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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

DISCLOSEABLE TRANSACTION

ACCEPTANCE OF THE CONDITIONAL REPURCHASE OFFER OF WING ON TRAVEL (HOLDINGS) LIMITED

On 8 December 2009, Wing On announced the Conditional Repurchase Offer to repurchase the Notes at a price payable in cash equal to 80% of the outstanding principal amount of the Notes tendered for acceptance of the Conditional Repurchase Offer.

AWL, an indirect wholly-owned subsidiary of the Company, holds the Notes with an aggregate principal amount of HK\$114.2 million. On 23 December 2009, AWL accepted the Conditional Repurchase Offer in respect of all the Notes it holds, whereby Wing On will repurchase such Notes at a price payable in cash equal to 80% of the outstanding principal amount of the Notes, being HK\$91.36 million.

The Acceptance constitutes a discloseable transaction of the Company under the Listing Rules.

BACKGROUND

On 27 March 2006, Wing On announced that it had entered into eight conditional subscription agreements in relation to the issue by Wing On of the Notes. The Notes bear interest at 2% per annum, are convertible into new Wing On Shares at the initial conversion price of HK\$0.79 per Wing On Share (subject to adjustments), and mature on the fifth anniversary from the date of the issue of the Notes. Unless previously converted or lapsed or redeemed by Wing On, Wing On must redeem the Notes on the maturity date, being 7 June 2011, at the redemption amount which is 110% of the principal amount of the Notes outstanding. The Notes are also, subject to certain restrictions, exchangeable into new shares of any company which is affiliated company or subsidiary of Wing On that is to be listed on a stock exchange through an initial public offering. The subscription was completed on 8 June 2006 and the Notes in a total principal amount of HK\$1,000 million were issued. The prevailing conversion price of the Notes is HK\$0.339 per Wing On Share (subject to adjustments).

As disclosed in the announcements of the Company dated 18 May 2009 and 16 June 2009 respectively, AWL, an indirect wholly-owned subsidiary of the Company, had acquired the Notes in the aggregate principal amount of HK\$108.2 million, the carrying value of which was approximately HK\$87.8 million as at 30 September 2009. On 15 December 2009, AWL had further acquired the Notes in the principal amount of HK\$6.0 million for a cash consideration of HK\$4.5 million from an Independent Third Party. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, such party and its ultimate beneficial owner(s) are independent of Wing On and its connected persons. Accordingly, as at the date of this announcement, AWL holds Notes in the aggregate principal amount of HK\$114.2 million.

ACCEPTANCE OF THE CONDITIONAL REPURCHASE OFFER OF WING ON

On 8 December 2009, Wing On announced the Conditional Repurchase Offer, pursuant to which Wing On proposed to offer to repurchase the Notes at a price payable in cash equal to 80% of the outstanding principal amount of the Notes.

On 23 December 2009, AWL accepted the Conditional Repurchase Offer in respect of its entire holding of the Notes in the aggregate principal amount of HK\$114.2 million.

Apart from its holdings in the Notes, as at the date of this announcement, AWL is also interested in 1,561,120,000 Wing On Shares, representing approximately 14.30% of the issued share capital of Wing On as at 8 December 2009 (based on the information as disclosed in the Announcement). As at the date of this announcement, Dr. Chan Kwok Keung, Charles, an executive Director and the controlling Shareholder (as defined under the Listing Rules), holds 22,649,000 Wing On Shares, representing approximately 0.21% of the issued share capital of Wing On as at 8 December 2009. In addition, Mr. Cheung Hon Kit, an executive Director, is also an executive director and the chairman of Wing On.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Wing On is an Independent Third Party.

The principal terms of the Conditional Repurchase Offer are set out below:

1. Consideration

Wing On has offered to repurchase the Notes at a price payable in cash equal to 80% of the outstanding principal amount of the Notes. Based on the terms of the Conditional Repurchase Offer and the aggregate principal amount of the Notes of HK\$114.2 million held by AWL, HK\$91.36 million is payable by Wing On to AWL for the Acceptance.

The terms of the Conditional Repurchase Offer provide that, subject to the fulfillment of the conditions precedent referred to below, on the condition that the registrar of Wing On receives the original of the Notes in respect of which the Conditional Repurchase Offer is accepted no later than 4:00 p.m. on the second Business Day immediately preceding the date on which the principal amount of the Notes which is the subject of the Acceptance is transferred, Wing On will make payment of the price payable pursuant to the Acceptance to AWL on such day and the Notes tendered for Acceptance will be cancelled on the same day.

