



ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2008

RESULTS

The board of directors (the “Board”) of ITC Corporation Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2008, together with comparative figures for the previous year, as follows:

Consolidated Income Statement

For the year ended 31st March, 2008

	Notes	2008 HK\$'000	2007 HK\$'000 (restated)
Continuing operations			
Revenue	3	<u>155,634</u>	<u>244,060</u>
Management and other related service income		5,110	4,372
Net gain on financial instruments	4	159,441	117,271
Interest income		71,530	92,377
Property rental income		1,615	738
Other income		9,831	27,735
Gain (loss) on changes in fair values of investment properties		4,566	(7,018)
Administrative expenses		(122,868)	(97,155)
Impairment losses		(20,960)	(10,014)
Finance costs		(57,040)	(39,450)
Discount on acquisitions of a subsidiary		–	560,055
Net (loss) gain on deemed disposal and disposal of subsidiaries and associates		(88,638)	1,893
Share of results of associates			
– share of results		160,939	207,221
– discount on acquisitions of associates		200,975	41,521
Profit before taxation	5	324,501	899,546
Taxation	6	(10,669)	(8,695)
Profit for the year from continuing operations		<u>313,832</u>	<u>890,851</u>
Discontinued operation			
Profit for the year from discontinued operation		<u>2</u>	<u>29</u>
Profit for the year		<u>313,834</u>	<u>890,880</u>

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i> (restated)
Attributable to:			
Equity holders of the Company		252,051	843,929
Minority interests		61,783	46,951
		<u>313,834</u>	<u>890,880</u>
Distributions	7	<u>78,043</u>	<u>59,191</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	8		
From continuing and discontinued operations:			
Basic		<u>9.9</u>	<u>38.0</u>
Diluted		<u>9.0</u>	<u>32.5</u>
From continuing operations:			
Basic		<u>9.9</u>	<u>38.0</u>
Diluted		<u>9.0</u>	<u>32.5</u>

Consolidated Balance Sheet

As at 31st March, 2008

	2008	2007
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	88,621	179,765
Investment properties	9,511	150,421
Prepaid lease payments	85,223	87,437
Intangible assets	830	4,580
Interests in associates	2,745,768	1,594,047
Debt portion of convertible notes	180,555	274,304
Conversion options embedded in convertible notes	1,923	98,466
Deposits for acquisition of subsidiaries	–	50,000
Deposits for acquisition of long-term investments	–	145,000
Payments for acquisition of interest in properties	–	58,830
Available-for-sale investments	117,377	1,033,823
Deferred tax assets	–	1,464
	3,229,808	3,678,137
Current assets		
Inventories	33	239
Prepaid lease payments	2,214	2,214
Other assets	–	229,288
Debtors, deposits and prepayments	8,898	404,029
Margin account receivables	2,930	17,523
Deposits for acquisition of investments held for trading	–	73,289
Amounts due from associates	261,294	500,050
Amounts due from related companies	6,753	7,262
Loans receivable	25,000	340,549
Financial assets designated at fair value through profit or loss	5,390	147,238
Investments held for trading	33,433	626,649
Tax recoverable	–	1,438
Short-term bank deposits, bank balances and cash	70,297	282,304
	416,242	2,632,072
Non-current assets classified as held for sale	59,482	–
	475,724	2,632,072

	<i>Notes</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current liabilities			
Margin account payables		1,835	6,794
Creditors and accrued expenses	10	20,524	91,884
Amounts due to associates		832	163,015
Derivative financial instruments		–	222
Redeemable convertible preference shares		–	286,137
Tax payable		–	63,977
Borrowings – due within one year		2,450	517,100
Bank overdrafts		29,457	71,599
		<u>55,098</u>	<u>1,200,728</u>
Net current assets		<u>420,626</u>	<u>1,431,344</u>
Total assets less current liabilities		<u>3,650,434</u>	<u>5,109,481</u>
Non-current liabilities			
Borrowings – due after one year		55,200	141,350
Convertible notes payable		192,952	556,980
Deferred tax liabilities		5,851	39,091
		<u>254,003</u>	<u>737,421</u>
Net assets		<u>3,396,431</u>	<u>4,372,060</u>
Capital and reserves			
Share capital		269,460	187,298
Share premium and reserves		3,126,971	2,623,128
Equity attributable to equity holders of the Company		3,396,431	2,810,426
Convertible notes reserve of a subsidiary		–	55,279
Minority interests		–	1,506,355
Total equity		<u>3,396,431</u>	<u>4,372,060</u>

Condensed Consolidated Cash Flow Statement

For the year ended 31st March, 2008

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Net cash from operating activities	129,401	107,925
Net cash used in investing activities	(492,297)	(466,183)
Net cash from financing activities	190,318	382,043
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Net (decrease) increase in cash and cash equivalents	(172,578)	23,785
Cash and cash equivalents brought forward	210,705	199,591
Effect of foreign exchange rate changes	2,713	(12,671)
	<hr/>	<hr/>
Cash and cash equivalents carried forward	40,840	210,705
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	70,297	282,304
Bank overdrafts	(29,457)	(71,599)
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	40,840	210,705
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Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS(s)”), Hong Kong Accounting Standards (“HKAS(s)”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRS”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1st April, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - INT 8	Scope of HKFRS 2
HK(IFRIC) - INT 9	Reassessment of Embedded Derivatives
HK(IFRIC) - INT 10	Interim Financial Reporting and Impairment
HK(IFRIC) - INT 11	HKFRS 2 : Group and Treasury Share Transactions

