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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

PROPOSED EXTENSION OF THE TERM OF THE CONVERTIBLE NOTES DUE 2011

THE EXTENSION

The Board has resolved that the Company will seek agreement of the Noteholders to extend the maturity date of the Notes for two years from 2 November 2011 to 2 November 2013 or such later date as agreed between the Noteholders and the Company in accordance with the terms of the Notes. Save for the proposed Extension, all the other terms and conditions of the Notes remain unchanged. As at the date of this announcement, the aggregate outstanding principal amount of the Notes is HK\$143,000,000 with rights to convert into Shares at the conversion price of HK\$0.30 per Share (subject to adjustments).

Pursuant to the terms of the Notes, subject to the approval of the Stock Exchange, the terms and conditions of the Notes may be varied, expanded or amended only by agreement in writing between the Company and Noteholder(s) holding at least 75% of the then outstanding principal amount of the Notes and any such variation, expansion and amendment shall be notified to all the Noteholders and shall be binding on the Company and all Noteholders.

The Company will send the Extension Request to the Noteholders on or about 26 August 2011. The Noteholders who agree to the proposed Extension shall notify the Company in writing on or before 4:00 p.m. on 5 September 2011 (or such later time and date as prescribed by the Company).

The proposed Extension is subject to the fulfilment of the conditions mentioned below.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible notes after issue must be approved by the Stock Exchange, except where alterations take effect automatically under the existing terms of such convertible notes. The Company will apply to the Stock Exchange for its approval of the proposed Extension pursuant to the requirements set out in the Listing Rules.

If required, a circular containing, among other things, details of the proposed Extension, the notice to convene the SGM, if required, and other information as required under the Listing Rules will be despatched to the Shareholders and, for information only, the Noteholders on or before 19 September 2011.

The SGM, if required, will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed Extension and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, as at the date of this announcement, the Noteholders and their ultimate beneficial owners are third parties independent of the Company and its connected persons. Save for the Noteholder(s) who is (are) Shareholder(s), no Shareholder would be required to abstain from voting in respect of the proposed ordinary resolution to approve the proposed Extension and the transactions contemplated thereunder at the SGM (if required).

BACKGROUND

Reference is made to the announcement of the Company dated 24 September 2009 and the circular of the Company dated 7 October 2009 (the "Circular") in relation to, among other things, the issue and placing of the Notes with an aggregate principal amount of HK\$200,000,000 convertible into Shares at an initial conversion price of HK\$0.50 per Share, subject to adjustments. As a result of intervening corporate exercise undertaken by the Company, the prevailing conversion price of the Notes is HK\$0.30 per Share, subject to adjustments. The Notes will mature on 2 November 2011.

As at the date of this announcement, the aggregate outstanding principal amount of the Notes is HK\$143,000,000. Pursuant to the terms of the Notes, 476,666,666 new Shares will fall to be issued upon full conversion of the Notes at the prevailing conversion price of HK\$0.30 per Share (subject to adjustments).

Reference is also made to the special general meeting of the Company held on 22 October 2009 whereby it was resolved that, inter alia, the Directors were authorised to exercise all powers of the Company in connection with the issue of the Notes including without limitation to the execution, amendment, supplement, delivery, submission and implementation of any further necessary documents or agreements.

THE EXTENSION

The Board has resolved that the Company will seek agreement of the Noteholders to extend the maturity date of the Notes for two years from 2 November 2011 to 2 November 2013 or such later date as agreed between the Noteholders and the Company in accordance with the terms of the Notes. Save for the proposed Extension, and as a result thereof, the conversion period under the Notes, all the other terms and conditions of the Notes remain unchanged. Pursuant to the terms of the Notes, subject to the approval of the Stock Exchange, the terms and conditions of the Notes may be varied, expanded or amended only by agreement in writing between the Company and Noteholder(s) holding at least 75% of the then outstanding principal amount of the Notes and any such variation, expansion and amendment shall be notified to all the Noteholders and shall be binding on the Company and all Noteholders. The proposed Extension is subject to the fulfilment of all conditions precedent set out below by the prescribed deadline.

The Company will send the Extension Request to the Noteholder on or about 26 August 2011. The Noteholders who agree to the proposed Extension shall notify the Company in writing on or before 4:00 p.m. on 5 September 2011 (or such later time and date as prescribed by the Company).

