

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

(Warrant code: 779)

### **(1) CLOSE OF THE REPURCHASE OFFER**

**AND**

### **(2) PROPOSED ISSUE AND PLACING OF THE PLACING NOTES**

#### **(1) CLOSE OF THE REPURCHASE OFFER**

The Repurchase Offer was open for acceptance until 4:00 p.m. on 30 September 2009, by which time the Company received valid acceptances in respect of the Existing Notes in an aggregate principal amount of HK\$128,000,000 (representing 64% of the aggregate principal amount of the Existing Notes outstanding as at the date of this announcement). Accordingly, subject to the fulfilment of certain conditions precedent, the Company is required to issue the Repurchase Consideration Notes in an aggregate principal amount of HK\$128,000,000 upon completion of the Repurchase Offer. The Existing Notes in the principal amount of HK\$72,000,000 in respect of which no valid acceptance has been received will fall due on 2 November 2009.

#### **(2) THE PLACING AGREEMENT**

On 30 September 2009, the Company and the Placing Agent entered into the Placing Agreement pursuant to which, among other things, the Placing Agent conditionally agreed to place, on a best efforts basis, the Placing Notes up to a maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the Repurchase Consideration Notes to be issued pursuant to the Repurchase Offer) to not less than six Placees. The maximum aggregate principal amount of convertible notes to be issued by the Company under the Placing Agreement and the Repurchase Offer will not exceed HK\$200,000,000, which is equal to the outstanding principal amount of the Existing Notes due to mature on 2 November 2009.

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer as disclosed above) are fulfilled and the Repurchase Offer does not lapse, the maximum aggregate principal amount of the Placing Notes that can be issued is HK\$72,000,000.

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse and the maximum aggregate principal amount of the Placing Notes of HK\$72,000,000 are placed by the Placing Agent, upon full conversion of the Placing Notes at the initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments), a total of 144,000,000 Conversion Shares will be issued, representing (i) approximately 19.11% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.48% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Placing Notes and the Repurchase Consideration Notes.

The issue of the Placing Notes and the Conversion Shares will be put to Shareholders for their approval at the SGM. The Company has been informed by the Placing Agent that the beneficial owner of the Placing Agent directly and indirectly beneficially owns in aggregate 485,000 Shares as at the date of the Placing Agreement. Accordingly, the Placing Agent has been required to procure that its beneficial owner abstains from voting on any resolution(s) to approve the issue of the Placing Notes, the Repurchase Consideration Notes and any Conversion Shares that fall to be issued on conversion of those convertible notes. No other Shareholders are expected to be required under the Listing Rules to abstain from voting at the SGM on such resolutions.

A circular containing, among other things, (i) further details of the Repurchase Offer; (ii) further details of the Placing Agreement; and (iii) a notice convening the SGM, will be despatched to the Shareholders and, for information only, the holders of the Warrants and the Existing Notes as soon as practicable in accordance with the Listing Rules.

**Shareholders, holders of the Warrants and potential investors of the Company should be aware and take note that (i) completion of the Repurchase Offer is conditional upon satisfaction of all conditions precedent as described in the Repurchase Announcement; and (ii) the Placing is conducted on a best efforts basis and the completion of the Placing Agreement is conditional upon satisfaction of all the conditions precedent set out in the Placing Agreement and accordingly the Repurchase Offer and the Placing may or may not proceed. Shareholders, holders of the Warrants and potential investors of the Company are advised to exercise caution when dealing in the Shares and the Warrants, and if they are in any doubt about their position, they should consult their professional advisers.**

## **(1) CLOSE OF REPURCHASE OFFER**

Reference is made to the Repurchase Announcement. The Repurchase Offer was open for acceptance until 4:00 p.m. on 30 September 2009, by which time the Company received valid acceptances in respect of the Existing Notes in an aggregate principal amount of HK\$128,000,000 (representing 64% of the aggregate principal amount of the Existing Notes outstanding as at the date of this announcement). Accordingly, subject to the fulfilment of conditions precedent as set out in the Repurchase Announcement, the Company is required to issue the Repurchase Consideration Notes in an aggregate principal amount of HK\$128,000,000 upon completion of the Repurchase Offer. The Existing Notes in the aggregate principal amount of HK\$72,000,000 in respect of which no valid acceptance has been received will fall due on 2 November 2009.