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) - INT 12	Service Concession Arrangements ³
HK(IFRIC) - INT 13	Customer Loyalty Programmes ⁴
HK(IFRIC) - INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

- ¹ Effective for annual periods beginning on or after 1st January, 2009
² Effective for annual periods beginning on or after 1st July, 2009
³ Effective for annual periods beginning on or after 1st January, 2008
⁴ Effective for annual periods beginning on or after 1st July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new or revised standards, amendments or interpretations will have no material effect on how the results and the financial position of the Group are prepared and presented.

3. REVENUE AND SEGMENTAL INFORMATION

Business segments

For management purposes, the Group's operations are organised into five operating divisions, namely finance, securities investment, other investment, property investment and trading of building materials and machinery. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Finance	–	loan financing services
Securities investment	–	trading of securities
Other investment	–	investments in financial instruments except investments held for trading
Property investment	–	leasing of investment properties
Trading of building materials and machinery	–	trading of building materials and machinery
Unallocated segment	–	leasing of motor vehicles, management services and sand mining business

During the year, the Group disposed of its entire interest in a subsidiary engaged in trading of building materials and machinery business.

Business segment information for the year ended 31st March, 2008 is presented below:

	Continuing operations						Discontinued operation		Consolidated HK\$'000
	Finance HK\$'000	Securities investment HK\$'000	Other investment HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Eliminations HK\$'000	Total HK\$'000	Trading of building materials and machinery HK\$'000	
GROSS PROCEEDS	<u>62,871</u>	<u>628,140</u>	<u>38,813</u>	<u>6,810</u>	<u>7,692</u>	<u>(26,270)</u>	<u>718,056</u>	<u>2,547</u>	<u>720,603</u>
REVENUE									
External sales	42,794	65,528	38,070	1,615	7,627	-	155,634	2,547	158,181
Inter-segment sales	<u>20,077</u>	<u>-</u>	<u>998</u>	<u>5,195</u>	<u>-</u>	<u>(26,270)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>62,871</u>	<u>65,528</u>	<u>39,068</u>	<u>6,810</u>	<u>7,627</u>	<u>(26,270)</u>	<u>155,634</u>	<u>2,547</u>	<u>158,181</u>
RESULT									
Segment result	<u>5,762</u>	<u>63,278</u>	<u>102,326</u>	<u>5,196</u>	<u>990</u>	<u>-</u>	<u>177,552</u>	<u>24</u>	<u>177,576</u>
Unallocated corporate expenses							(69,287)	-	(69,287)
Finance costs							(57,040)	-	(57,040)
Net loss on deemed disposal and disposal of subsidiaries and associates							(88,638)	(22)	(88,660)
Share of results of associates - share of results							160,939	-	160,939
- discount on acquisitions of associates							<u>200,975</u>	<u>-</u>	<u>200,975</u>
Profit before taxation							324,501	2	324,503
Taxation							<u>(10,669)</u>	<u>-</u>	<u>(10,669)</u>
Profit for the year							<u>313,832</u>	<u>2</u>	<u>313,834</u>

Business segment information for the year ended 31st March, 2007 is presented below:

	Continuing operations						Discontinued operation		Consolidated HK\$'000
	Finance HK\$'000	Securities investment HK\$'000	Other investment HK\$'000	Property investment HK\$'000	Unallocated HK\$'000	Eliminations HK\$'000	Trading of building materials and machinery		
							Total HK\$'000	HK\$'000	
GROSS PROCEEDS	<u>69,020</u>	<u>378,643</u>	<u>60,297</u>	<u>5,851</u>	<u>11,048</u>	<u>(36,738)</u>	<u>488,121</u>	<u>5,177</u>	<u>493,298</u>
REVENUE									
External sales	53,248	122,364	57,014	738	10,696	-	244,060	5,177	249,237
Inter-segment sales	15,772	-	15,804	5,113	49	(36,738)	-	-	-
Total	<u>69,020</u>	<u>122,364</u>	<u>72,818</u>	<u>5,851</u>	<u>10,745</u>	<u>(36,738)</u>	<u>244,060</u>	<u>5,177</u>	<u>249,237</u>
RESULT									
Segment result	<u>24,277</u>	<u>123,724</u>	<u>22,146</u>	<u>(8,511)</u>	<u>3,504</u>	<u>-</u>	165,140	418	165,558
Unallocated corporate expenses							(36,834)	(389)	(37,223)
Discount on acquisitions of a subsidiary							560,055	-	560,055
Finance costs							(39,450)	-	(39,450)
Net gain on deemed disposal and disposal of associates							1,893	-	1,893
Share of results of associates - share of results							207,221	-	207,221
- discount on acquisitions of associates							41,521	-	41,521
Profit before taxation							899,546	29	899,575
Taxation							(8,695)	-	(8,695)
Profit for the year							<u>890,851</u>	<u>29</u>	<u>890,880</u>

Over 90% of the revenue of the Group was from the customers in Hong Kong, accordingly, no geographical analysis of revenue was presented.

