australia in relation to the issue of Scrip Shares to such two Overseas Shareholders. The Directors were advised that the Scrip Dividend Scheme to be offered to the Overseas Shareholder whose registered address was in Australia as at the Record Date would be subject to certain rules, regulations and procedural requirements under the law of Australia. The Directors considered that it would not be cost effective and expedient for the Company to do so.

Accordingly, all Overseas Shareholders, except the Overseas Shareholder whose registered address appeared on the register of Shareholders as at the Record Date was in Macau, will be excluded from the Scrip Dividend Scheme and such Overseas Shareholders will receive the Dividend wholly in cash. No Scrip Election Form will be sent to such Overseas Shareholders.

None of this circular, the Scrip Election Form nor the Scrip Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than Hong Kong. The participation in the Scrip Dividend Scheme by the Overseas Shareholders may be restricted by the laws of their relevant jurisdictions. No Shareholder receiving a copy of this circular and/or the Scrip Election Form in any territory outside Hong Kong may treat the same as an offer of Scrip Shares or an invitation to elect for Scrip Shares unless in the relevant territory such invitation could lawfully be made to him without having to obtain any registration or comply with other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of each Overseas Shareholder who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction including obtaining any registration or approval or consent or complying with other legal requirements, governmental or regulatory procedures or any similar formalities. Shareholders who receive Scrip Shares in lieu of the cash dividend must also comply with any restrictions on the sale of the Scrip Shares which may apply outside Hong Kong. Shareholders with registered addresses outside Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the Dividend in the form of an issue of Scrip Shares or if any governmental or other consent is required or other formalities which need to be observed and whether there are any other restrictions in relation to the future sale of any Scrip Shares so acquired. Overseas Shareholders residing in jurisdictions where it would be illegal for them to participate in the Scrip Dividend Scheme will be deemed to have received this circular and/or the Scrip Election Form for information only.

## **The Stock Exchange Listing and Despatch of Dividend Cheques/Share Certificates**

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares. Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Scrip Shares. Subject to the said application being granted by the Listing Committee of the Stock Exchange, certificates in respect of the Scrip Shares and cheques in respect of the Dividend payable in cash are expected to be sent to the relevant Shareholders by post at their own risk on or around 26th September, 2012. You may deal in the Scrip Shares to be issued to you upon receipt of the relevant share certificates. In the unlikely event that the Scrip Shares are not admitted to listing before 26th September, 2012, the Scrip Election Form will be disregarded and the entire Dividend will be paid in cash.

The Shares are only listed on the Stock Exchange. No equity or debt securities of the Company is listed or dealt in on any other stock exchange and no listing or permission to deal in on any other stock exchange is being or is proposed to be sought.

Dealings in the Scrip Shares are expected to commence on 27th September, 2012.

### **Advantages of the Scrip Dividend Scheme**

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investments in the Company at a discount to market value as provided above, without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders elect to receive Scrip Shares, in whole or in part, in respect of the Dividend, the cash which would otherwise have been paid to such Shareholders will be retained for use by the Company.

### **Recommendation**

Whether or not it is to your advantage to elect to receive cash or the Scrip Shares, in whole or in part, will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, are the sole responsibility of each Shareholder. **IF YOU ARE IN ANY DOUBT AS TO WHAT TO DO, YOU SHOULD CONSULT A LICENSED SECURITIES DEALER, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

Yours faithfully,  
On behalf of the Board of  
**ITC Corporation Limited**  
**Dr. Chan Kwok Keung, Charles**  
*Chairman*