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## **ITC CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 372)

### **DISCLOSEABLE TRANSACTION**

#### **ACQUISITION OF SHARES IN ITC PROPERTIES GROUP LIMITED**

The Directors announced that the Company, through its indirect wholly-owned subsidiaries, has acquired an aggregate of 183,090,000 ITC Properties Shares, representing approximately 5.91% of the existing issued share capital of ITC Properties, on the Stock Exchange for an aggregate consideration of approximately HK\$78.7 million during the Relevant Period. As a result of the Acquisition and further acquisitions of a total of 3,135,000 ITC Properties Shares on the Stock Exchange on 24 and 31 December 2007 and 2 January 2008, the Group directly holds 186,225,000 ITC Properties Shares, representing approximately 6.02% of the issued share capital of ITC Properties as at the date of this announcement.

As the applicable percentage ratios in respect of the aggregation of various acquisitions of ITC Properties Shares calculated up to 21 December 2007 exceeded 5% but were less than 25%, the last acquisition of ITC Properties Shares on 21 December 2007 (being the last day of the Relevant Period) triggered a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched by the Company to its shareholders in accordance with the requirements of the Listing Rules.

#### **THE ACQUISITION**

The Directors announced that the Company, through its indirect wholly-owned subsidiaries, has acquired an aggregate of 183,090,000 ITC Properties Shares, representing approximately 5.91% of the existing issued share capital of ITC Properties, on the Stock Exchange for an aggregate consideration of approximately HK\$78.7 million during the Relevant Period. As a result of the Acquisition and further acquisitions of a total of 3,135,000 ITC Properties Shares on the Stock Exchange on 24 and 31 December 2007 and 2 January 2008, the Group directly holds 186,225,000 ITC Properties Shares, representing approximately 6.02% of the issued share capital of ITC Properties as at the date of this announcement.

The Company did not hold any direct interest in ITC Properties immediately before the Acquisition. As at the date of this announcement, Hanny Holdings Limited is interested in approximately 16.7% of the issued share capital of ITC Properties. Whereas the Company indirectly holds approximately 49.9% of the issued share capital of Hanny Holdings Limited as at the date of this announcement, accordingly, the Company holds approximately 14.4% effective interest in ITC Properties.

The average price per share of ITC Properties Shares acquired by the Group during the Relevant Period is approximately HK\$0.43, representing:

- (i) a premium of approximately 11.7% over the closing price of HK\$0.385 per ITC Properties Share as quoted on the Stock Exchange on 21 December 2007;
- (ii) a premium of approximately 11.1% over the average closing price of approximately HK\$0.387 per ITC Properties Share for the last 5 trading days up to and including 21 December 2007;
- (iii) a discount of approximately 0.2% to the average closing price of approximately HK\$0.431 per ITC Properties Share for the last 90 trading days up to and including 21 December 2007; and
- (iv) a discount of approximately 29.2% to the unaudited consolidated net asset value of approximately HK\$0.607 per ITC Properties Share as at 30 September 2007.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the vendors of the 183,090,000 ITC Properties Shares and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **REASONS FOR 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.

ITC Properties is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. The ITC Properties Group is also engaged in golf resort and leisure operations, securities investment and loan financing services.

Riding on the rapid economic growth and development in the PRC and Macau, the Company is confident about the prospects of the PRC and Macau markets as a whole and are positive on the long term potential of the property markets in these areas. Given the strong presence of the ITC Properties Group in the PRC and Macau, the Company is of the view that investment in ITC Properties enables the Group to share the benefit from the growth in property markets in the PRC and Macau. In addition, the Acquisition allows the Group to achieve a more diversified and balanced investment portfolio. If suitable opportunity arises, the Group may consider acquiring more ITC Properties Shares. If any subsequent acquisition(s) of ITC Properties Shares by the Group leads to a possible major transaction for the Company, the Company will comply with the applicable Listing Rules. The Directors believe that the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole. The interests in ITC Properties will be accounted for as available-for-sale investments pursuant to Hong Kong Accounting Standard 39.

### INFORMATION ON ITC PROPERTIES

The following is a summary of the audited consolidated results of the ITC Properties Group for the two financial years ended 31 March 2006 and 2007 extracted from the 2006-2007 annual report of ITC Properties:

|                               | <b>For the financial year<br/>ended 31 March</b> |                 |
|-------------------------------|--------------------------------------------------|-----------------|
|                               | <b>2007</b>                                      | <b>2006</b>     |
|                               | <i>HK\$'000</i>                                  | <i>HK\$'000</i> |
| Profit (loss) before taxation | 84,156                                           | (70,435)        |
| Taxation                      | (10,055)                                         | (2,657)         |
|                               | <hr/>                                            | <hr/>           |
| Profit (loss) for the year    | <u>74,101</u>                                    | <u>(73,092)</u> |

The profit for the year ended 31 March 2007 of ITC Properties was mainly due to the increase in net income from loan financing, the share of results of associates and gain on cancellation of call options for acquisition of additional interest in an associate. Further details are set out in the 2006-2007 annual report of ITC Properties.

As disclosed in the interim report of ITC Properties for the six months ended 30 September 2007, the unaudited consolidated net asset value of ITC Properties was approximately HK\$1,877.6 million as at 30 September 2007.

### GENERAL

As the applicable percentage ratios in respect of the aggregation of various acquisitions of ITC Properties Shares calculated up to 21 December 2007 exceeded 5% but were less than 25%, the last acquisition of ITC Properties Shares on 21 December 2007 (being the last day of the Relevant Period) triggered a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched by the Company to its 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:

|                           |                                                                                                                                                                                       |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”             | the acquisition of an aggregate of 183,090,000 ITC Properties Shares by the Company, through its indirect wholly-owned subsidiaries, on the Stock Exchange during the Relevant Period |
| “Board”                   | the board of Directors                                                                                                                                                                |
| “Company”                 | ITC Corporation Limited (Stock code: 372), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange        |
| “connected person(s)”     | has the same meaning ascribed thereto under the Listing Rules                                                                                                                         |
| “Director(s)”             | the director(s) of the Company                                                                                                                                                        |
| “Group”                   | the Company and its subsidiaries                                                                                                                                                      |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                         |
| “ITC Properties”          | ITC Properties Group Limited (Stock code: 199), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange   |
| “ITC Properties Group”    | ITC Properties and its subsidiaries                                                                                                                                                   |
| “ITC Properties Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of ITC Properties                                                                                                             |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                   |
| “Macau”                   | Macau Special Administrative Region of the People’s Republic of China                                                                                                                 |
| “PRC”                     | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan                                                                      |
| “Relevant Period”         | the period from 16 October 2007 to 21 December 2007                                                                                                                                   |

|                  |                                                     |
|------------------|-----------------------------------------------------|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited             |
| “HK\$”           | Hong Kong dollars, the lawful currency of Hong Kong |
| “%”              | per cent.                                           |

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

Hong Kong, 2 January 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*