Inter-segment sales are charged at prevailing market rate or, where no market rate was available, at terms determined and agreed by both parties.

4. NET GAIN ON FINANCIAL INSTRUMENTS

	Continuing operations		Discontinued operation		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Gain on disposal of:						
– Precious metals	65	1,354	–	–	65	1,354
– Investments held for trading	21,975	12,254	–	–	21,975	12,254
– Derivative financial instruments	(1,794)	954	–	–	(1,794)	954
– Financial assets designated at fair value through profit or loss (<i>Note</i>)	(745)	5,365	–	–	(745)	5,365
– Available-for-sale investments	20,183	8,209	–	–	20,183	8,209
Dividend income on investments held for trading	1,403	2,384	–	–	1,403	2,384
Gain (loss) on changes in fair value of:						
– Conversion options embedded in convertible notes	64,396	(32,239)	–	–	64,396	(32,239)
– Derivative financial instruments	–	(222)	–	–	–	(222)
– Financial assets designated at fair value through profit or loss (<i>Note</i>)	11,873	12,673	–	–	11,873	12,673
– Investments held for trading	42,150	106,842	–	–	42,150	106,842
– Gold trading contract	(65)	(303)	–	–	(65)	(303)
	159,441	117,271	–	–	159,441	117,271

Note: The amount includes nil (2007: HK\$5,365,000) interest earned.

5. PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Profit before taxation has been arrived at after charging:						
Depreciation of property, plant and equipment	10,406	10,232	2	3	10,408	10,235
Release of prepaid lease payments	2,214	2,214	–	–	2,214	2,214
and after crediting:						
Gain on disposal of property, plant and equipment	1,537	960	–	–	1,537	960

6. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current tax:						
Hong Kong Profits Tax	10,726	9,920	-	-	10,726	9,920
Overseas tax	-	342	-	-	-	342
	<u>10,726</u>	<u>10,262</u>	<u>-</u>	<u>-</u>	<u>10,726</u>	<u>10,262</u>
Overprovision of overseas tax in previous year	-	(5)	-	-	-	(5)
Deferred tax	(57)	(1,562)	-	-	(57)	(1,562)
	<u>(57)</u>	<u>(1,562)</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>(1,562)</u>
Taxation attributable to the Company and its subsidiaries	<u>10,669</u>	<u>8,695</u>	<u>-</u>	<u>-</u>	<u>10,669</u>	<u>8,695</u>

Hong Kong Profits Tax was calculated at the rate of 17.5% of the estimated assessable profit for both years.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Deferred taxation has been provided for on temporary differences arising during the year.

7. DISTRIBUTIONS

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Dividends recognised as distributions to equity holders of the Company during the year:		
Final dividend for 2007 – HK2.0 cents (2007: HK1.7 cents for 2006) per ordinary share	43,480	31,237
Interim dividend for 2008 – HK1.3 cents (2007: HK1.5 cents for 2007) per ordinary share	34,563	27,954
	<u>78,043</u>	<u>59,191</u>
Dividend proposed in respect of current year:		
Final dividend proposed for 2008: HK0.3 cent (2007: HK2.0 cents) per ordinary share	8,084	43,480
	<u>8,084</u>	<u>43,480</u>

Of the dividend paid during the year, approximately HK\$46,465,000 (2007: HK\$17,780,000) was settled in ordinary shares under the Company's scrip dividend schemes notified by way of circular by the Company on 16th October, 2007 and 31st January, 2008 in respect of the 2007 final dividend and the 2008 interim dividend.

The amount of the final dividend proposed for the year ended 31st March, 2008, which will be payable in cash, has been calculated by reference to 2,694,605,269 issued ordinary shares as at the date of this announcement.

On 5th November, 2007, the Company issued bonus shares to the holders of ordinary shares of the Company on the basis of one new ordinary share for every five ordinary shares held on 15th October, 2007.

In addition, the Board has also recommended a bonus issue of warrants on the basis of one warrant for every five ordinary shares of the Company held on 20th October, 2008 at an initial subscription price of HK\$0.22 per ordinary share (subject to adjustments) with a term of one year.

8. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Profit for the year attributable to equity holders of the Company for the purposes of basic earnings per share	252,051	843,929
Effect of dilutive potential ordinary shares:		
Adjustment of finance costs on convertible notes payable	5,851	–
Adjustment of finance costs on redeemable convertible preference shares	6,490	10,947
Adjustment to the share of results of associates and subsidiaries based on dilution of their earnings per share	(7,036)	(28,587)
Earnings for the purposes of diluted earnings per share	257,356	826,289
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	2,542,782,838	2,218,705,720
Effect of dilutive potential ordinary shares:		
Options	13,737	–
Redeemable convertible preference shares	191,768,457	326,156,885
Convertible notes payable	130,974,065	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	2,865,539,097	2,544,862,605

The weighted average number of ordinary shares for the purpose of basic earnings per share for both years have been adjusted for the bonus issue of shares on 5th November, 2007.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the equity holders of the Company is based on the following data:

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to equity holders of the Company for the purposes of basic earnings per share	252,051	843,929
Less: Profit for the year from discontinued operation	(2)	(29)
	<hr/>	<hr/>
Earnings for the purpose of basic earnings per share from continuing operations	252,049	843,900
Effect of dilutive potential ordinary shares:		
Adjustment of finance cost on convertible notes payable	5,851	–
Adjustment of finance cost on redeemable convertible preference shares	6,490	10,947
Adjustment to the share of results of associates and subsidiaries based on dilution of their earnings per share	(7,036)	(28,587)
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Earnings for the purposes of diluted earnings per share from continuing operations	<u>257,354</u>	<u>826,260</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is negligible for both years, based on the profit for the year from the discontinued operation of HK\$2,000 (2007: HK\$29,000) and the denominators detailed above for both basic and diluted earnings per share.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$7,346,000 (2007: HK\$13,892,000) and their aged analysis at the balance sheet date is as follows:

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade debtors		
0-30 days	7,338	7,018
31-60 days	3	28
61-90 days	3	1
Over 90 days	2	6,845
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	7,346	13,892
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Trade debtors arising from property investment business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days (2007: 30 days to 90 days).

10. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade creditors of approximately HK\$4,299,000 (2007: HK\$18,396,000) and their aged analysis at the balance sheet date is as follows:

	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade creditors		
0-30 days	138	18,320
31-60 days	4,161	47
Over 90 days	–	29
	<hr/>	<hr/>
	4,299	18,396
	<hr/> <hr/>	<hr/> <hr/>

FINAL DIVIDEND AND BONUS ISSUE OF WARRANTS

The Board has resolved to recommend the payment of a final dividend of HK0.3 cent per ordinary share for the year ended 31st March, 2008 (2007: HK1.67 cents as adjusted by the bonus issue of shares on 5th November, 2007) to shareholders whose names appear on the register of members of the Company as at the close of business on Monday, 20th October, 2008. The proposed final dividend is expected to be paid to shareholders by post on or about 5th November, 2008 following approval at the forthcoming annual general meeting. The proposed final dividend is conditional upon the passing at the forthcoming annual general meeting of the Company of an ordinary resolution to approve the final dividend.

The Board has also proposed a bonus issue of warrants (“Bonus Warrants Issue”) on the basis of one warrant for every five existing ordinary shares held, to the shareholders (other than excluded shareholders) whose names appear on the register of members of the Company at the close of the business on Monday, 20th October, 2008. Each warrant will entitle the holder to subscribe in cash for one new ordinary share of the Company at an initial subscription price of HK\$0.22 per ordinary share, subject to anti-dilutive adjustments, at any time between the date of issue of the warrants and the day immediately preceding the first anniversary of the date of issue of the warrant (both dates inclusive).

The Bonus Warrants Issue will be subject to: (i) the approval by the shareholders of the Company at a special general meeting of the Company of the Bonus Warrants Issue, the allotment and issue of new ordinary shares of the Company under the Bonus Warrants Issue; and (ii) the Listing Committee of the Hong Kong Stock Exchange granting or agreeing to grant the listing of, and permission to deal, in the warrants and the new ordinary shares which may fall to be issued by the Company as a result of exercise of the warrants.

A further announcement containing further details of the Bonus Warrants Issue will be made by the Company as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 16th October, 2008 to Monday, 20th October, 2008, both dates inclusive, during which period no transfer of ordinary shares will be registered. In order to qualify for the proposed final dividend and the Bonus Warrants Issue, all transfers of ordinary shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Wednesday, 15th October, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31st March, 2008, the Group recorded a profit attributable to equity holders of approximately HK\$252 million. The current year's profit has included a non-cash loss of approximately HK\$248 million due to the Group's partial disposal and dilution of its interests in Hanny Holdings Limited ("Hanny") whereas the corresponding 2007 profit has included a non-cash gain of approximately HK\$560 million due to the Group's general offer of Hanny shares in November 2006 as the general offer price was at a discount to the fair value of Hanny's assets acquired. By excluding the above non-cash effects, the Group's profit attributable to equity holders of 2008 and 2007 would be approximately HK\$500 million and HK\$284 million, respectively, representing approximately 76% increase for 2008.

The main drivers of the results of the Group for the year are the following:

- (i) Gain of approximately HK\$163 million arising from the Group's disposal of all its interest in Trasy Gold Ex Limited ("Trasy"). The resumption of trading in the Trasy shares was approved by the Hong Kong Stock Exchange in May 2007 after nearly four years of suspension. After the Group acquired its interests in Trasy in March 2005, the Group assisted Trasy in launching new marketing initiatives, strengthening its corporate governance and internal controls, and reforming its board of directors. These factors contributed to the successful resumption of trading in the Trasy shares. In light of the favourable market conditions subsequent to the resumption, the Group disposed of all its interests in Trasy and recognised the above gain;
- (ii) Non-cash gain of approximately HK\$191 million arising from the recognition of ITC Properties Group Limited and Wing On Travel (Holdings) Limited as associated companies of the Group. Such non-cash gain was recognised since the consideration paid by the Group for acquiring its interests in both companies was at a discount to the fair value of the assets acquired; and
- (iii) Share of results of associates of approximately HK\$161 million of which approximately HK\$97 million and approximately HK\$44 million was contributed by PYI Corporation Limited and Hanny, respectively.

