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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

### **DISPOSAL MANDATE IN RELATION TO FUTURE DISPOSALS OF SHARES IN BURCON NUTRASCIENCE CORPORATION**

### **POSSIBLE VERY SUBSTANTIAL DISPOSAL**

**Financial Adviser**



To allow flexibility in effecting future disposal(s) of Burcon Shares at appropriate time(s) and price(s) so as to maximize the return to the Group, the Company intends to seek the Shareholders' approval for the Disposal Mandate for the possible future disposal(s) of Burcon Shares (in whole or in part).

As at the date of this announcement, the Group beneficially owns 6,303,775 Burcon Shares, representing approximately 21.2% of the existing issued share capital of Burcon. Given the minimum disposal price of C\$9.00 (equivalent to approximately HK\$72.00) per Burcon Share (subject to adjustment in the event of a share consolidation or share subdivision by Burcon), if all 6,303,775 Burcon Shares were sold, the Disposal would constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Disposal Mandate and the Disposal and a notice of the SGM is expected to be despatched to the Shareholders by 19 April 2011.

The Company is not currently engaged in any discussion with any party to dispose of the Burcon Shares (in whole or in part) and whilst the Company currently intends to proceed with the Disposal, there is no assurance that the Company will eventually proceed with the Disposal after obtaining the Disposal Mandate. **Shareholders and other investors of the Shares are therefore advised to exercise extreme caution when dealing in the Shares.**

## THE DISPOSAL

The Company intends to seek the Shareholders' approval for the Disposal Mandate for the possible future disposal of up to 6,303,775 Burcon Shares in one or more transactions which taken in aggregate will constitute a very substantial disposal for which Shareholders' approval is required. The Directors consider that the Company should firstly obtain the approval of the Disposal Mandate from the Shareholders so as to allow flexibility in effecting future disposal(s) of Burcon Shares (in whole or in part) expeditiously when market conditions are favourable. Furthermore, due to the length of time required to meet the disclosure and approval requirements under Chapter 14 of the Listing Rules, market opportunities may be missed if approval from the Shareholders is not sought in advance.

As at the date of this announcement, the Group beneficially owns 6,303,775 Burcon Shares, representing approximately 21.2% of the existing issued share capital of Burcon. Given the maximum number of 6,303,775 Burcon Shares to be disposed of under the Disposal Mandate and the minimum disposal price of C\$9.00 (equivalent to approximately HK\$72.00) per Burcon Share, the gross proceeds from the Disposal will be approximately C\$56.7 million (equivalent to approximately HK\$453.6 million).

The Disposal Mandate to be sought from the Shareholders will be on the following terms:

- (i) the minimum disposal price is C\$9.00 per Burcon Share (subject to adjustment in the event of a share consolidation or share subdivision by Burcon);
- (ii) the disposal price per Burcon Share shall not be at a discount of more than 10% to the average of the closing prices of Burcon Shares as quoted on the TSX during the 5 completed trading days immediately prior to the date on which the relevant Disposal takes place;
- (iii) the maximum number of Burcon Shares to be disposed of is 6,303,775 Burcon Shares (subject to adjustment in the event of a share consolidation or share subdivision by Burcon), being approximately 21.2% of the existing issued share capital of Burcon;
- (iv) the Disposal may take place by way of placing through block trade(s) to independent third parties by entering into placing agreement(s) with placing agent(s), and/or in the open market on the TSX and/or the Frankfurt Stock Exchange where the Burcon Shares are listed. The terms and conditions for any block trade(s) will be negotiated on an arms' length basis and the Company will ensure the placing agent(s) to be engaged is properly reputable and licensed to carry on the activity of dealing in securities;
- (v) the persons to whom the Burcon Shares will be disposed and the ultimate beneficial owner of such persons, will, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, be third parties who are independent of the Company and any connected persons (as defined by the Listing Rules) of the Company;

- (vi) the Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Disposal, including but not limited to the number of batches of disposals, the number of Burcon Shares to be sold under each disposal, the timing of each disposal, the manner of disposal (whether in the open market or through block trades(s)) and the selling price (subject to the parameters set out in paragraphs (i) and (ii) above); and
- (vii) the Disposal Mandate will be for a period of twelve months from the date of the approval of the Shareholders having been obtained.

