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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

(Warrant Code: 779)

DISCLOSEABLE TRANSACTION ACQUISITION OF CONVERTIBLE EXCHANGEABLE NOTES OF WING ON TRAVEL (HOLDINGS) LIMITED

On 16 June 2009, the Purchaser entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and transfer, and the Purchaser, an indirect wholly-owned subsidiary of the Company, has agreed to purchase and accept the transfer of the Sale Note in the principal amount of HK\$50,000,000 for a cash consideration of HK\$40,000,000.

The Conversion Shares to be issued upon full conversion of the Sale Note represent (i) approximately 1.62% of the issued share capital of Wing On as at 31 May 2009; and (ii) approximately 1.59% of the issued share capital of Wing On as enlarged by the Conversion Shares to be issued upon such conversion.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. The Previous Acquisition was a discloseable transaction for the Company. The Acquisition, when aggregated with the Previous Acquisition pursuant to Rule 14.22 of the Listing Rules, would also constitute a discloseable transaction for the Company.

On 16 June 2009, the Purchaser entered into an agreement with the Vendor in relation to the Acquisition. Set out below are major terms of the Agreement.

PARTIES

Vendor: Violet Profit Holdings Limited

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Vendor is principally engaged in investment holding and the Vendor and its ultimate beneficial owner are independent of the Company and its connected persons, and independent of Wing On and its connected persons.

There were no prior transactions or relationship between the Company and the Vendor, its associates or ultimate beneficial owner in the past 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

As disclosed in the Previous Announcements, the Group acquired Notes in an aggregate principal amount of HK\$58,200,000. Apart from the Previous Acquisition, the Group has not acquired any Notes in the past 12 months.

Purchaser: Asia Will Limited, an indirect wholly-owned subsidiary of the Company

ASSETS TO BE ACQUIRED

The Vendor has agreed to sell and transfer, and the Purchaser has agreed to purchase and accept the transfer of, the Sale Note in the principal amount of HK\$50,000,000.

CONSIDERATION

The consideration for the Sale Note is HK\$40,000,000 which has been paid by the Group to the Vendor in cash upon Completion.

The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser. The Consideration represents a discount of 20.0% to the principal amount of the Sale Note of HK\$50,000,000. The Directors consider the Consideration fair and reasonable. The Consideration has been settled by internal resources by the Group.

Wing On has given its written consent to the transfer of the Sale Note to the Purchaser pursuant to the provisions set out in the Note Instrument.

COMPLETION

The Agreement is unconditional and the Completion has taken place on 16 June 2009.

PRINCIPAL TERMS OF THE SALE NOTE

Principal amount	HK\$50,000,000
Maturity Date	7 June 2011, which is the fifth anniversary from the date of issue of the Sale Note.
Redemption	Unless previously converted or lapsed or redeemed by Wing On, Wing On will redeem the Sale Note on the Maturity Date at the redemption amount which is 110% of the principal amount of the Sale Note outstanding.

In the event of a change of control of Wing On prior to the Maturity Date, the holder of the Sale Note may require Wing On to redeem at the redemption amount which is 110% of the principal amount of the Sale Note then outstanding plus interest accrued.

In the event of the occurrence of events of default specified in the Note Instrument, the holder of the Sale Note may also require Wing On to redeem the principal amount of the Sale Note then outstanding plus interest accrued.

Transferability

The Sale Note is freely transferable but may not be transferred to a connected person of Wing On (unless the transferee is an associate of the Purchaser) without the prior written consent of Wing On.

Voting

The holder of the Sale Note will not be entitled to receive notice of, to attend or vote at any general meetings of Wing On by reason only of it being a holder of the Sale Note.

Interest

The Sale Note bears interest at the rate of 2% per annum on the outstanding principal amount of the Sale Note.

Conversion period

Holder of the Sale Note shall have the right to convert the whole or part (in an amount or integral multiple of HK\$1,000,000) of the principal amount of the Sale Note into Conversion Shares at any time up to and including the date falling 7 days prior to the Maturity Date.

