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HANNY HOLDINGS LIMITED

VISIONS AHEAD
錦興集團有限公司*
*(Incorporated in Bermuda with
limited liability)*
(Stock Code: 275)



ITC CORPORATION LIMITED

*(Incorporated in Bermuda with
limited liability)*
(Stock code: 372)

**MAJOR AND CONNECTED
TRANSACTION IN RELATION TO
DISPOSAL OF THE SALE SHARES**

**MAJOR TRANSACTION IN
RELATION TO ACQUISITION OF
THE SALE SHARES**

THE AGREEMENT

On 27 September 2010, the Vendor, an indirect wholly-owned subsidiary of Hanny, and the Purchaser, an indirect wholly-owned subsidiary of ITC, entered into the Agreement pursuant to which the Vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Sale Shares at a consideration of approximately HK\$175.7 million.

The Sale Shares represent approximately 13.52% of the issued share capital of ITCP as at the date of the Agreement.

The proceeds from the Disposal, after deducting all relevant expenses, in the amount of approximately HK\$174.7 million will be used as general working capital of the Hanny Group. Other than the Sale Shares, the Vendor is also holding convertible notes issued by ITCP in the principal amount of HK\$270,000,000, which entitle the holder thereof to convert into 30,323,450 ITCP Shares. Immediately after completion of the Disposal, the Hanny Group will cease to hold any ITCP Shares.

* For identification purpose only

As at the date of this announcement, the ITC Group is holding (i) 41,894,400 ITCP Shares, representing approximately 7.42% of the issued share capital of ITCP; and (ii) the convertible bonds issued by ITCP in the principal amount of HK\$64,000,000, which entitle holder thereof to convert into 7,187,780 ITCP Shares. Immediately after completion of the Acquisition, the ITC Group will be interested in an aggregate of 118,297,163 ITCP Shares, representing approximately 20.94% of the issued share capital of ITCP as at the date of this announcement.

LISTING RULES IMPLICATIONS

In respect of Hanny

The Disposal constitutes a major transaction for Hanny under Chapter 14 of the Listing Rules.

As at the date of this announcement, ITC is indirectly interested in 240,146,821 Hanny Shares, representing approximately 42.77% of the issued share capital of Hanny. As the Purchaser is an indirect wholly-owned subsidiary of ITC, the Purchaser is a connected person of Hanny pursuant to the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for Hanny under Chapter 14A of the Listing Rules and is subject to the approval by the Hanny Independent Shareholders at the SGM. ITC, Dr. Chan and their respective associates shall abstain from voting on the proposed resolution approving the Disposal at the SGM.

In respect of ITC

The Acquisition constitutes a major transaction for ITC under Chapter 14 of the Listing Rules and is subject to the approval by the ITC Shareholders at the ITC-SGM. To the best of the ITC Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no ITC Shareholders would be required to abstain from voting on the proposed resolution approving the Acquisition at the ITC-SGM.

GENERAL

The Independent Board Committee will be established to give recommendation to the Hanny Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Hanny Independent Shareholders in this regard.

The SGM will be convened and held for the Hanny Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Disposal, the recommendation of the Independent Board Committee, the letter of advice of the independent financial adviser and a notice convening the SGM is expected to be despatched to the Hanny Shareholders as soon as practicable by 19 October 2010.

The ITC-SGM will be convened and held for the ITC Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Acquisition and a notice convening the ITC-SGM is expected to be despatched to the ITC Shareholders as soon as practicable by 19 October 2010.

THE AGREEMENT

Date: 27 September 2010

Parties

Vendor: Loyal Concept Limited, an indirect wholly-owned subsidiary of Hanny

Purchaser: Selective Choice Investments Limited, an indirect wholly-owned subsidiary of ITC

The Purchaser is principally engaged in investment holding. The Vendor is principally engaged in investment holding. As at the date of this announcement, ITC, through its indirect wholly-owned subsidiaries, is interested in (i) 240,146,821 Hanny Shares, representing approximately 42.77% of the issued share capital of Hanny, and (ii) convertible bonds issued by Hanny in the aggregate principal amount of HK\$231,479,295.

