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ITC CORPORATION LIMITED

德祥企業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

CONNECTED TRANSACTION ACQUISITION OF THE SALE NOTES

The Board announces that on 11 October 2016, the Company through Great Intelligence, an indirect wholly-owned subsidiary of the Company, acquired the Sale Notes, being ITCP Notes in the principal amount of US\$1.8 million, from third party vendor(s) in the secondary market through a financial institution for a consideration of approximately US\$1.78 million (equivalent to approximately HK\$13.8 million). As the ITCP Issuer is an associate of Dr. Chan, an executive Director, the chairman of the Board and the controlling Shareholder, pursuant to Rules 14A.12 and 14A.14 of the Listing Rules, the Acquisition constitutes a connected transaction of the Company. As the relevant percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the transaction is subject to reporting and announcement requirements and is exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

ACQUISITION OF THE SALE NOTES

On 11 October 2016, the Company through Great Intelligence, an indirect wholly-owned subsidiary of the Company, acquired the Sale Notes, being ITCP Notes in the principal amount of US\$1.8 million from third party vendor(s) in the secondary market through a financial institution for a consideration of approximately US\$1.78 million (equivalent to approximately HK\$13.8 million). As the Acquisition was acquired in the secondary market through a financial institution, the exact identity(ies) of the vendor(s) of the Sale Notes is not known to the Company. As the ITCP Issuer is an associate of Dr. Chan, an executive Director, the chairman of the Board and the controlling Shareholder, pursuant to Rules 14A.12 and 14A.14 of the Listing Rules, the Acquisition constitutes a connected transaction for the Company.

The consideration for the Sale Notes was determined with reference to market prices at the relevant time quoted by a financial institution, an independent third party of the Company. The total acquisition cost of the Sale Notes under the Acquisition was financed by the Group's internal resources.

* *For identification purpose only*

The Group is considering to acquire more ITCP Notes and, if required, will comply with the applicable provisions under the Listing Rules. Further announcement in relation to such additional acquisition will be made as and when necessary in compliance with the Listing Rules.

All Directors (excluding all executive Directors namely, Dr. Chan, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Chuen, Augustine, Mr. Chan Fut Yan and Mr. Chan Yiu Lun, Alan and an independent non-executive Director, namely Mr. Shek Lai Him, Abraham) are of the opinion that the terms of the Acquisition are on normal commercial terms, fair and reasonable and the Acquisition is in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole.

Mr. Chan Kwok Chuen, Augustine and Mr. Chan Yiu Lun, Alan are younger brother and the son of Dr. Chan respectively. Mr. Chan Fut Yan, Mr. Chan Yiu Lun, Alan and Mr. Shek Lai Him, Abraham are common directors of the Company and ITCP and hold 3,285,267 ITCP Shares, 3,600,390 ITCP Shares and 229,346 ITCP Shares respectively, representing approximately 0.37%, 0.41% and 0.03% of the total issued shares of ITCP as at the date of this announcement. Ms. Chau Mei Wah, Rosanna holds 12,952,564 ITCP Shares, representing approximately 1.46% of the total issued shares of ITCP as at the date of this announcement.

REASONS FOR, AND BENEFITS OF, 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.

The Company currently holds approximately 34.61% of the total issued shares of ITCP. As the Directors are optimistic towards the prospects and development of the ITCP Group, the Directors are positive about the investment in the Sale Notes. In addition, the investment provides stable interest income for the Group and diversifies the investment products of the Group, all Directors (excluding Dr. Chan, Ms. Chau Mei Wah, Rosanna, Mr. Chan Kwok Chuen, Augustine, Mr. Chan Fut Yan, Mr. Chan Yiu Lun, Alan and Mr. Shek Lai Him, Abraham) believe that the investment is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON ITCP

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

LISTING RULES IMPLICATIONS

The ITCP Issuer is a wholly-owned subsidiary of ITCP. As at the date of this announcement, Dr. Chan holds directly and indirectly 1,024,324,383 Shares, representing approximately 60.67% of the total issued shares of the Company and Dr. Chan and Ms. Ng directly/indirectly in aggregate hold 225,643,318 ITCP Shares, representing approximately 25.50% of the total issued shares of ITCP. Selective Choice, an indirect wholly-owned subsidiary of the Company, holds 306,180,916 ITCP Shares, representing approximately 34.61% of the total issued shares of ITCP as at the date of this announcement. Hence, ITCP Issuer is an associate of Dr. Chan pursuant to Rules 14A.12 and 14A.14 of the Listing Rules, and therefore the Acquisition constitutes a connected transaction of the Company. As the relevant percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 0.1% but less than 5%, the transaction is subject to reporting and announcement requirements and is exempted from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the respective meanings set out opposite them:

“Acquisition”	acquisition of the Sale Notes by Great Intelligence from vendor(s) in the secondary market at the consideration of approximately US\$1.78 million (equivalent to approximately HK\$13.8 million) on 11 October 2016
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Company”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 372)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, an executive Director, the chairman of the Board and the controlling Shareholder
“Great Intelligence”	Great Intelligence Holdings Limited, an indirect wholly-owned subsidiary of the Company, which is principally engaged in trading of securities and treasury investment
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ITCP”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 199)
“ITCP Group”	ITCP and its subsidiaries
“ITCP Notes”	4.75 per cent. senior guaranteed notes in the principal amount of US\$200 million due 2021 unconditionally and irrevocably guaranteed by ITCP issued by the ITCP Issuer in October 2016 at issue price of 98.906 per cent. of the aggregate principal amount
“ITCP Shares”	share(s) of HK\$0.01 each in the share capital of ITCP
“ITCP Issuer”	Treasure Generator Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of ITCP, being the issuer of the ITCP Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Ms. Ng”	Ms. Ng Yuen Lan, Macy, the spouse of Dr. Chan, who indirectly holds 209,757,748 shares of ITCP, representing approximately 23.71% of ITCP and directly holds ITCP Notes in the principal amount of US\$3 million
“PRC”	The People’s Republic of China, and for the purpose of the announcement, excluding Hong Kong, Macau and Taiwan
“Sale Notes”	ITCP Notes in the principal amount of US\$1.8 million
“Selective Choice”	Selective Choice Investments Limited, an indirect wholly-owned subsidiary of the Company and an investment holding company
“Share(s)”	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

“US\$”

United States dollars, the lawful currency of United States of America

By Order of the Board
ITC Corporation Limited
Kam Suet Fan
Company Secretary

Hong Kong, 14 October 2016

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, *GBS, JP*