2. Conditions precedent to the Conditional Repurchase Offer

As disclosed in the Announcement, the Conditional Repurchase Offer shall be conditional upon:–

- (a) the independent shareholders of Wing On, other than AWL and China Enterprises Limited and their respective associates, approving the Conditional Repurchase Offer; and
- (b) completion of the Rights Issue as announced in the Announcement.

In the event that the above conditions precedent cannot be satisfied on or before 20 February 2010, the Conditional Repurchase Offer shall lapse.

INFORMATION ON WING ON

Wing On is an investment holding company and its subsidiaries are principally engaged in the business of providing package tours, travel and other related services, hotel operation in Hong Kong and the PRC and trading of securities.

The following audited financial information is extracted from the annual report of Wing On for the financial year ended 31 December 2008:

	For the financial year ended 31 December	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2,216,897	2,266,163
Gross profit	423,698	416,635
Loss before taxation	(825,748)	(42,143)
Net loss attributable to shareholders of Wing On	(688,918)	(16,199)
	As at 31 December	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity attributable to shareholders of Wing On	1,836,344	2,044,482

REASONS FOR AND BENEFITS OF THE ACCEPTANCE

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.

Since the Acceptance is at a consideration which approximates the carrying value of the Notes held by AWL, it is expected that the Acceptance will not have any material effects on the Group's earnings, assets and liabilities. It should be noted that the actual gain or loss on the Acceptance to be recorded by the Group will depend on the carrying value of the Notes as at the date of completion of the Conditional Repurchase Offer. Taking into account (i) the aggregate original acquisition cost of the Notes held by AWL of approximately HK\$89.9 million; (ii) the amount receivable from Wing On for the Acceptance of HK\$91.36 million; and (iii) the Notes have been "out-of-the-money" for the entire period since the date of first acquisition of the Notes by the Group, the Directors are of the view that the Acceptance, including the consideration, is fair and reasonable and the Acceptance is in the interests of the Group and the Shareholders as a whole. Upon completion of the Acceptance, the cash flow position of the Group will be strengthened and the proceeds from the Acceptance will be used as general working capital.

The Group has not disposed of any Notes in the past 12 months immediately before the date of the Acceptance which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

The Acceptance constitutes a discloseable transaction of the Company under the Listing Rules.

DEFINITIONS

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

“Acceptance”	the acceptance of the Conditional Repurchase Offer by AWL in respect of Notes in the aggregate principal amount of HK\$114.2 million on 23 December 2009
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“Announcement”	the joint announcement of Wing On and the Company dated 8 December 2009 in relation to, among other things, (i) Wing On’s proposed capital reorganisation; (ii) the Rights Issue; (iii) placing of new convertible bonds by Wing On; (iv) the Conditional Repurchase Offer; and (v) AWL’s irrevocable undertaking executed by AWL dated 3 December 2009 to subscribe or procure subscription of the provisional allotment of its full pro-rata entitlements under the Rights Issue, being not less than 390,280,000 Wing On Rights Shares and not more than 546,535,010 Wing On Rights Shares
“associates”	the meaning ascribed to it in the Listing Rules
“AWL”	Asia Will Limited, an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holidays) on which banks generally are open for general banking business in Hong Kong
“Company”	ITC Corporation Limited (Stock Code: 372), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Conditional Repurchase Offer”	conditional offers being made by Wing On to repurchase the Notes at a price payable in cash equal to 80% of the outstanding principal amount of the Notes
”connected person(s)”	has the meaning as defined in the Listing Rules
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its subsidiaries and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the 2% convertible exchangeable notes due 7 June 2011 issued by Wing On
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Rights Issue”	the rights issue proposed by Wing On of not less than 2,729,961,230 Wing On Rights Shares and not more than 3,657,929,510 Wing On Rights Shares at a price of HK\$0.15 per Wing On Rights Share on the basis of five Wing On Rights Shares for every Wing On Share held on the relevant record date
“Share(s)”	the 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

“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Wing On”	Wing On Travel (Holdings) Limited (Stock Code: 1189; Warrant Code: 774), a company incorporated in Bermuda with limited liability and the issued securities of which are listed on the Main Board of the Stock Exchange
“Wing On Rights Share(s)”	the Wing On Share(s) proposed to be issued by Wing On pursuant to the Rights Issue
“Wing On Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of Wing On, before and after the capital reorganisation of Wing On as disclosed in the Announcement (as the case may be)
“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, 23 December 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*