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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

DISCLOSEABLE TRANSACTION

ACCEPTANCE OF THE CONDITIONAL REPURCHASE OFFER FOR CONVERTIBLE NOTES OF ITC PROPERTIES GROUP LIMITED

On 21 February 2011, ITCP announced the Conditional Repurchase Offer to repurchase the Notes at the consideration, being the Redemption Amount which is proposed to be satisfied by the issue of the New Notes at the Redemption Amount.

Selective Choice, an indirect wholly-owned subsidiary of the Company, holds the Notes with an aggregate principal amount of HK\$64 million. On 11 March 2011, Selective Choice accepted the Conditional Repurchase Offer in respect of all the Notes it holds, whereby ITCP, subject to fulfillment of certain conditions precedent, will repurchase such Notes at the consideration of HK\$70.4 million, being the Redemption Amount which is proposed to be satisfied by the issue of the New Notes in the principal amount of HK\$70.4 million.

Given that one or more of the applicable percentage ratios in respect of the Acceptance exceed 5% but less than 25%, the Acceptance constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

BACKGROUND

On 28 April 2006, ITCP announced its placing of the Notes. The Notes bear interest at 1% per annum, are convertible into new ITCP Shares at the initial conversion price of HK\$0.70 per ITCP Share (subject to adjustments), and mature on the fifth anniversary from the date of the issue of the Notes. Unless previously converted or lapsed or redeemed by ITCP, ITCP must redeem the Notes on the maturity date, being 15 June 2011, at the Redemption Amount. The Notes were successfully placed and were issued in a total principal amount of HK\$1,000 million on 15 June 2006. The prevailing conversion price of the Notes is HK\$8.904 per ITCP Share (subject to adjustments).

As at the date of this announcement, Selective Choice, an indirect wholly-owned subsidiary of the Company, is holding the Notes with an aggregate principal amount of HK\$64 million. Apart from its holdings in the Notes in the aggregate principal amount of HK\$64 million, Selective Choice is also interested in 139,583,474 ITCP Shares, representing approximately 24.71% of the issued share capital of ITCP (based on the issued shares of ITCP as at 28 February 2011 as disclosed on the official website of the Stock Exchange).

ACCEPTANCE OF THE CONDITIONAL REPURCHASE OFFER OF ITCP

On 21 February 2011, ITCP announced the Conditional Repurchase Offer to repurchase the Notes at the consideration, being the Redemption Amount which is proposed to be satisfied by the issue of the New Notes.

On 11 March 2011, Selective Choice accepted the Conditional Repurchase Offer in respect of all the Notes it holds in the aggregate principal amount of HK\$64 million, whereby ITCP will, subject to fulfillment of certain conditions precedent, repurchase such Notes at the consideration of HK\$70.4 million, being the Redemption Amount which is proposed to be satisfied by the issue of the New Notes in the principal amount of HK\$70.4 million. In addition, the 1% interest per annum accrued on the Notes from the last interest payment date on 15 June 2010 up to and excluding the date of issue of the New Notes will be paid to Selective Choice on the 5th Business Day after the date of the issue of the New Notes.

Apart from its holdings in the Notes, as at the date of this announcement, Selective Choice is also interested in 139,583,474 ITCP Shares, representing approximately 24.71% of the issued share capital of ITCP as at 28 February 2011. As at the date of this announcement, Dr. Chan Kwok Keung, Charles, the chairman, an executive Director and the controlling Shareholder (as defined under the Listing Rules) holds 6,066,400 ITCP Shares, representing approximately 1.07% of the issued share capital of ITCP as at 28 February 2011. In addition, Ms. Chau Mei Wah, Rosanna, deputy chairman and managing director of the Company, and Mr. Cheung Hon Kit, an executive Director, each directly holds 3,200,000 ITCP Shares and 14,202,000 ITCP Shares, representing approximately 0.57% and 2.51% of the issued share capital of ITCP as at 28 February 2011 respectively. Mr. Cheung Hon Kit, Mr. Chan Fut Yan, Mr. Chan Yiu Lun, Alan and Mr. Shek Lai Him, Abraham, Directors, are also directors of ITCP with the following positions respectively: (i) chairman and executive director, (ii) managing director; (iii) executive director; and (iv) vice chairman and independent non-executive director.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ITCP and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The principal terms of the Conditional Repurchase Offer are set out below:

1. Consideration

ITCP has made the Conditional Repurchase Offer (subject to fulfillment of certain conditions precedent described below) to repurchase the Notes at the consideration, being the Redemption Amount which is proposed to be satisfied by the issue of the New Notes.

2. Principal terms of the New Notes

Issuer	:	ITCP
Aggregate principal amount	:	Up to HK\$996,600,000
Initial conversion price	:	HK\$2.2 per Conversion Share (subject to anti-dilution adjustments in certain events including, among other things, share consolidation, share subdivision, capitalisation issue, capital distribution and rights issue).
Interest rate	:	3.25% per annum, payable annually in arrear for the first 24 months, and on the maturity date for the last 6 months.
Maturity date	:	The day falling 30 months after the date of issue of the New Notes.
Redemption	:	Unless previously converted or purchased and cancelled, ITCP shall redeem each New Notes on the maturity date at the redemption amount, which is 105% of the outstanding principal amount of such New Notes. Before the maturity date, ITCP or any of its subsidiaries may purchase the New Notes at any price as agreed between ITCP or such subsidiary and the holders of the New Notes.
Transferability	:	The New Notes are freely transferable but may not be transferred to a connected person of ITCP without the prior written consent of ITCP and the compliance with all regulatory approvals or requirements.

