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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTEREST IN AN ASSOCIATED COMPANY

The Directors announce that United Sun, an indirect wholly-owned subsidiary of the Company, and the Company, after trading hours on 1 April 2008, entered into the Sale and Purchase Agreement with, among others, the Purchaser in relation to the sale by United Sun of 1 ordinary share of Central Town, representing 50% of the issued share capital of Central Town, and the assignment of the shareholder's loan owing to United Sun by Central Town for a consideration of HK\$145,000,000, subject to adjustment. Completion of the Disposal has taken place immediately after the signing of the Sale and Purchase Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Onstart Profits (the other Seller), Mr. Cheung (the sole shareholder of Onstart Profits) and the Purchaser is a third party independent of the Company and its connected persons and is not a connected person of the Company.

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of the Disposal will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date:

1 April 2008

Parties:

- Seller :
- (i) United Sun, an indirect wholly-owned subsidiary of the Company, as vendor for the First Sale Share and the First Sale Loan; and
 - (ii) Onstart Profits, a company incorporated in BVI and wholly owned by Mr. Cheung, as vendor for the Second Sale Share and the Second Sale Loan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save and except being a shareholder holding 50% of the issued share capital of Central Town, Onstart Profits is a third party independent of the Company and its connected persons and is not a connected person of the Company.
- Purchaser :
- The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser (i) is a third party independent of the Company and its connected persons and is not a connected person of the Company; and (ii) there was no previous transaction(s) between the Company and the Purchaser which may require aggregation under Rule 14.22 of the Listing Rules.
- Warrantor :
- (i) ITC, as warrantor for United Sun; and
 - (ii) Mr. Cheung, as warrantor for Onstart Profits. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save and except being the sole shareholder of Onstart Profits, Mr. Cheung is a third party independent of the Company and its connected persons and is not a connected person of the Company.

Assets disposed by United Sun

The First Sale Share, being 50% of the issued share capital of Central Town, and the First Sale Loan, which was HK\$84,002,807.25. Approximately HK\$27.1 million of the First Sale Loan was initially advanced to Central Town for the acquisition of the Property in 2005 and the remaining balance of approximately HK\$56.9 million was advanced to Central Town for the repayment of mortgage loan and interest for the Property.

Upon Completion, United Sun no longer has any interest in Central Town and any shareholder's loan owing by Central Town.

Consideration

- (i) The First Consideration for the First Sale Share and the First Sale Loan is HK\$145,000,000.
- (ii) The Second Consideration for the Second Sale Share and the Second Sale Loan is HK\$145,000,000.

Adjustment to the Consideration may be carried out by reference to the Completion Statement and the Net Current Asset Value which are to be agreed between the Seller and the Purchaser. Such adjustment shall be carried out as follows:

- (i) there shall be added to the Consideration the amount (if any) by which the Net Current Asset Value is more than nil and such amount shall be divided between United Sun and Onstart Profits in equal shares; or
- (ii) there shall be deducted from the Consideration the amount (if any) by which the Net Current Asset Value is less than nil and such amount shall be borne by United Sun and Onstart Profits in equal shares.

In the event that the Completion Statement and the Net Current Asset Value has not been agreed within 14 days of the Completion Date, an independent firm of international public accountants (as agreed by the Seller and the Purchaser) shall be appointed to audit the Completion Statement and thereafter on the basis of such audited Completion Statement to determine the Net Current Asset Value and any necessary adjustments to the Consideration. The Completion Statement shall be prepared and the Net Current Asset Value shall be calculated in accordance with HKFRS. No cap has been put on the Consideration as any possible adjustment pursuant to the agreed Completion Statement is unlikely to be material. Based on the draft Completion Statement prepared for Completion, the Net Current Asset Value was a negative amount of approximately HK\$1.3 million of which approximately HK\$0.65 million was attributed to United Sun. Hence, the adjusted First Consideration would be less than HK\$145 million and accordingly the adjustment will not result in a major transaction or very substantial disposal to the Company under the Listing Rules.

The adjusted First Consideration of approximately HK\$144.35 million and the adjusted Second Consideration of approximately HK\$144.35 million have both been paid on Completion.

The First Consideration was agreed between United Sun and the Purchaser based on arm's length negotiations taking into account, among other things, prevailing prices of commercial properties in the Central District of Hong Kong.

Completion

Completion of the Disposal has taken place on 1 April 2008 simultaneously with completion of the sale and purchase of the Second Sale Share and the Second Sale Loan.

INFORMATION ON CENTRAL TOWN

Central Town is a company incorporated in Hong Kong with limited liability in which each of United Sun and Onstart Profits holds a 50% shareholding respectively. The principal activity of Central Town is holding and leasing of the Property.

The following were the audited results of Central Town for the period ended 31 March 2006 and the year ended 31 March 2007 and its net asset value as at 31 March 2006 and 31 March 2007, as extracted from the audited financial statements of Central Town for the year ended 31 March 2007 which have been prepared in accordance with HKFRS.

	Year ended 31 March 2007 <i>HK\$</i>	31 January 2005 (date of incorporation) to 31 March 2006 <i>HK\$</i>
Net profit (loss) for the year/period	1,188,799	(488,226)
	As at 31 March 2007 <i>HK\$</i>	As at 31 March 2006 <i>HK\$</i>
Net assets (liabilities)	700,575	(488,224)

The increase of net profit for the year ended 31 March 2007 was mainly due to the increase in fair value of the Property.