The Group maintained a strong financial position as at the year end:

- (i) Equity attributable to equity holders was approximately HK\$3,396 million, representing an increase of approximately 21% over 2007. The increase was mainly attributable to the issue of 300,000,000 new ordinary shares in June 2007 and the profit for the year; and

- (ii) Total assets decreased by 41% to approximately HK\$3,706 million as Hanny and Trasy ceased to be a subsidiary of the Group during the year. In May 2007, Hanny ceased to be a subsidiary and become an associated company of the Group, which was largely the reason for the increase in the Group's interests in associates to approximately HK\$2,746 million as at 31st March, 2008 (2007: HK\$1,594 million).

REVIEW OF OPERATIONS

The principal activities of the Group comprise investment holding, the provision of finance, property investment and treasury investment.

During the year ended 31st March, 2008, the Group continued to hold significant interests, directly or indirectly, in a number of companies listed in Hong Kong, Canada, Singapore, the United States of America ("U.S.A."), Australia and Germany, and other high potential unlisted investments, pursuant to its long-term strategy of exploring investments in an aggressive, but cautious, manner and enhancing a balanced and diversified investment portfolio. As at 31st March, 2008, the Group had the following major listed strategic investments:

Listed strategic investments directly held

Hanny Holdings Limited ("Hanny")

Hanny is an investment holding company. Hanny is principally engaged in the trading of securities, holding of vessels for sand mining, industrial water supply business and other strategic investments including (i) a subsidiary, of which shares are listed on the Australian Securities Exchange; (ii) associated companies whose shares are listed on the Hong Kong Stock Exchange or the Singapore Exchange Limited; (iii) an associated company whose shares are traded on the OTC Securities Market in the U.S.A.; and (iv) long-term convertible notes issued by companies whose shares are listed on the Hong Kong Stock Exchange. For the year ended 31st March, 2008, Hanny reported a consolidated profit attributable to equity holders of approximately HK\$129.1 million and its overall after tax contribution to the Group was a profit of approximately HK\$76.5 million.

PYI Corporation Limited ("PYI")

Based in Hong Kong, PYI focuses on infrastructure investment in and the operation of bulk cargo ports and logistics facilities in the Yangtze River region in Mainland China. It also engages in land and property development in association with port facilities. In addition, PYI provides comprehensive engineering and property-related services through Paul Y. Engineering Group Limited. For the year ended 31st March, 2008, PYI reported a consolidated profit attributable to equity holders of approximately HK\$360.0 million, while its overall after tax contribution to the Group was a profit of approximately HK\$97.0 million.

ITC Properties Group Limited (“ITC Properties”)

ITC Properties is principally engaged in property development and investment in Macau, Mainland China and Hong Kong. ITC Properties is also engaged in golf resort and leisure operations in Mainland China, securities investment, and loan financing services. For the year ended 31st March, 2008, ITC Properties reported a consolidated loss attributable to equity holders of approximately HK\$141.9 million, while its loss attributable to the Group was approximately HK\$3 million.

Wing On Travel (Holdings) Limited (“Wing On Travel”)

Wing On Travel is principally engaged in the business of providing package tours, travel and other related services with branches in Hong Kong, Macau, Canada and the United Kingdom, and hotel operation business including a hotel chain with the “Rosedale” brand in Hong Kong and the Mainland China.

Burcon NutraScience Corporation (“Burcon”)

Burcon is a research and development company developing a portfolio of composition, application and process patents related to its plant protein extraction and purification technology. Burcon’s patented process recovers valuable purified plant proteins from inexpensive oilseed meal. Burcon, in conjunction with Archer Daniels Midland, is currently focusing its efforts on developing the world’s first commercial Canola proteins, Puratein® and Supertein™ (the “Products”). Canola is the second-largest oilseed crop in the world after soybeans. Burcon’s immediate goal is to position the Products to compete with soy, dairy and egg proteins as an ingredient in prepared foods, nutritional supplements and personal care products. In June 2007, Burcon was recognised as a TSX Venture 50™ company. The TSX Venture 50™ ranks the top fifty emerging public companies listed on the TSX Venture Exchange in Canada. For the year ended 31st March, 2008, Burcon’s loss attributable to the Group was approximately HK\$7.7 million.

PSC Corporation Ltd (“PSC”)

PSC focuses on two business clusters which are “Consumer Essentials” and “Strategic Investments”. Its business activities involve grocery franchising and mini-mart chain, food manufacturing, paper products manufacturing and distribution, media contents production and distribution, healthcare consultancy and hospital management services, and strategic investments in high growth sectors including packaging through Tat Seng Packaging Group Ltd.

Listed strategic investments indirectly held

Paul Y. Engineering Group Limited (“Paul Y. Engineering”)

Paul Y. Engineering is an international engineering and property services group, serving Hong Kong, Macau, Mainland China and overseas markets. It has three core areas of business: management contracting, property development management and property investment. Paul Y. Engineering serves a wide spectrum of distinguished clients, including the government and major enterprises.