## **(2) THE PLACING AGREEMENT**

As disclosed in the Repurchase Announcement, the Directors were then considering and in discussion with third parties the possibility of issuing convertible notes, on substantially the same terms as the Repurchase Consideration Notes, to fund the repayment of any Existing Notes which are not repurchased pursuant to the Repurchase Offer. The Directors are pleased to announce that the Company has on 30 September 2009 entered into the Placing Agreement with the Placing Agent.

The Placing Agent has pursuant to the Placing Agreement conditionally agreed to place, on a best efforts basis, the Placing Notes up to a maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the Repurchase Consideration Notes to be issued pursuant to the Repurchase Offer as disclosed above). Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse, the maximum aggregate principal amount of the Placing Notes that can be issued is HK\$72,000,000.

### **Placees**

Pursuant to the Placing Agreement, the Placing Notes will be placed to not less than six Placees who will be Independent Third Parties.

Pursuant to the Placing Agreement, the Placing Notes will not be offered or sold by the Placing Agent to any person who, to the best knowledge and belief of the Placing Agent, will become a substantial shareholder of the Company upon exercise of the conversion rights attaching to the Placing Notes save with the prior written approval from the Company. It is expected that none of the Placees will become a substantial shareholder of the Company upon full conversion of the Placing Notes.

### **Placing Agent**

The Placing Agent is Success Securities Limited. The Placing Agent and its ultimate beneficial owners, are Independent Third Parties.

The Placing Agent has informed the Company that as at the date of the Placing Agreement the beneficial owner of the Placing Agent directly and indirectly owns in total 485,000 Shares, 60,000 Warrants and the Existing Notes in the aggregate principal amount of HK\$25,000,000. Also, a close relative of that beneficial owner and, separately, a director of the Placing Agent beneficially owns in aggregate 6,654,257 Warrants and the Existing Notes in the aggregate principal amount of HK\$70,000,000. The Repurchase Offer in respect of the Existing Notes referred to above has been accepted in full. The Placing Agent will receive a placing commission of 0.25% on the gross proceeds from the Placing and 0.25% of the aggregate principal amount of the Repurchase Consideration Notes to be issued under the Repurchase Offer.

### **Principal terms of the Placing Notes**

The following is a summary of the principal terms of the Placing Notes:

Issuer	:	the Company
Maximum aggregate principal amount	:	Up to HK\$200,000,000 (less the principal amount of Repurchase Consideration Notes to be issued under the Repurchase Offer). Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse, then the maximum aggregate principal amount of the Placing Notes that can be issued is HK\$72,000,000.
Initial conversion price	:	HK\$0.50 per Conversion Share

The initial conversion price was determined on an arm's length basis between the Company and the Placing Agent with reference to, among other things, the prevailing market price of the Shares.

The initial conversion price is subject to anti-dilutive adjustments, including consolidation or subdivision of the Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events.

The initial conversion price of HK\$0.50 per Conversion Share represents (i) a premium of approximately 19.05% over the closing price of HK\$0.420 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; (ii) a premium of approximately 16.28% over the average of the closing prices of approximately HK\$0.430 per Share in the last five consecutive trading days as quoted on the Stock Exchange prior to and including the date of the Placing

Agreement; and (iii) a premium of approximately 12.61% over the average of the closing prices of approximately HK\$0.444 per Share in the last ten consecutive trading days as quoted on the Stock Exchange prior to and including the date of the Placing Agreement.