The following is a summary of the principal terms of the Notes after the proposed Extension:

- Aggregate principal amount : HK\$143,000,000
- Prevailing conversion price : HK\$0.30 per Conversion Share, subject to anti-dilutive adjustments, including consolidation or subdivision of the Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events
- Interest : 5% per annum, payable semi-annually on 2 May and 2 November in each year
- Maturity Date : 2 November 2013 or such later date as agreed between the Noteholders and the Company in accordance with the terms of the Notes
- Redemption : On the maturity date, the Noteholders shall be entitled to demand from the Company the full repayment of the outstanding principal amount of any outstanding and unconverted Notes (if any) plus accrued and unpaid interest in respect of the outstanding principal amount of the outstanding and unconverted Notes in cash
- Transferability : The Notes will be freely transferable but may not be assigned or transferred to a connected person of the Company without the prior written consent of the Company
- Conversion period : A Noteholder shall have the right at any time and from time to time from the period commencing immediately on and including the 7th day after the issue of the Notes (or such earlier date as may be agreed in writing between the Company and the Noteholder) up to and including the date which is 7 days prior to the maturity date to convert the whole or part of the principal amount of the Note(s) in amounts of not less than HK\$1,000,000 (and in integral multiples of HK\$1,000,000) of the principal amount outstanding under the Notes into Conversion Shares on each conversion, save that if at any time, the principal amount outstanding of the Notes is less than HK\$1,000,000 the whole (but not part only) of the outstanding principal amount of the Notes may be converted

- Voting rights : The Noteholder will not be entitled to receive notice of, attend or vote at any general meeting of the Company by reason only of it being the Noteholder
- Listing : No application will be made for the listing of the Notes on the Stock Exchange or any other stock exchanges
- Ranking : The Notes will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Company
- The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Notes will, when issued, rank pari passu in all respects with all other Shares in issue as at the date of conversion
- Repurchases : The Company or any of its subsidiaries may at any time and from time to time purchase the Notes at any price as may be agreed between the Company or such subsidiary and the relevant Noteholder. Any Note so purchased shall forthwith be cancelled

Conditions precedent:

The proposed Extension is conditional upon the fulfilment of the following conditions:

- (a) Noteholder(s) holding at least 75% of the then outstanding principal amount of the Notes agreeing to the proposed Extension;
- (b) the Stock Exchange approving the proposed Extension and, if required, the Listing Committee of the Stock Exchange granting, or confirming the grant of, the listing of, and permission to deal in, the Conversion Shares falling to be issued upon exercise of the conversion rights under the Notes; and
- (c) if required, the Shareholders (other than those who are required under the Listing Rules to abstain from voting) approving the proposed Extension.

If any of the above conditions has not been fulfilled by 4:00 p.m. on 2 November 2011, the proposed Extension will not proceed.

The Company will make further announcement(s) as regards the percentage of the outstanding principal amount of the Notes agreeing to the proposed Extension after the deadline for the return of agreement to the Extension Request.

REASONS FOR THE EXTENSION

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.

The Notes are approaching their maturity on 2 November 2011 and will, unless converted, be redeemed at maturity in cash. The proposed Extension effectively allows the Group to keep the the Notes valid under the same terms until the extended maturity on 2 November 2013 (or such later date as agreed between the Noteholders and the Company in accordance with the terms of the Notes), strengthens the cash flow position of the Group and allows the Group to retain funds as its general working capital. By way of the proposed Extension, the Noteholders can also extend the period to exercise their rights to convert the Notes into the Conversion Shares so as to participate in the future growth of the Group. If the Notes are converted into Conversion Shares in future, the share capital base of the Company would also be broadened.

Taking into account the above, the Directors consider that the terms of the proposed Extension are fair and reasonable and the proposed Extension is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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If required, a circular containing, among other things, details of the proposed Extension, the notice to convene the SGM, if required, and other information as required under the Listing Rules, will be despatched to the Shareholders and, for information only, the Noteholders on or before 19 September 2011.

The SGM, if required, will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed Extension and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, as at the date of this announcement, the Noteholder(s) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. Save for the Noteholder(s) who is (are) Shareholder(s), no Shareholder would be required to abstain from voting in respect of the proposed ordinary resolution to approve the proposed Extension and the transactions contemplated thereunder at the SGM (if required).

DEFINITIONS

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

“Board”	board of Directors
“Company”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares (Stock Code: 372) of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Conversion Shares”	new Share(s) falling to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Notes
“Directors”	the directors of the Company
“Extension”	the extension of the maturity date of the Notes to 2 November 2013 or such later date as agreed between the Noteholders and the Company in accordance with the terms of the Notes
“Extension Request”	a request to be made by the Company to the Noteholders to seek their agreement to the proposed Extension
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	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
“Notes”	the 5% convertible notes due 2 November 2011 issued by the Company with an aggregate outstanding principal amount of HK\$143,000,000 as at the date of this announcement
“Noteholder(s)”	holder(s) of the Notes
“SGM”	the special general meeting of the Company to be convened and held, and if thought fit, approve the proposed Extension and the transactions contemplated thereunder
“Share(s)”	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, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
ITC CORPORATION LIMITED
Lee Hon Chiu
Company Secretary

Hong Kong, 26 August 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. Chan Yiu Lun, Alan

Independent non-executive Directors:

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