As the Purchaser is an indirect wholly-owned subsidiary of ITC, the Purchaser is a connected person of Hanny pursuant to the Listing Rules.

As at the date of this announcement, (i) Dr. Chan; (ii) Mr. Cheung Hon Kit, an executive ITC Director; and (iii) Mr. Shek Lai Him, Abraham, an independent non-executive ITC Director, are holding 2,298,393 Hanny Shares, 1 Hanny Share and 32 Hanny Shares respectively. As at the date of this announcement, Dr. Chan is also holding convertible bonds issued by Hanny in the principal amount of HK\$2,841,810.

Save as disclosed above, to the best of the ITC Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of ITC and connected persons of ITC.

Assets to be acquired or disposed of

The Sale Shares, being 76,402,763 ITCP Shares, represent approximately 13.52% of the issued share capital of ITCP as at the date of the Agreement.

Other than the Sale Shares, the Vendor is also holding convertible notes issued by ITCP in the principal amount of HK\$270,000,000, which entitle the holder thereof to convert into 30,323,450 ITCP Shares. Immediately after completion of the Disposal, the Hanny Group will cease to hold any ITCP Shares.

As at the date of this announcement, ITC, through its indirect wholly-owned subsidiary, is holding (i) 41,894,400 ITCP Shares, representing approximately 7.42% of the issued share capital of ITCP; and (ii) the convertible bonds issued by ITCP in the principal amount of HK\$64,000,000, which entitle holder thereof to convert into 7,187,780 ITCP Shares. Immediately after completion of the Acquisition, the ITC Group will be interested in an aggregate of 118,297,163 ITCP Shares, representing approximately 20.94% of the issued share capital of ITCP as at the date of this announcement. ITCP will remain an associate of ITC upon completion of the Acquisition. As at the date of this announcement, (i) Dr. Chan; (ii) Ms. Chau Mei Wah, Rosanna, the deputy chairman and managing director of ITC; and (iii) Mr. Cheung Hon Kit, an executive ITC Director, are holding 6,066,400 ITCP Shares, 3,200,000 ITCP Shares and 14,202,000 ITCP Shares respectively.

Consideration

The aggregate consideration for the Sale Shares is approximately HK\$175.7 million, and is payable in cash upon Completion. The Sale Price of HK\$2.3 per ITCP Share was agreed after arm's length negotiations between the Vendor and the Purchaser and represents:

- (i) a premium of approximately 19.2% over the closing price of HK\$1.93 per ITCP Share as quoted on the Stock Exchange on 27 September 2010, being the date of the Agreement;
- (ii) a premium of approximately 20.5% over the average of the closing prices of the ITCP Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 27 September 2010 of approximately HK\$1.908 per ITCP Share;
- (iii) a premium of approximately 21.0% over the average of the closing prices of the ITCP Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 27 September 2010 of approximately HK\$1.901 per ITCP Share; and

- (iv) a discount of approximately 48.8% to the audited consolidated net asset value of HK\$4.49 per ITCP Share attributable to equity owners of ITCP as at 31 March 2010.

The consideration for the Sale Shares payable by the Purchaser under the Agreement shall be funded by internal resources of the ITC Group.

Conditions

Completion of the Agreement is conditional upon:

- (i) the passing by the Hanny Independent Shareholders at the SGM of all necessary resolutions in compliance with the Listing Rules and other applicable rules to approve the Agreement and the transactions contemplated thereunder;
- (ii) the passing by the ITC Shareholders who are permitted to vote under the Listing Rules and other applicable rules at the ITC-SGM of all necessary resolutions in compliance with the Listing Rules and other applicable rules to approve the Agreement and the transactions contemplated thereunder;
- (iii) the current listing of the ITCP Shares not having been withdrawn and no indication being received on or before the date of Completion from the Stock Exchange or the Securities and Futures Commission of Hong Kong to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto); and
- (iv) all necessary approvals, consents and authorisations in relation to the sale and purchase of the Sale Shares contemplated under the Agreement having been obtained.