- Interest : 5% per annum, payable semi-annually on 2 May and 2 November in each year
- Maturity date : 2 November 2011
- Redemption : On the maturity date, the Noteholder shall be entitled to demand from the Company the full repayment of the outstanding principal amount of any outstanding and unconverted Placing Notes (if any) plus accrued and unpaid interest in respect of the outstanding principal amount of the outstanding and unconverted Placing Notes in cash.
- Transferability : The Placing 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. The Company shall inform the Stock Exchange when there is any transfer or assignment of Placing Notes to a connected person of the Company.
- Conversion period : A Noteholder shall have the right at any time and from time to time during the period commencing immediately on and including the 7th day after the date of issue of the Placing 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 Placing 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 Placing Notes into Conversion Shares on each conversion, save that if at any time, the principal amount outstanding of the Placing Notes is less than HK\$1,000,000 the whole (but not part only) of the outstanding principal amount of the Placing 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 Placing Notes on the Stock Exchange or any other stock exchanges. An application will be made by the Company for the listing of, and permission to deal in, the Conversion Shares to be issued as a result of the exercise of the conversion rights attached to the Placing Notes.
- Ranking : The Placing 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 Placing 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 Placing Notes at any price as may be agreed between the Company or such subsidiary and the relevant Noteholder. Any Placing Note so purchased shall forthwith be cancelled.

### **Conversion Shares**

Assuming that all conditions precedent for the issue of the HK\$128,000,000 Repurchase Consideration Notes (based on acceptances received in respect of the Repurchase Offer) are fulfilled and the Repurchase Offer does not lapse and the maximum aggregate principal amount of the Placing Notes of HK\$72,000,000 are placed by the Placing Agent, upon full conversion of the Placing Notes at the initial conversion price of HK\$0.50 per Conversion Share (subject to adjustments), a total of 144,000,000 Conversion Shares will be issued, representing (i) approximately 19.11% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.48% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Placing Notes and the Repurchase Consideration Notes.

### **Conditions of the Placing**

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company does not reasonably object) approval for the listing of, and permission to deal in, the Conversion Shares; and
- (ii) the passing by the Shareholders (other than those required under the Listing Rules to abstain from voting) at the SGM of the resolution in compliance with the Listing Rules to approve the transactions contemplated under the Placing Agreement including but not limited to the issue of the Placing Notes and the Conversion Shares.

If the above conditions are not fulfilled on or before 30 October 2009 (or such later date as may be agreed between the Placing Agent and the Company in writing), the Placing Agreement shall thereupon lapse and become null and void and the parties will be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof.

### Completion of the Placing

Subject to the conditions precedents being fulfilled, completion of the Placing shall take place prior to completion of the Repurchase Offer assuming that it becomes fully unconditional on 2 November 2009 (or such other date as may be agreed between the Company and the Placing Agent).

### (3) EFFECTS ON SHAREHOLDING STRUCTURE

Set out below is the existing and enlarged shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after full conversion of the Repurchase Consideration Notes; (iii) immediately after full conversion of the Repurchase Consideration Notes and the Placing Notes, assuming that HK\$128,000,000 of the Repurchase Consideration Notes are issued under the Repurchase Offer and the Placing Notes in the maximum principal amount of HK\$72,000,000 have been placed by the Placing Agent and there is no other change in the issued share capital of the Company from the date of this announcement except for the issue of the Conversion Shares.