The minimum disposal price per Burcon Share represents:

- a premium of approximately 1,736.7% over the unaudited net asset value of approximately C\$0.49 (equivalent to approximately HK\$3.92) per Burcon Share as at 31 December 2010 (which is calculated based on the unaudited net asset value attributable to equity holders of approximately C\$14.6 million (equivalent to approximately HK\$116.8 million) as at 31 December 2010 divided by the number of Burcon Shares outstanding as at 31 December 2010 of 29,761,557 Burcon Shares, which information is obtained from the quarterly report of Burcon for the nine months ended 31 December 2010);
- a discount of approximately 2.2% over the closing price of C\$9.20 per Burcon Share as quoted on the TSX as at 25 March 2011, the trading day immediately before the date of this announcement;
- a discount of approximately 6.9% to the average of the closing prices of approximately C\$9.67 per Burcon Share as quoted on the TSX for the last 6 months up to and including 25 March 2011; and
- a discount of approximately 1.3% to the average of the closing prices of approximately C\$9.12 per Burcon Share as quoted on the TSX for the last 12 months up to and including 25 March 2011.

The minimum disposal price of C\$9.00 per Burcon Share under the Disposal Mandate is set with reference to the current market condition and the recent share price performance of the Burcon Shares. The Directors consider that the minimum disposal price of C\$9.00 per Burcon Share is fair and reasonable.

#### **FINANCIAL EFFECT OF THE DISPOSAL ON ITC**

Based on the maximum of 6,303,775 Burcon Shares to be disposed of under the Disposal Mandate and the minimum disposal price of C\$9.00 per Burcon Share, the Disposal will raise approximately C\$56.7 million (equivalent to approximately HK\$453.6 million), before expenses and tax, for the Group. As at the date of this announcement, there is no specific use for the net proceeds thereof other than to be used as the general working capital of the Group.

According to the Group's books and records as at 30 September 2010, the carrying amount of Burcon Shares held by the Group was approximately HK\$6.2 million. Assuming all the 6,303,775 Burcon Shares are sold at the minimum disposal price of C\$9.00 (equivalent to approximately HK\$72.00) per Burcon Share, a gain on disposal before expenses and tax of approximately HK\$447.4 million) will be resulted. The Group shall discontinue the use of the equity method from the date when Burcon ceases to be an associate of the Group. Should all the Burcon Shares be disposed of, the Group shall cease to have any interests in Burcon. It should be noted that the actual gain or loss before expenses and tax will depend on the actual selling prices of Burcon Shares, the actual number of Burcon Shares eventually disposed of by the Group and the relevant carrying amounts of the Burcon Shares disposed of at the relevant dates of disposal.

### **REASONS FOR THE DISPOSAL**

ITC 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 the current market value of the Burcon Shares is higher than their carrying value, the Disposal will enable the Company to realise the capital gain on all or part of its shareholding interest in Burcon and strengthen its cash position. Although no acquisition or investment proposals are currently under negotiation, the net proceeds from the Disposal may provide the Group with additional resources to fund such acquisitions and/or investments when opportunities arise.

### **INFORMATION ON BURCON**

Burcon is listed on the TSX and the Frankfurt Stock Exchange. Burcon is a leader in nutrition, health and wellness in the field of functional and renewable plant proteins. Since 1999, Burcon has developed a portfolio of composition, application, and process patents originating from its core protein extraction and purification technology. Burcon is currently developing Supertein™ and Puratein® canola protein isolates with unique functional and nutritional attributes. Supertein™ and Puratein® are the first canola protein isolates to have attained the self-affirmed Generally Recognised as Safe ("GRAS") status in the U.S. In August 2010, Burcon received a no objection letter from the U.S. Food and Drug Administration indicating that these canola protein isolates were GRAS under the intended conditions of use as an ingredient across a variety of food and beverage applications. In addition to canola, Burcon is also developing CLARISOY®, a revolutionary soy protein isolate which is 100% soluble, tasteless and completely transparent in acidic solutions.