- Conversion period : The holders of the New Notes shall have the right to convert, on any Business Day commencing from the 15th day after the date of issue of the New Notes up to and including the date which is 15 days prior to the maturity date, the whole or any part (in an amount or integral multiple of HK\$500,000) of the principal amount of the New Notes into ITCP Shares at the then prevailing conversion price.
- Voting : The holders of the New Notes will not be entitled to receive notice of, attend or vote at any general meeting of ITCP by reason only of being the holders of the New Notes.
- Listing : No application will be made by ITCP for the listing of the New Notes on the Stock Exchange or any other stock exchange.
- Ranking : The Conversion Shares will rank pari passu in all respects with other existing ITCP Shares outstanding at the date of conversion notice of the New Notes served by the holders of the New Notes.

3. Conditions precedent to the Conditional Repurchase Offer

As disclosed in the announcement of ITCP dated 21 February 2011, the Conditional Repurchase Offer shall be conditional upon, among other things:

- (a) the passing of the ordinary resolution(s) of the shareholders of ITCP (other than those who are required under the Listing Rules to abstain from voting including the Company, Selective Choice and their respective associates) at the special general meeting of ITCP, approving the Conditional Repurchase Offer and the transactions contemplated thereunder including the issue of the New Notes and the Conversion Shares;
- (b) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares;
- (c) the compliance of any other requirements under the Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or otherwise of the Stock Exchange and the Securities and Futures Commission of Hong Kong which requires compliance in relation to the creation and the issue of the New Notes and the Conversion Shares;

- (d) (where required) the Bermuda Monetary Authority granting its permission to the creation and the issue of the New Notes and the allotment and issue of the Conversion Shares; and
- (e) the obtaining of all consents from any relevant persons which are necessary or desirable in connection with the creation and the issue of the New Notes (and, where such consents are given subject to the conditions, such conditions are on the terms as may be reasonably acceptable to ITCP).

If any of the above conditions has not been fulfilled by 4:00 p.m. on 31 May 2011, the Conditional Repurchase Offer would not proceed.

INFORMATION ON ITCP

ITCP is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. The ITCP Group is also engaged in golf resort and leisure operations, securities investment and the provision of loan financing services.

The following audited financial information is extracted from the annual report of ITCP for the financial year ended 31 March 2010:

	For the financial year ended 31 March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	314,358	145,121
Gross profit	50,601	44,083
Profit (loss) before taxation	102,960	(462,285)
Net profit (loss) attributable to owners of ITCP	102,852	(461,816)
	As at 31 March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity attributable to owners of ITCP	2,114,638	2,002,051

REASONS FOR AND BENEFITS OF THE ACCEPTANCE

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.

Based on the carrying value of the Notes held by Selective Choice as at 30 September 2010 of approximately HK\$54 million, it is estimated that the Acceptance will have a gain of approximately HK\$16.4 million. The Acceptance will not have material effects on the Group's assets and liabilities. It should be noted that the actual gain or loss on the Acceptance to be recorded by the Group will depend on the carrying value of the Notes as at the date of completion of the Conditional Repurchase Offer. The Directors consider that the New Notes, which bear interest at the rate of 3.25% per annum on the outstanding principal amount, would provide stable interest income for the Group. Besides, given that the New Notes will be redeemed at 105% of the principal amount of the New Notes then outstanding on the maturity date, the New Notes would allow the Group to realize a gain from holding the New Notes to maturity. Moreover, the Notes have been "out-of-money" while the New Notes provides a lower initial conversion price, which is closer to the current market price of the ITCP Shares. Accordingly, the Directors are of the view that the Acceptance, including the consideration, is fair and reasonable and the Acceptance is in the interests of the Group and the Shareholders as a whole.

The Group has not acquired nor disposed of any Notes in the past 12 months immediately before the date of the Acceptance which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

Given that one or more of the applicable percentage ratios in respect of the Acceptance exceed 5% but less than 25%, the Acceptance constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

"Acceptance"	the acceptance of the Conditional Repurchase Offer by Selective Choice in respect of the Notes in the aggregate principal amount of HK\$64 million on 11 March 2011
"associates"	the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day (other than Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business

“Company” or “ITC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 372)
“Conditional Repurchase Offer”	conditional offer being made by ITCP to repurchase the Notes at the Redemption Amount which is proposed to be satisfied by the issue of the New Notes
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Conversion Share(s)”	new ITCP Share(s) falling to be allotted and issued by ITCP under exercise of the conversion rights attaching to the New Notes
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“ITCP”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 199)
“ITCP Group”	ITCP and its subsidiaries
“ITCP Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of ITCP
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administration Region of the PRC
“New Notes”	the 3.25% convertible notes to be issued by ITCP as consideration pursuant to the Conditional Repurchase Offer
“Notes”	the 1% convertible notes due 15 June 2011 issued by ITCP
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan

“Redemption Amount”	the amount equal to the sum of the outstanding principal amount and 10% redemption premium of the Notes payable by ITCP on redemption of the Notes at maturity in accordance with the terms and conditions of the Notes
“Selective Choice”	Selective Choice Investments Limited, an indirect wholly-owned subsidiary of ITC and an investment holding company
“Shares”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

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

Hong Kong, 11 March 2011

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
Mr. Chan Yiu Lun, Alan

Independent non-executive Directors:

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