Shareholder	As at the date of this announcement		Immediately after full conversion of the Repurchase Consideration Notes at the initial conversion price of HK\$0.50 per Conversion Share		Immediately after full conversion of the Repurchase Consideration Notes and the Placing Notes at the initial conversion price of HK\$0.50 per Conversion Share	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Galaxyway Investments Limited (Note 1)	202,678,125	26.89	202,678,125	20.07	202,678,125	17.57
Dr. Chan	33,326,330	4.42	33,326,330	3.30	33,326,330	2.89
Holders of the Repurchase Consideration Notes	–	–	256,000,000 (Note 2)	25.36 (Note 2)	256,000,000 (Note 3)	22.19 (Note 3)
Placees	–	–	–	–	144,000,000 (Note 3)	12.48 (Note 3)
Public shareholders	517,685,075	68.69	517,685,075	51.27	517,685,075	44.87
<b>Total</b>	<b>753,689,530</b>	<b>100.00</b>	<b>1,009,689,530</b>	<b>100.00</b>	<b>1,153,689,530</b>	<b>100.00</b>

*Notes:*

1. Galaxyway Investments Limited is a company indirectly beneficially wholly-owned by Dr. Chan, the controlling shareholder of the Company, the Chairman of the Company and an executive Director.
2. A total of two existing holders of Existing Notes have accepted the Repurchase Offer in respect of Existing Notes in principal amount of HK\$120,000,000 and HK\$8,000,000 respectively. Accordingly, the Repurchase Consideration Notes in the same principal amount will be issued on completion of the Repurchase Offer assuming all conditions precedent to such issue are fulfilled. Upon full conversion of the Repurchase Consideration Notes at the initial conversion price of HK\$0.50 per Conversion Share, 240,000,000 Conversion Shares and 16,000,000 Conversion Shares respectively will fall to be issued, representing approximately 23.77% and 1.59% of the issued share capital of the Company as enlarged by the issue of Conversion Shares upon full conversion of the Repurchase Consideration Notes, and approximately 20.80% and 1.39% of the issued share capital of the Company as enlarged by the issue of Conversion Shares upon full conversion of the Repurchase Consideration Notes and the Placing Notes.
3. If the conditions precedent for the issue of the Repurchase Consideration Notes cannot be fulfilled, the maximum principal amount of Placing Notes that can be issued is HK\$200,000,000. Assuming that the entire HK\$200,000,000 Placing Notes are placed, then the aggregate number of Conversion Shares that fall to be issued on full conversion of the Placing Notes at the initial conversion price of HK\$0.5 per Conversion Share (subject to adjustments) will be 400,000,000 Conversion Shares, representing approximately 34.67% of the aggregate number of Shares in issue as enlarged by the Conversion Shares that fall to be issued assuming no other change in the issued share capital of the Company from the date of this announcement except for the issue of such Conversion Shares, and no Shares will be issued to holders of the Existing Notes.

## **REASONS FOR THE PLACING**

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.

The net proceeds from the Placing of the Placing Notes is intended to be applied for the repayment of the Existing Notes in aggregate principal amount of HK\$72,000,000 which are not repurchased pursuant to the Repurchase Offer and thus will fall due on 2 November 2009. The Directors consider that such arrangement will allow the Group to retain funds as general working capital and facilitate the broadening of the share capital base of the Company.

Having regard to the above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the issue of the Placing Notes) are fair and reasonable and the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Apart from the Repurchase Offer and the fund raising activities set out below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement: -

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
31 July 2008	Bonus issue of 538,921,053 Warrants, of which 152,867 Warrants have been exercised as at the date of this announcement	Approximately HK\$34,000	General working capital of the Group	General working capital of the Group
17 March 2009	Rights issue of 538,951,624 rights Shares at the subscription price of HK\$0.20 per rights Share	Approximately HK\$103.8 million	General working capital of the Group	(i) Approximately HK\$45.4 million has been utilized for the acquisition of the convertible exchangeable notes of Wing On Travel (Holdings) Limited; (ii) approximately HK\$12.6 million has been utilized for the exercise of warrants of Hanny Holdings Limited; and (iii) the balance of approximately HK\$45.8 million has been fully utilized for the subscription of rights shares issued by PYI Corporation Limited
10 June 2009	Issue of 80,000,000 Shares at a price of HK\$0.75 per Share	Approximately HK\$58.2 million	General working capital of the Group	(i) Approximately HK\$40.0 million has been utilized for the acquisition of the convertible exchangeable notes of Wing On Travel (Holdings) Limited; and (ii) the balance of approximately HK\$18.2 million has been fully utilized for the subscription of rights shares issued by PYI Corporation Limited

