

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.



ITC CORPORATION LIMITED

德祥企業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE TENANCY AGREEMENT

CONTINUING CONNECTED TRANSACTION

In the ITCP Announcement, it was stated that the Landlord, an indirect wholly-owned subsidiary of ITCP, entered into the Tenancy Agreement with the Tenant, an indirect wholly-owned subsidiary of the Company, on 14 November 2014 in respect of the leasing of portion of 30th Floor and two (2) car parking spaces of Bank of America Tower, No. 12 Harcourt Road, Central, Hong Kong for a term of three (3) years commencing on 16 November 2014.

LISTING RULES IMPLICATIONS

Whilst the terms of the Tenancy Agreement remain unchanged, the transaction thereunder has become a continuing connected transaction for the Company because ITCP has become an associate of Dr. Chan, an executive Director and the chairman of the Board, pursuant to Rules 14A.12 and 14A.14 of the Listing Rules following the Share Acquisition whereby Dr. Chan's shareholding in the Company increases to over 50% as disclosed in the Unconditional Offer Announcement.

In accordance with Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publication of an announcement and annual reporting in respect of the Tenancy Agreement and to comply with all connected transactions requirements when the Tenancy Agreement is renewed or its terms are varied.

* For identification purpose only

BACKGROUND

Reference is made to the joint announcement issued by the Company and Galaxyway Investments Limited dated 24 April 2015 (the “**Unconditional Offer Announcement**”) and the announcement of ITCP dated 14 November 2014 (the “**ITCP Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Unconditional Offer Announcement and the ITCP Announcement.

In the ITCP Announcement, it was stated that the Landlord, an indirect wholly-owned subsidiary of ITCP, entered into the Tenancy Agreement with the Tenant, an indirect wholly-owned subsidiary of the Company, on 14 November 2014 in respect of the leasing of portion of 30th Floor and two (2) car parking spaces of Bank of America Tower, No. 12 Harcourt Road, Central, Hong Kong for a term of three (3) years commencing on 16 November 2014.

TENANCY AGREEMENT DATED 14 NOVEMBER 2014

The principal terms of the Tenancy Agreement are set out below:

Landlord: Great Intelligence Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of ITCP, is engaged in property investment.

The Landlord is a connected person of the Company as defined under Chapter 14A of the Listing Rules by virtue of the reasons set out under the paragraph headed “Listing Rules Implications” below.

Tenant: ITC Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, is engaged in the provision of management and financial services and treasury investment.

Save for the Previous Tenancy Agreement, there was no other transaction between the Group and the Landlord or its close associates in the 12-month period preceding the date of the Tenancy Agreement which might require an aggregation under Rule 14A.81 of the Listing Rules.

Premises: Portion of the premises of 30th Floor (with a total rental area of approximately 3,450 square feet) and two (2) car parking spaces numbered 4088 and 4089 on the 4th Floor of Bank of America Tower, No. 12 Harcourt Road, Central, Hong Kong.

Term: Three (3) years from 16 November 2014 to 15 November 2017.

Either the Landlord or the Tenant shall have the right to terminate the Tenancy Agreement by giving one (1) month’s prior written notice after the expiration of first two (2) years of the term of the Tenancy Agreement.

Rents and other charges: The Tenant shall pay (i) the rental in a fixed amount of HK\$217,000 per month; and (ii) the management fee and air-conditioning charges of HK\$15,870 in aggregate (subject to adjustments) per month. The Tenant shall also reimburse the Landlord for the rates and the Government Rent in respect of the leasing of the Premises. The rent, management fee and air-conditioning charges were determined by reference to the market rates after arm's length negotiation between the parties.

Deposit: HK\$465,740, representing two (2) months' rental plus two (2) months' management fee and air-conditioning charges.

Upon signing of the Tenancy Agreement, the deposit in the aggregate amount of HK\$450,340 paid under the Previous Tenancy Agreement has been agreed to be transferred as partial payment of the deposit under the Tenancy Agreement and the remaining HK\$15,400 has been paid by the Tenant in cash.

ANNUAL CAPS

The amount of the rent, management fee and air-conditioning charges payable by the Group under the Previous Tenancy Agreement for the period from 1 April 2014 to 15 November 2014 (being the expiry date of the Previous Tenancy Agreement) was approximately HK\$1.7 million. The annual cap, as calculated based on the aggregate maximum amount of the rent, management fee and air-conditioning charges payable by the Group under the Previous Tenancy Agreement and the Tenancy Agreement, for the year ending on 31 March 2015 was less than HK\$3 million. The annual caps, as calculated based on the aggregate maximum amount of the rent, management fee and air-conditioning charges payable by the Group under the Tenancy Agreement, for each of the two (2) financial years ending 31 March 2016 and 2017 and for the period from 1 April 2017 to 15 November 2017 will be less than HK\$3 million, HK\$3 million and HK\$2 million respectively.

REASONS FOR ENTERING INTO OF THE TENANCY AGREEMENT

The Landlord entered into the Previous Tenancy Agreement with the Tenant in 2011 to lease the Premises, which is used as the office of the Company. The Previous Tenancy Agreement expired on 15 November 2014 and the Landlord and the Tenant entered into the Tenancy Agreement for the purpose of renewing the tenancy in respect of the Premises and aligning the monthly rental with the market rental rate.

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 view that the terms of the Tenancy Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and the entering into of the Tenancy Agreement 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 Fut Yan, Mr. Chan Yiu Lun, Alan and Mr. Shek Lai Him, Abraham are also directors of ITCP and hold 2,808,028 ITCP Shares, 2,435,913 ITCP Shares and 196,032 ITCP Shares respectively, representing approximately 0.35%, 0.30%

and 0.02% of the issued share capital of ITCP as at the date hereof. Ms. Chau Mei Wah, Rosanna holds 11,928,722 ITCP Shares, representing approximately 1.49% of the issued share capital of ITCP as at the date hereof, and is a director of certain subsidiaries of ITCP, Mr. Chan Kwok Chuen, Augustine and Mr. Chan Yiu Lun, Alan are the younger brother and the son of Dr. Chan respectively.

LISTING RULES IMPLICATIONS

Whilst the terms of the Tenancy Agreement remain unchanged, the transaction thereunder has become a continuing connected transaction for the Company because ITCP has become an associate of Dr. Chan, an executive Director and the chairman of the Board, pursuant to Rules 14A.12 and 14A.14 of the Listing Rules following the Share Acquisition whereby Dr. Chan's shareholding in the Company increases to over 50% as disclosed in the Unconditional Offer Announcement.

In accordance with Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publication of an announcement and annual reporting in respect of the Tenancy Agreement and to comply with all connected transactions requirements when the Tenancy Agreement is renewed or its terms are varied.

GENERAL INFORMATION

The Company is an investment holding company, which directly and indirectly holds strategic investments in a number of listed companies, and its subsidiaries are principally engaged in investment holding, provision of finance, property investment and treasury investment.

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 the development and investments of hotel and leisure operations, securities investment and the provision of loan financing services.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 372)
“Director(s)”	the 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 shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 199)
“ITCP Group”	ITCP and its subsidiaries
“ITCP Shares”	shares of ITCP
“Share Acquisition”	the acquisition of the 229,962,089 Shares by Dr. Chan on 23 April 2015 through a securities broker with several sellers by way of bought and sold notes

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

Hong Kong, 6 May 2015

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*