None of the above conditions can be waived. If the above conditions are not fulfilled on or before 4:00 p.m. on 30 November 2010 (or such later date as may be agreed between the Vendor and the Purchaser in writing), all rights and obligations of the parties to the Agreement shall cease and terminate, and neither party shall have any claim against the other for any costs or losses (save in respect of any antecedent breaches of the Agreement).

Completion

Completion shall take place on the third Business Day after the last outstanding condition set out above (save for the condition set out in paragraph (iii) above which shall be fulfilled on Completion) have been fulfilled or such later date as the parties to the Agreement shall agree in writing.

INFORMATION ON ITCP

ITCP Group is principally engaged in property development and investment in Macau, the PRC and Hong Kong, golf resort and leisure operations in the PRC, securities investment and loan financing services.

Below is the audited financial information of ITCP for each of the two years ended 31 March 2010 extracted from the audited consolidated financial statements of ITCP:

	For the year ended 31 March 2010 (audited) HK\$'000	For the year ended 31 March 2009 (audited) HK\$'000
Turnover	314,358	145,121
Profit (loss) before taxation	102,960	(462,285)
Profit (loss) after taxation	102,852	(461,816)
Profit (loss) after taxation attributable to owners of ITCP	102,852	(461,816)
Equity attributable to owners of ITCP	2,114,638	2,002,051

ITCP has not declared any dividend for each of the two financial years ended 31 March 2010.

REASONS FOR THE DISPOSAL

Hanny is an investment holding company and the Hanny Group is principally engaged in trading of securities, holding of vessels for sand mining, industrial water supply business, property development and trading and other strategic investments including an associated company whose shares are traded on the OTC Securities Market in the United States of America and convertible notes issued by companies whose issued shares are listed on the Stock Exchange.

The Sale Shares were acquired by the Vendor from April 2006 to August 2008 and were designated as available-for-sale investments in the consolidated financial statements of the Hanny Group. Changes in fair value of the Sale Shares were recognised in the investment revaluation reserve of Hanny.

Having considered the recovery in the Hong Kong stock market since 2009, Hanny has been exploring opportunities to dispose of its investments in listed and unlisted securities including the ITCP Shares, with a view to realising capital gains from its investments as well as generating cash inflow for general working capital uses.

The proceeds from the Disposal, after deducting all relevant expenses, in the amount of approximately HK\$174.7 million will be used as general working capital of the Hanny Group. The Disposal will result in an expected gain of approximately HK\$140.6 million for the Hanny Group. The estimated gain takes into account (i) the difference between the consideration for the Sale Shares and the book value of the Sale Shares as at 31 March 2010 of approximately HK\$29.8 million; and (ii) the reversal of the investment revaluation reserve relating to the Sale Shares as at 31 March 2010 of approximately HK\$110.8 million.

The Hanny Directors consider that it is an opportune time to dispose of its investment in the ITCP Shares and considering that the Sale Price is higher than the prevailing market price of the ITCP Share as elaborated above, the Hanny Directors (excluding the independent non-executive Hanny Directors, the opinion of whom will be included in the circular to be despatched to the Hanny Shareholders after taking into account of the advice from its independent financial adviser) consider that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Hanny Group and the Hanny Shareholders as a whole.

REASONS FOR THE ACQUISITION

ITC is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the ITC Group comprise investment holding, provision of finance, property investment and treasury investment.

The ITC Group has been looking for investment opportunities in listed companies. The ITC Group is currently holding 41,894,400 ITCP Shares, representing approximately 7.42% of the issued share capital of ITCP as at the date of this announcement. As the ITC Directors are optimistic towards the prospects and development of the ITCP Group, in particular the recent increasing demand for prime location properties in PRC, Hong Kong and Macau, the ITC Directors are positive about the long term returns or capital gains from the investment in the ITCP Shares, and consider that it is the opportune time to increase its strategic investment in ITCP through the Acquisition. The ITC Directors also consider that the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the ITC Group and the ITC Shareholders as a whole.

Notwithstanding the Acquisition, the ITC Group will consider further increasing its stake in ITCP and ITC will issue an announcement and comply with the relevant requirements under the Listing Rules as and when appropriate.