## GENERAL

The issue of the Placing Notes and the Conversion Shares will be put to Shareholders for their approval at the SGM. The Company has been informed by the Placing Agent that the beneficial owner of the Placing Agent directly and indirectly beneficially owns in aggregate 485,000 Shares as at the date of the Placing Agreement. Accordingly, the Placing Agent has been required to procure that its beneficial owner abstains from voting on any resolution(s) to approve the issue of the Placing Notes, the Repurchase Consideration Notes and any Conversion Shares that fall to be issued on conversion of those convertible notes. No other Shareholders are expected to be required under the Listing Rules to abstain from voting at the SGM on such resolutions.

A circular containing, among other things, (i) further details of the Repurchase Offer; (ii) further details of the Placing Agreement; and (iii) a notice convening the SGM to consider the Placing Agreement and the issue of the Placing Notes and Conversion Shares will be despatched to the Shareholders and, for information only, the holders of the Warrants and the Existing Notes as soon as practicable in accordance with the Listing Rules.

**Shareholders, holders of the Warrants and potential investors of the Company should be aware of and take note that (i) completion of the Repurchase Offer is conditional upon satisfaction of all conditions precedent as described in the Repurchase Announcement; and (ii) the Placing is conducted on a best efforts basis and completion of the Placing Agreement is conditional upon satisfaction of all the conditions precedent set out in the Placing Agreement and accordingly the Repurchase Offer and the Placing may or may not proceed. Shareholders, holders of the Warrants and potential investors of the Company are advised to exercise caution when dealing in the Shares and the Warrants, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

“Company”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability and whose issued securities are listed on the Main Board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Conversion Share(s)”	new Share(s) falling to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Repurchase Consideration Notes and/or the Placing Notes (as the case may be)
“Director(s)”	the director(s) of the Company

“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the controlling shareholder of the Company, the Chairman of the Company and an executive Director
“Existing Notes”	the convertible note(s) of the Company with an aggregate outstanding principal amount of HK\$200,000,000 as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who, together with its/their ultimate beneficial owner(s), is/are person(s) independent of the Company and its connected persons
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder(s)”	holder(s) of the Placing Notes
“Placee(s)”	the placee(s) to be procured by the Placing Agreement under the Placing, all of which and its/their respective beneficial owners is/are Independent Third Party(ies)
“Placing”	the placing of the Placing Notes, on a best efforts basis, by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Success Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 30 September 2009 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Notes”	the 5% convertible notes due 2 November 2011 to be issued by the Company in a maximum aggregate principal amount of HK\$200,000,000 (less the principal amount of the Repurchase Consideration Notes to be issued pursuant to the Repurchase Offer) pursuant to the Placing Agreement

“Repurchase Announcement”	the announcement of the Company dated 24 September 2009 in relation to, inter alia, the Repurchase Offer
“Repurchase Consideration Notes”	the 5% convertible notes due 2 November 2011 to be issued by the Company pursuant to the Repurchase Offer
“Repurchase Offer”	the offer made by the Company to repurchase the Existing Notes at their face value, details of which are set out in the Repurchase Announcement
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the transactions contemplated under the Placing Agreement (including the issue of the Placing Notes and the Conversion Shares)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	a total of 538,768,186 listed warrants of the Company outstanding as at the date of this announcement carrying rights to subscribe at the current subscription price of HK\$1.466 per Share (subject to adjustments) for 26,938,409 Shares at any time until 4:10 p.m. on 4 November 2009 pursuant to an instrument issued by the Company dated 5 November 2008 (Warrant code: 779)
“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, 30 September 2009

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*