
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ITE (Holdings) Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**ITE (HOLDINGS) LIMITED**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

**PROPOSED CHANGE OF AUDITORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of ITE (Holdings) Limited to be held at Units 1005-07, Level 10, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong on Friday, 20 April 2007 at 3:30 p.m. is set out on page 4 of this circular. If you are not able to attend the meeting in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and deposit the same with Hong Kong Registrars Limited, the branch share registrar of ITE (Holdings) Limited in Hong Kong, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for 7 days from the date of its posting and on the website of the Company at www.hkite.com.

23 March 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE BOARD



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

Executive Directors:

Lau Hon Kwong, Vincent (*Chairman*)
George Roger Manho
Cheng Kwok Hung
Liu Hoi Wah

Registered Office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands.

Independent non-executive Directors:

Lee Peng Fei, Allen
Tang Siu, Henry
Kam Hau Choi, Anthony

*Head Office and Principal Place
of Business:*

Units 1005-07, Level 10,
Manulife Provident Funds Place,
345 Nathan Road,
Kowloon,
Hong Kong.

23 March 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED CHANGE OF AUDITORS

The board of directors (the “Board”) of ITE (Holdings) Limited (the “Company”) proposed to change the auditors of the Company as the Board and RSM Nelson Wheeler (“RSM”), the auditors of the Company, could not arrive at consensus on the audit fees for the year ended 31 March 2007.

RSM were re-appointed as auditors of the Company at the last annual general meeting of the Company held on 8 August 2006 to hold office until the conclusion of the next annual general meeting of the Company. The Company received a notice of resignation from RSM in respect of their services as auditors of the Company and its subsidiaries with effect from 16 March 2007. In accordance with the articles of association of the Company, if the office of auditors becomes vacant by the resignation of the auditors, the directors of the Company (the “Directors”) will as soon as practical convene an extraordinary general meeting to fill the vacancy.

LETTER FROM THE BOARD

RSM have confirmed that there are no circumstances in respect of their resignation which they consider should be brought to the attention of the shareholders and creditors of the Company. To the best knowledge of the Directors, there are also no circumstances connected with the change of auditors which they consider should be brought to the attention of the shareholders and creditors of the Company.

RSM have not yet commenced any audit work on the accounts of the Company and its subsidiaries for the year ended 31 March 2007. It is expected that the change of auditors of the Company will not affect the audit and the release of the annual results of the Company for the year ended 31 March 2007.

The Directors propose to appoint Baker Tilly as auditors of the Company to fill the vacancy and hold office until the conclusion of the next annual general meeting of the Company. The appointment of Baker Tilly as auditors of the Company in place of RSM is subject to the approval by the shareholders of the Company at an extraordinary general meeting to be convened pursuant to the articles of association of the Company.

An ordinary resolution will be proposed at the extraordinary general meeting of the Company to approve the proposed change of auditors of the Company. None of the shareholders of the Company are required to abstain from voting at the extraordinary general meeting of the Company. The extraordinary general meeting of the Company is to be held at Units 1005-07, Level 10, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong on Friday, 20 April 2007 at 3:30 p.m. The notice of the extraordinary general meeting is set out in this circular. A form of proxy for use at the extraordinary general meeting is also enclosed.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 72 of the articles of association of the Company, a resolution put to the vote at any general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

ACTION TO BE TAKEN

Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors are of the opinion that the nomination and appointment of Baker Tilly as auditors of the Company is in the best interest of the Company and its shareholders as a whole and so recommend you to vote in favour of the resolution to be proposed at the extraordinary general meeting of the Company.

By Order of the Board
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of ITE (Holdings) Limited (the “Company”) will be held at Units 1005-07, Level 10, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong on Friday, 20 April 2007 at 3:30 p.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** Baker Tilly be and is hereby appointed as auditors of the Company to fill the casual vacancy following the resignation of RSM Nelson Wheeler and to hold office until the conclusion of the next annual general meeting of the Company and that the board of directors be authorised to fix their remuneration.”

By order of the Board
ITE (Holdings) Limited
Yeung Yuen Chun Mona
Company Secretary

Hong Kong, 23 March 2007

Notes:

- (a) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy needs not to be a member of the Company.
- (b) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company’s registrar in Hong Kong, Hong Kong Registrars Limited at 46/F., Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- (d) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked once the registered shareholder attends at the meeting.