LISTING RULES IMPLICATIONS

In respect of Hanny

The Disposal constitutes a major transaction for Hanny under Chapter 14 of the Listing Rules.

As at the date of this announcement, ITC is indirectly interested in 240,146,821 Hanny Shares, representing approximately 42.77% of the issued share capital of Hanny. As the Purchaser is an indirect wholly-owned subsidiary of ITC, the Purchaser is a connected person of Hanny pursuant to the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for Hanny under Chapter 14A of the Listing Rules and is subject to the approval by the Hanny Independent Shareholders at the SGM. ITC, Dr. Chan and their respective associates shall abstain from voting on the proposed resolution approving the Disposal at the SGM.

In respect of ITC

The Acquisition constitutes a major transaction for ITC under Chapter 14 of the Listing Rules and is subject to the approval by the ITC Shareholders at the ITC-SGM. To the best of the ITC Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, no ITC Shareholders would be required to abstain from voting on the proposed resolution approving the Acquisition at the ITC-SGM.

GENERAL

The Independent Board Committee will be established to give recommendation to the Hanny Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Hanny Independent Shareholders in this regard.

The SGM will be convened and held for the Hanny Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Disposal, the recommendation of the Independent Board Committee, the letter of advice of the independent financial adviser and a notice convening the SGM is expected to be despatched to the Hanny Shareholders as soon as practicable by 19 October 2010.

The ITC-SGM will be convened and held for the ITC Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Acquisition and a notice convening the ITC-SGM is expected to be despatched to the ITC Shareholders as soon as practicable by 19 October 2010.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 27 September 2010 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the sale of the Sale Shares by the Vendor to the Purchaser
“associates”	has the meaning ascribed to it in the Listing Rules
“Business Day(s)”	any day (excluding a Saturday) on which licensed banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“Completion”	completion of the Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Agreement
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the controlling shareholder, the chairman and an executive director of ITC as at the date of this announcement
“Hanny”	Hanny Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 275)
“Hanny Director(s)”	the director(s) of Hanny
“Hanny Group”	Hanny and its subsidiaries
“Hanny Independent Shareholders”	the Hanny Shareholders other than ITC, Dr. Chan and their respective associates
“Hanny Shareholder(s)”	the holder(s) of the Hanny Shares

“Hanny Share(s)”	ordinary share(s) of HK\$0.01 each of Hanny
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the committee of the board of Hanny Directors comprising all the independent non-executive Hanny Directors to be established for the purpose of giving a recommendation to the Hanny Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder
“ITC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 372)
“ITC Director(s)”	the director(s) of ITC
“ITC Group”	ITC and its subsidiaries
“ITC-SGM”	the special general meeting of ITC to be convened and held for the ITC Shareholders to approve the Agreement and the transactions contemplated thereunder
“ITC Shareholder(s)”	holder(s) of shares of HK\$0.01 each of ITC
“ITCP”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 199)
“ITCP Group”	ITCP and its subsidiaries
“ITCP Share(s)”	the issued share(s) of HK\$0.01 each of ITCP
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the 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 shall exclude Hong Kong, Macau and Taiwan
“Purchaser”	Selective Choice Investments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of ITC
“Sale Price”	HK\$2.30 per ITCP Share
“Sale Shares”	76,402,763 ITCP Shares
“SGM”	the special general meeting of Hanny to be convened and held for the Hanny Independent Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Loyal Concept Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of Hanny
“HK\$”	Hong Kong dollars
“%”	per cent.

For and on behalf of the board of
directors of
HANNY HOLDINGS LIMITED
Dr. Yap, Allan
Chairman

For and on behalf of the board of
directors of
ITC CORPORATION LIMITED
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 27 September 2010

As at the date of this announcement, the Hanny Directors are as follows:

Executive Hanny Directors:

Dr. Yap, Allan (*Chairman*)
Mr. Chan Kwok Chuen, Augustine
(*Managing Director*)

Independent non-executive Hanny Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai

As at the date of this announcement, the ITC Directors are as follows:

Executive ITC 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 ITC Directors:

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