REASONS AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company which directly or 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 Property has been held by Central Town for long term investment purpose to generate recurring rental income. Based on the Consideration, the value per square foot of the saleable areas of the Property, which is over 45 years old, was approximately HK\$13,000 and the annual return rate of rental income was approximately 2.5%. The Directors considered that the consideration for the Disposal has substantially reflected the long term investment potential of the Property. The Directors also considered that the Disposal provided an opportunity for the Group to realise its investment in Central

Town. Although no acquisition or investment proposals are currently under negotiation, the proceeds from the Disposal may provide the Company with additional resources to fund such acquisitions and investments when opportunities arise.

The Board considers that the terms of the Sale and Purchase Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The proceeds from the Disposal, before expenses and tax, will be applied as general working capital of the Group. The unaudited net asset value of Central Town (without deducting the liability of the Sale Loans) as at 1 April 2008 was approximately HK\$168.6 million. The Company shared 50% of the unaudited net asset value of Central Town which was approximately HK\$84.3 million. The adjustments (based on the draft Completion Statement to be agreed by the Purchaser within 14 days of the Completion Date) deductible from the First Consideration of HK\$145 million would be amounted to approximately HK\$0.65 million, resulting in the adjusted First Consideration of approximately HK\$144.35 million. The difference between HK\$144.35 million and HK\$84.3 million gives rise to an unaudited gain of approximately HK\$60 million (before expenses and tax) which will be allocated to share of result of associates of ITC during the year ended 31 March 2008 and/or gain on disposal of an associate at the Completion Date, subject to the value of the Property at 31 March 2008 to be assessed by an independent valuer. The unaudited net asset value of Central Town (without deducting the liability of the Sale Loans) as at 1 April 2008 of approximately HK\$168.6 million was based on the valuation of the Property of HK\$170 million set out in the latest audited financial statements of Central Town for the year ended 31 March 2007.

GENERAL

Pursuant to Rule 14.06 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of the Disposal will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Central Town”	Central Town Limited, a company incorporated in Hong Kong with limited liability and in which each of United Sun and Onstart Profits has a 50% shareholding respectively and which holds the Property
“Company” or “ITC”	ITC Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	1 April 2008
“Completion Statement”	the completion statement showing the Net Current Asset Value
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate of the First Consideration and the Second Consideration (subject to adjustments to be determined with reference to the Completion Statement and the Net Current Asset Value)
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the First Sale Share and the assignment of the First Sale Loan to the Purchaser pursuant to the Sale and Purchase Agreement
“First Consideration”	the consideration in the sum of HK\$145,000,000 payable by the Purchaser to United Sun

“First Sale Loan”	the entire amount owing by Central Town to United Sun on Completion, being HK\$84,002,807.25
“First Sale Share”	the 1 ordinary share of HK\$1.00 in the share capital of Central Town, representing 50% of the entire issued share capital of Central Town, owned by United Sun
“Group”	the Company and its subsidiaries
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Mr. Cheung”	Mr. Cheung Shu Wan, the shareholder holding 100% of Onstart Profits
“Net Current Asset Value”	the aggregate of rental receivables in respect of the Property owing to Central Town which are, as at the Completion Date, less than 90 days outstanding, deposits with utility companies as at the Completion Date, prepayments in respect of insurance premium, government rent, rates and management fees for the Property made by Central Town in respect of any period after the Completion Date and all cash at bank owned by Central Town as at the Completion Date less the aggregate of all liabilities and provisions of Central Town (including, without limitation, rental deposits held by Central Town in respect of tenancies and all taxes payable by Central Town in respect of earnings and profits earned up to and including the Completion Date) as at the Completion Date (but excluding the Sale Loans, any amount due to mortgagee and deferred tax liabilities), in each case, as shown in the Completion Statement
“Onstart Profits”	Onstart Profits Limited, a company incorporated in BVI, which holds 50% of the issued share capital of Central Town

“Property”	portions of the Basement, the Ground Floor, the Mezzanine Floor, and the First Floor, the whole of the Second Floor, the Third Floor and the Fourth Floor, and portions of the Thirteenth Floor and the Penthouse of United Chinese Bank Building, Nos. 31-37 Des Voeux Road, Central, Hong Kong
“Purchaser”	The Bank of East Asia, Limited (stock code: 23), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 April 2008 entered into between the Seller, the Purchaser and the Warrantor for the sale and purchase of the Sale Shares and assignment of the Sale Loans
“Sale Loans”	the First Sale Loan and the Second Sale Loan, being the entire amount owing by Central Town to United Sun and Onstart Profits at Completion
“Sale Shares”	the First Sale Share and the Second Sale Share, being the entire issued shares in the share capital of Central Town at Completion
“Second Consideration”	the consideration in the sum of HK\$145,000,000 payable by the Purchaser to Onstart Profits
“Second Sale Loan”	the entire amount owing by Central Town to Onstart Profits on Completion, being HK\$84,002,807.40
“Second Sale Share”	the 1 ordinary share of HK\$1.00 in the share capital of Central Town, representing 50% of the entire issued share capital of Central Town, owned by Onstart Profits
“Seller”	United Sun and Onstart Profits
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“United Sun”	United Sun Investments Limited, a company incorporated in BVI and an indirect wholly-owned subsidiary of the Company
“Warrantor”	ITC and Mr. Cheung
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
ITC Corporation Limited
Law Hon Wa, William
Company Secretary

Hong Kong, 8 April 2008

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

Independent non-executive Directors:

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