See Corporation Limited (“See Corp”)

See Corp is principally engaged in the entertainment and media business, which includes film and television programme productions; music productions; event productions; and artiste and model management. It also owns significant interest in TVB Pay Vision Holdings Limited, which operates a pay-television business in Hong Kong.

China Enterprises Limited (“China Enterprises”)

China Enterprises is principally engaged in investment holding, including (i) property investment in Mainland China; (ii) investment in an associated company which is principally engaged in manufacturing and trading of tires products in Mainland China and other countries; and (iii) investment in financial assets.

MRI Holdings Limited (“MRI”)

MRI is an investment company, which has investments in securities and financial assets. MRI continues to identify appropriate, strategic investment opportunities that maximise returns to shareholders, within the clear mandate determined by shareholders of MRI.

Intraco Limited (“Intraco”)

Intraco has developed its business portfolio under five core sectors, which are agri-business and foods, energy and environment, industrial materials, building materials and security solutions, and semiconductors.

Tat Seng Packaging Group Ltd. (“Tat Seng Packaging”)

Tat Seng Packaging is one of Singapore’s leading manufacturers of corrugated paper packaging products with operations in Singapore, and in Suzhou and Hefei of Mainland China. Tat Seng Packaging designs, manufactures and sells corrugated paper packaging products for the packing of a diverse range of products according to customers’ specifications. Its key products include corrugated paper boards, corrugated paper cartons, die-cut boxes, assembly cartons, heavy duty corrugated paper products and other packaging related products.

The Group's shareholding interests in listed strategic investments are summarised below:

Listed strategic investments directly held

Name of investee company	Place of listing	Stock code	Shareholding percentage	
			As at 31/3/2008	As at the date of this announcement
Hanny	Hong Kong Stock Exchange	275	49.9%	49.9%
PYI	Hong Kong Stock Exchange	498	26.8%	26.8%
ITC Properties	Hong Kong Stock Exchange	199	14.9% (Note a)	17.8% (Note a)
Wing On Travel	Hong Kong Stock Exchange	1189	20.4% (Note b)	18.5% (Note b)
Burcon	TSX Venture Exchange and Frankfurt Stock Exchange	BU WKN 157793	24.9%	24.8%
PSC	Singapore Exchange Limited	PSC	14.1% (Note c)	14.1% (Note c)

Listed strategic investments indirectly held

Name of investee company	Place of listing	Stock code	Effective interest	
			As at 31/3/2008	As at the date of this announcement
Paul Y. Engineering	Hong Kong Stock Exchange	577	16.9% (Note d)	16.8% (Note d)
See Corp	Hong Kong Stock Exchange	491	10.2% (Note e)	10.4% (Note e)
China Enterprises	OTC Securities Market, U.S.A.	CSHEF	27.6% (Note e)	13.0% (Note e)
MRI	Australian Securities Exchange	MRI	28.6% (Note e)	28.6% (Note e)
Intraco	Singapore Exchange Limited	INTRACO	4.2% (Note f)	4.2% (Note f)
Tat Seng Packaging	Singapore Exchange Limited	TAT SENG	9.0% (Note f)	9.0% (Note f)

Notes:

- (a) Hanny holds a shareholding interest in ITC Properties. The Group's effective interest includes its approximately 6.5% and 9.9% direct shareholding interest in ITC Properties as at 31st March, 2008 and as at the date of this announcement, respectively. The effective interest held by the Group in ITC Properties as at the date of this announcement does not include the rights shares held by the Group and China Enterprises under the rights issue as announced by ITC Properties on 6th June, 2008.
- (b) Hanny and China Enterprises each holds a shareholding interest in Wing On Travel. The Group's effective interest includes its approximately 14.2% and 16.8% direct shareholding interest in Wing On Travel as at 31st March, 2008 and as at the date of this announcement, respectively. The effective interest held by the Group in Wing On Travel as at the date of this announcement does not include the rights shares held by the Group and China Enterprises under the rights issue as announced by Wing On Travel on 20th May, 2008.
- (c) Hanny holds a shareholding interest in PSC. The Group's effective interest includes its approximately 2% direct shareholding interest in PSC as at 31st March, 2008 and as at the date of this announcement.
- (d) The Group's interest is held through PYI.
- (e) The Group's interest is held through Hanny.
- (f) The Group's interest is held through PSC.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash, bank balances and deposits as at 31st March, 2008 amounted to approximately HK\$70 million. As at 31st March, 2008, the Group had bank borrowings of approximately HK\$87 million of which approximately HK\$32 million is repayable within one year or on demand. The redeemable convertible preference shares (Stock code: 206) (the "Preference Shares") with an aggregate redemption value of approximately HK\$281 million were redeemed on 5th November, 2007 mainly by utilising the funds raised from the issuance of HK\$200 million convertible notes of the Company on 2nd November, 2007 and the internal resource of the Company.

As at 31st March, 2008, all the Group's borrowings, except the convertible notes, are at floating interest rates and the Group's current ratio was approximately 8.6.