Conversion price

The Sale Note can be converted into Conversion Shares at the conversion price of HK\$0.339 per Conversion Share (subject to adjustments in accordance with the terms of the Sale Note) during the conversion period as stated above.

The conversion price of HK\$0.339 per Conversion Share represents:

- a premium of approximately 726.8% over the closing price of HK\$0.041 per Wing On Share as quoted on the Stock Exchange on 16 June 2009, being the date of the Agreement;
- a premium of approximately 653.3% over the average closing price of approximately HK\$0.045 per Wing On Share for the last 10 consecutive trading days up to and including 16 June 2009;

- a premium of approximately 637.0% over the average closing price of approximately HK\$0.046 per Wing On Share for the last 30 consecutive trading days up to and including 16 June 2009; and
- a premium of approximately 68.7% over the audited consolidated net asset value of the Wing On Group attributable to the shareholders of Wing On of approximately HK\$0.201 per Wing On Share as at 31 December 2008.

The conversion price is subject to usual anti-dilution adjustments from time to time in accordance with the provisions set out in the Note Instrument such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issues and other equity derivatives issued by Wing On.

Conversion Shares

Upon full conversion of the Sale Note at the prevailing conversion price of HK\$0.339 per Conversion Share (subject to adjustments), 147,492,625 Conversion Shares will be issued to the Purchaser.

Based on the information disclosed on the official website of the Stock Exchange, there were 9,119,844,935 Wing On Shares in issue as at 31 May 2009. The Conversion Shares to be issued upon full conversion of the Sale Note represent (i) approximately 1.62% of the issued share capital of Wing On as at 31 May 2009; and (ii) approximately 1.59% of the issued share capital of Wing On as enlarged by the Conversion Shares to be issued upon such conversion. As at the date of this announcement, the Group is interested in (i) 1,529,230,000 Wing On Shares, representing approximately 16.77% of the existing issued share capital of Wing On; and (ii) Notes in the aggregate principal amount of HK\$58,200,000 which were acquired by the Group in the Previous Acquisition. Upon Completion, the aggregate principal amount of Notes held by the Group will increase to HK\$108,200,000. Assuming there is no other changes of the shareholding of Wing On since 31 May 2009 save for the full conversion of the Notes held by the Group, the aggregate shareholding of the Group in Wing On immediately after full conversion of the Notes held by the Group upon the Completion will be 1,848,404,041 Wing On Shares, representing approximately 19.58% of the issued shares of Wing On as enlarged by the issue and allotment of the 319,174,041 Conversion Shares upon full conversion of the Notes held by the Group upon the Completion.

Ranking	The Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Sale Note will rank pari passu in all respects with all other Wing On Shares in issue at the date on which the conversion rights attached to the Sale Note are exercised.
Exchange rights	Subject to certain restrictions which are intended to facilitate compliance of relevant rules and regulations, holder of the Sale Note shall have the right to exchange from time to time all or part (in the amount of HK\$10,000,000 or integral multiples thereof) of 50% of the initial principal amount of its Sale Note for Spin-off Shares at the price (subject to adjustment for subdivision or consolidation of Spin-off Shares if this exchange rights are exercised after the listing date of the Spin-off Shares) at which the Spin-off Shares are actually issued to the public (as defined by the rules of the relevant stock exchange) at the time of the listing on that stock exchange.
Listing	The Sale Note is not listed on the Stock Exchange or any other stock exchanges.

INFORMATION ON WING ON

Wing On is an investment holding company and its subsidiaries are engaged in the provision of travel, hotel, leisure and related services and luxury train services, and securities trading.

For each of the two years ended 31 December 2007 and 2008, the Wing On Group recorded audited loss before tax of approximately HK\$42.1 million and HK\$825.7 million respectively. The Wing On Group recorded audited profit (after tax) of approximately HK\$4.5 million for the year ended 31 December 2007 and audited loss (after tax) of approximately HK\$832.9 million for the year ended 31 December 2008. As at 31 December 2008, the audited net asset value of the Wing On Group attributable to the shareholders of Wing On was approximately HK\$1,836.3 million. Wing On has declared dividend of HK0.5 cent per Wing On Share for the year ended 31 December 2007 while no dividend was declared for the year ended 31 December 2008.