The Burcon Group has been making a loss as it is still in the development stage of its product lines. The following is a summary of the audited consolidated results of the Burcon Group for the two years ended 31 March 2010:

	<b>For the financial year ended 31 March</b>	
	<b>2010</b>	<b>2009</b>
	<i>C\$'000</i>	<i>C\$'000</i>
Loss before taxation	(6,660)	(4,811)
Taxation	<u>—</u>	<u>—</u>
Loss after taxation	<u><u>(6,660)</u></u>	<u><u>(4,811)</u></u>

The net asset value of the Burcon Group as at 31 December 2010 was approximately C\$14.6 million (equivalent to approximately HK\$116.8 million), or C\$0.49 (equivalent to approximately HK\$3.92) per Burcon Share.

Further details are set out in Burcon's 2010 annual report and its quarterly report for the nine months ended 31 December 2010.

## **GENERAL**

As at the date of this announcement, the Group beneficially owns 6,303,775 Burcon Shares, representing approximately 21.2% of the existing issued share capital of Burcon. Given the minimum disposal price of C\$9.00 (equivalent to approximately HK\$72.00) per Burcon Share (subject to adjustment in the event of a share consolidation or share subdivision by Burcon), if all 6,303,775 Burcon Shares were sold, the Disposal would constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Disposal Mandate and the Disposal and a notice convening the SGM is expected to be despatched by the Company to the Shareholders by 19 April 2011.

To the best of the knowledge of the Company, at present no Shareholder has a material interest in the Disposal Mandate and the Disposal contemplated thereunder. Accordingly, it is expected that no Shareholder is required to abstain from voting on the proposed resolution approving the Disposal Mandate and the Disposal at the SGM.

The Group will report on the progress of the Disposal in the relevant interim report and annual report of the Company and make further announcements when any significant disposal under the Disposal Mandate has been made.

Notwithstanding the Company's intention to dispose of its holding of the Burcon Shares by way of the Disposal Mandate, the Company may also consider opportunities to dispose of any Burcon Shares to third party or parties by entering into sale and purchase agreement(s) with such third party or parties. The Company will comply with the relevant requirements of the Listing Rules as and when appropriate.

The Company is not currently engaged in any discussion with any party to dispose of the Burcon Shares (in whole or in part). Whilst the Company currently intends to proceed with the Disposal, there is no assurance that the Company will eventually proceed with the Disposal after obtaining the Disposal Mandate. **Shareholders and other investors of the Shares are therefore advised to exercise extreme caution when dealing in the Shares.**

## DEFINITIONS

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

“Board”	the board of Directors
“Burcon”	Burcon NutraScience Corporation, a company incorporated in Canada with limited liability and whose shares are listed on the TSX and the Frankfurt Stock Exchange
“Burcon Group”	Burcon and its subsidiaries
“Burcon Share(s)”	common share(s) in the share capital of Burcon
“Company” or “ITC”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board of the Stock Exchange
“C\$”	Canadian dollars, the lawful currency of Canada
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Burcon Shares pursuant to the Disposal Mandate
“Disposal Mandate”	a specific mandate proposed by the Board to seek approval from the Shareholders to allow the Board to dispose of up to 6,303,775 Burcon Shares (in whole or in part) on the terms as set out under the paragraph headed “The Disposal” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Disposal Mandate and the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of ITC
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSX”	Toronto Stock Exchange
“U.S.”	the United States of America
“%”	per cent.

*In this announcement, unless otherwise stated, for purpose of illustration only, amounts quoted in C\$ have been translated into Hong Kong dollars at the rate of C\$1 to HK\$8.0. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this exchange rate or any other rates or at all.*

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

Hong Kong, 28 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*