GEARING RATIO

The Group's gearing ratio at the balance sheet date was approximately 6.2% (2007: 45.9%), determined as portion of the Group's net borrowings of approximately HK\$210 million and the equity attributable to equity holders of approximately HK\$3,396 million. The decrease in gearing ratio was largely attributable to the cessation of accounting Hanny as a subsidiary of the Group in May 2007.

EXCHANGE RATE EXPOSURE

As at 31st March, 2008, approximately 4.1% of the cash, bank balances and deposits were in other currencies and only approximately 5.9% of the Group's total borrowings of approximately HK\$16.6 million was denominated in Canadian dollars. The borrowings in foreign currencies are directly tied to the Group's business in Canada.

PLEDGE OF ASSETS

As at 31st March, 2008, certain of the Group's properties, margin accounts receivables, investments held for trading and derivative financial instruments with an aggregate carrying value of approximately HK\$266.0 million were pledged to banks and financial institutions to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31st March, 2008, the Group had contingent liabilities in respect of guarantees given to banks and financial institutions on general facilities granted to an associate of approximately HK\$53.7 million and financial support given to the associate of approximately HK\$6.8 million.

EMPLOYEE AND REMUNERATION POLICY

As at 31st March, 2008, the Group had a total of 74 employees. It is the Group's remuneration policy that the employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. Share option schemes are established for the eligible participants (including employees) and share options were granted during the year. There were 198.6 million outstanding share options granted by the Company as at 31st March, 2008.

MAJOR EVENTS

The major events of the Group during the year ended 31st March, 2008 are summarised below:

The Company

In June 2007, a placing and subscription agreement was entered into between the Company, Dr. Chan Kwok Keung, Charles ("Dr. Chan") and a placing agent, pursuant to which the placing agent agreed to place 300,000,000 existing ordinary shares of the Company at the price of HK\$0.74 per share on behalf of Dr. Chan and Dr. Chan agreed to subscribe for 300,000,000 new ordinary shares of the Company at the price of HK\$0.74 per share. The placing and subscription were both completed in June 2007.

In July 2007, the Directors proposed a bonus issue of new ordinary shares to the ordinary shareholders on the basis of one bonus share for every five ordinary shares held on 15th October, 2007 as a return to the long-term support of the ordinary shareholders. 434,800,319 bonus shares were issued accordingly as fully paid by way of capitalisation of a portion of the Company's share premium account in November 2007.

In September 2007, a placing agreement was entered into between the Company and a placing agent by which a maximum aggregate principal amount of HK\$200 million 5% convertible notes due 2009 at an initial conversion price of HK\$0.75 per share (which was subsequently adjusted to HK\$0.63 per share) was placed, on a best effort basis. The placement was completed on 2nd November, 2007 and all the net proceeds were used to redeem the Preference Shares.

On 5th November, 2007, the Company redeemed all outstanding 265,062,000 Preference Shares at the redemption price of HK\$1.06 per share. The listing of the Preference Shares was withdrawn on the same date.

Hanny

In April 2007, a placing and subscription agreement was entered into between the Company, Hanny and a placing agent, pursuant to which the placing agent agreed to place 43,500,000 existing shares of Hanny at the price of HK\$3.40 per share on behalf of the Company and the Company agreed to subscribe for 43,500,000 new shares of Hanny at the price of HK\$3.40 per share. The placing and subscription were completed in April 2007.

In April 2007, Hanny group has conditionally agreed to subscribe for 125,000,000 new shares of Wonson International Holdings Limited (Stock code: 651) ("Wonson") at the price of HK\$0.16 per share and HK\$40 million redeemable convertible notes of Wonson at face value. The subscriptions were completed in May 2007.

In May 2007, the Group disposed of 21,000,000 shares of Hanny at HK\$5 per share to independent third parties. Upon the conversion of convertible bonds of Hanny by independent third parties, Hanny ceased to be a subsidiary of the Company.

In August 2007, the Group acquired Hanny's convertible bonds in the principal amount of HK\$88,217,520 from an independent third party at a consideration of HK\$69,691,840.

In August 2007, a conditional subscription agreement was entered into between the Company and Hanny in relation to the subscription of up to 499,000,000 new shares of Hanny at the price of HK\$0.35 per share. The subscription price was agreed to be adjusted to HK\$0.29 per share in September 2007 due to Hanny's bonus issue. The subscription was completed in October 2007.

The Group's shareholding interest in Hanny is approximately 49.90% as at the date of this announcement.

Trasy

In May 2007, the Hong Kong Stock Exchange has approved the resumption of trading in the shares of Trasy following the submission of a resumption proposal with updated information about Trasy in terms of its operation, financial position and performance, corporate governance, and the adequacy and effectiveness of its internal control system.

In June 2007, Trasy ceased to be a subsidiary of the Company upon the exercise of share options of Trasy by an independent third party.

In June, August and September 2007, three respective sets of placing and subscription agreements were entered into between the Group, Trasy and placing agents, pursuant to which the placing agents agreed to place 550,000,000, 330,000,000 and 335,000,000 existing shares of Trasy at prices of HK\$0.20, HK\$0.19 and HK\$0.162 per share respectively on behalf of the Group and the Group agreed to subscribe for 550,000,000, 330,000,000 and 335,000,000 new shares of Trasy at the respective prices of HK\$0.20, HK\$0.19 and HK\$0.162 per share. The placings and subscriptions were completed in June and September 2007.