REASONS FOR THE ACQUISITION

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, the provision of finance, property investment and treasury investment.

As mentioned in the Previous Announcements, the Directors consider that the Notes, which bear interest at the rate of 2% per annum on the outstanding principal amount, would provide stable interest income for the Group. Besides, given that the Consideration represents a discount of 20.0% to the aggregate principal amount of the Sale Note and the Sale Note will be redeemed by Wing On at 110% of the principal amount of the Sale Note then outstanding on the Maturity Date, the Sale Note would allow the Group to gain the potential profits from the holding of the Sale Note. Based on the above, the Directors consider that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Group and the Shareholders as a whole.

The Company will comply with the applicable Listing Rules requirements if the Sale Note or other Notes held by the Group are converted.

The Sale Note will be allocated into debt portion and conversion option portion which will be accounted for as non-current assets of the Group. The actual allocation will be subject to the fair value of the conversion option portion of the Sale Note to be assessed.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. The Previous Acquisition was a discloseable transaction for the Company. The Acquisition, when aggregated with the Previous Acquisition pursuant to Rule 14.22 of the Listing Rules, would also constitute a discloseable transaction for the Company.

DEFINITIONS

In this announcement, the following terms have the following meanings:-

“Acquisition”	the acquisition of the Sale Note by the Purchaser pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 16 June 2009 entered into between the Purchaser and the Vendor in respect of the sale and purchase of the Sale Note
“Company”	ITC Corporation Limited (Stock Code: 372, Warrant Code: 779), a company incorporated in Bermuda with limited liability and issued securities of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Note
“connected person(s)”	has the meaning as defined in the Listing Rules
“Consideration”	the purchase price of HK\$40,000,000 for the Sale Note
“Conversion Share(s)”	new Wing On Share(s) to be allotted and issued by Wing On upon conversion of the Notes in accordance with the terms of the Note Instrument
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	7 June 2011, being the fifth anniversary from the date of issue of the Notes
“Note Instrument”	the instrument constituting the Notes
“Notes”	the 2% convertible notes due 7 June 2011 issued by Wing On with an outstanding aggregate principal amount of HK\$640,000,000 (based on the public information published by Wing On) as at the date of the Agreement which are convertible into the Conversion Shares at the conversion price of HK\$0.339 per Conversion Share (subject to adjustments) or exchangeable into Spin-off Shares
“Previous Acquisition”	the acquisition of the Notes in the aggregate principal amount of HK\$58,200,000 by the Group, details of which were set out in the Previous Announcements
“Previous Announcements”	announcements of the Company dated 18 May 2009 and 19 May 2009 in relation to the Previous Acquisition
“Purchaser”	Asia Will Limited, an indirect wholly-owned subsidiary of the Company
“Sale Note”	the Notes in the principal amount of HK\$50,000,000 sold by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Shareholders”	shareholders of the Company
“Spin-off Shares”	shares in the share capital of any company which is an affiliated company (as defined in Rule 13.11(2)(a) of the Listing Rules) or subsidiary of Wing On that is to be listed on a stock exchange through an initial public offering
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Violet Profit Holdings Limited

“Wing On”	Wing On Travel (Holdings) Limited (Stock Code: 1189, Warrant Code: 774), a company incorporated in Bermuda with limited liability and the issued shares and warrants of which are listed on the main board of the Stock Exchange
“Wing On Group”	Wing On and its subsidiaries
“Wing On Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Wing On
“HK\$” or “HK cent”	Hong Kong dollars or cents, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 16 June 2009

As at the date of this announcement, the Directors are as follows:

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
Mr. Chan Yiu Lun, Alan

Independent non-executive Directors:

Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *SBS, JP*