In September 2007, the Group disposed of approximately 1,197 million shares of Trasy on the market for approximately HK\$119.7 million and donated 10 million shares of Trasy to the Community Chest of Hong Kong. The Group ceased to hold any shares in Trasy thereafter.

PYI

In March 2008, since the previous mandate in relation to the possible disposal of shares of PYI would expire on 17th April, 2008, the Directors proposed to extend the mandate for the possible disposal of up to a maximum of 300 million shares of PYI at the minimum disposal price equals to or exceeds HK\$2.13 per share (subject to adjustment in the event of a share consolidation or share subdivision by PYI) within twelve months from 18th April, 2008. The proposal has been approved by the shareholders of the Company in April 2008.

Wing On Travel

During the period from 27th December, 2006 to 22nd January, 2008, the Group acquired approximately 258.8 million shares of Wing On Travel at an aggregate consideration of approximately HK\$110.9 million. The Group's shareholding interests in Wing On Travel was approximately 14.2% as at 31st March, 2008.

ITC Properties

During the period from 16th October, 2007 to 23rd January, 2008, the Group acquired approximately 202.1 million shares of ITC Properties at an aggregate consideration of approximately HK\$85.7 million. The Group's shareholding interests in ITC Properties was approximately 6.5% as at 31st March, 2008.

MAJOR SUBSEQUENT EVENTS

The major events of the Group subsequent to the year ended 31st March, 2008 are summarised below:

The Company

In April 2008, the Group disposed of all the interests in an associate company which held an investment property in the Central District of Hong Kong for a consideration of HK\$145 million. This disposal gave rise to an unaudited gain of approximately HK\$60 million (before expense and tax) as disclosed in the circular of the Company dated 22nd April, 2008.

Wing On Travel

In May 2008, Wing On Travel proposed to issue rights shares by way of rights issue on the basis of four rights shares (with bonus warrants in the proportion of one bonus warrant for every four rights shares subscribed) for every share held on the record date at the subscription price of HK\$0.06 per rights share. The Company had undertaken, inter alia, to subscribe or procure to subscribe for approximately 1,035 million rights shares of Wing On Travel. The Group's shareholding interests in Wing On Travel is approximately 16.8% as at the date of this announcement.

OUTLOOK

The year ahead will be challenging amid the protracted housing market downturn in the U.S.A. coupled with the tightening credit as a result of the sub-prime predicament, aggravated by soaring inflation. These factors have contributed to the increasing dimmed economic sentiment for 2008 compared with the brisk economic environment of 2007, and a downward correction in asset prices. Such downward correction has created opportunities to acquire assets in the market at bargain prices.

Having a sound balance sheet with low gearing, the Group is strategically leveraged to capitalise on opportunities by exploring and capturing assets that are undervalued by the market. Our aggressive, but cautious, investment approach allows us to mitigate risks from uncertainties while pursuing quality investments at propitious times. During the year, the Group took advantage of market opportunities by increasing its interests in ITC Properties and Wing On Travel at a discount to their fair values. By doing so, the Group has further diversified and balanced its strategic investment portfolio. The Company has further demonstrated its confidence in Wing On Travel and ITC Properties by undertaking to subscribe for their rights shares in May and June 2008, respectively.

The Group's strategic framework that has led the Group to success will continue to keep the Group well-poised for opportunities as well as meeting the challenges ahead. Barring unforeseen circumstances, the Group is confident about the prospects of its investments and business operation.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st March, 2008, there were no purchases, sales or redemptions by the Company, or any of its subsidiaries, of the Company's listed securities except for the redemption of 265,062,000 Preference Shares at the redemption price of HK\$1.06 per share with an aggregate redemption value of approximately HK\$281 million on 5th November, 2007.

As all outstanding issued Preference Shares were redeemed by the Company, the Board proposed to obtain the shareholders' approval at the forthcoming annual general meeting to cancel all the Preference Shares in the authorised but unissued share capital of the Company which will result in the amount of authorised share capital of the Company being diminished by HK\$28 million and immediately following such diminution, increase the authorised share capital of the Company by the same amount diminished so that the authorised share capital of the Company will be HK\$1,028 million divided into 10,280,000,000 ordinary shares.

SECURITIES IN ISSUE

As a result of the issue of new ordinary shares under scrip dividend schemes, bonus issue, the conversion of the Preference Shares during the year and the redemption of the Preference Shares, the total number of issued ordinary shares of the Company of HK\$0.10 each is 2,694,605,269 as at the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31st March, 2008, complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors (the "Model Code"). All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code for the year ended 31st March, 2008.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2008 has been reviewed by the Audit Committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, condensed consolidated cash flow statement and the related notes thereto for the year ended 31st March, 2008 included in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Listed Company Information" and on the website of the Company at www.itc.com.hk under "Investors". The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company will be held on Tuesday, 30th September, 2008. Notice of the 2008 Annual General Meeting will be published and issued to shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the year.

By Order of the Board
Dr. Chan Kwok Keung, Charles
Chairman

Hong Kong, 28th July, 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*