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PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

**ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2018**

RESULTS

The Board of Directors (the “Board”) of PT International Development 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, 2018 together with comparative figures as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	3	1,984,368	15,404
Cost of sales		(1,970,005)	–
Other income, other gains and losses		4,910	6,289
Net loss on financial instruments		(1,207)	(8,393)
Net increase in fair values of investment properties		29,199	803
Administrative expenses		(35,981)	(60,022)
Finance costs		(412)	(536)
Loss on net decrease in interests in associates	4	(146,443)	(5,001)
Share of results of associates			
– share of results		102,865	114,692
– gain on acquisitions of additional interest in an associate		–	31,816
Impairment loss on interest in an associate		–	(385,000)
Loss before taxation and loss on assets distributed to shareholders		(32,706)	(289,948)
Loss on assets distributed to shareholders	5	–	(1,003,612)

* *For identification purposes only*

	<i>Notes</i>	2018 HK\$'000	2017 <i>HK\$'000</i>
Loss before taxation	6	(32,706)	(1,293,560)
Taxation	7	(4,300)	(418)
Loss for the year		(37,006)	(1,293,978)
Other comprehensive income (expenses):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		2,614	(953)
Share of other comprehensive income (expenses) of associates		35,024	(68,521)
Reclassification adjustments:			
– reserves released on net decrease in interests in associates		(5,666)	(40)
– reserves released on assets distributed to shareholders		–	22,479
<i>Items that will not be reclassified to profit or loss:</i>			
Gain on revaluation of land and buildings		3,910	554
Share of other comprehensive expenses of associates		(14,664)	(425)
Deferred tax arising on revaluation of land and buildings		(644)	(70)
Other comprehensive income (expenses) for the year		20,574	(46,976)
Total comprehensive expenses for the year		(16,432)	(1,340,954)
Loss for the year attributable to:			
Owners of the Company		(36,828)	(1,293,978)
Non-controlling interests		(178)	–
		(37,006)	(1,293,978)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		(16,254)	(1,340,954)
Non-controlling interests		(178)	–
		(16,432)	(1,340,954)
		HK cents	HK cents
Loss per share	9		
Basic		(2.16)	(77.13)
Diluted		(2.16)	(77.13)

Consolidated Statement of Financial Position
At 31st March, 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		10,101	6,842
Investment properties		71,997	40,907
Intangible asset		–	150
Interests in associates		709,232	730,712
Convertible note		13,596	12,555
		<u>804,926</u>	<u>791,166</u>
Current assets			
Inventories		3,927	–
Debtors, deposits and prepayments	<i>10</i>	132,614	28,240
Loans receivable	<i>11</i>	200,000	60,000
Debt instrument		–	13,158
Equity investments		4,992	60,090
Short-term bank deposits, bank balances and cash		281,996	227,968
		<u>623,529</u>	<u>389,456</u>
Current liabilities			
Creditors and accrued expenses	<i>12</i>	119,963	7,568
Bank and other borrowings – due within one year		7,157	198
		<u>127,120</u>	<u>7,766</u>
Net current assets		<u>496,409</u>	<u>381,690</u>
Total assets less current liabilities		<u>1,301,335</u>	<u>1,172,856</u>
Non-current liabilities			
Bank and other borrowings – due over one year		7,120	6,958
Deferred tax liabilities		7,159	2,215
		<u>14,279</u>	<u>9,173</u>
Net assets		<u>1,287,056</u>	<u>1,163,683</u>
Capital and reserves			
Share capital		20,183	16,883
Share premium and reserves		1,261,970	1,146,800
Equity attributable to the owners of the Company		1,282,153	1,163,683
Non-controlling interests		4,903	–
Total equity		<u>1,287,056</u>	<u>1,163,683</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Amendments to HKAS 7 “Disclosure Initiative”

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other business; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Except as described above, the application of the other new amendments to HKFRSs in the current year has had no material impact on the amounts reported and/or disclosures set out in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from external customers and counterparties for the year.

Segment information

During the current year, due to the commencement of a new business, management has identified commodities trading as a new operating segment under HKFRS 8 “Operating Segments”. Accordingly, the Group’s operating segments, based on information reported to the chief operating decision maker (“CODM”), being the Executive Directors of the Company, for the purposes of resources allocation and performance assessment become as follows:

Trading	–	trading of commodities
Finance	–	loan financing services
Long-term investment	–	investments including convertible notes and other long-term equity investments
Other investment	–	investment in other financial assets and trading of securities
Others	–	leasing of investment properties, leasing of motor vehicles and management services

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below.

The following is an analysis of the Group’s revenue and results by operating and reportable segment:

For the year ended 31st March, 2018

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	1,970,638	3,910	1,086	251	8,483	1,984,368	-	1,984,368
Inter-segment sales	-	177	-	-	-	177	(177)	-
Total	<u>1,970,638</u>	<u>4,087</u>	<u>1,086</u>	<u>251</u>	<u>8,483</u>	<u>1,984,545</u>	<u>(177)</u>	<u>1,984,368</u>
RESULTS								
Segment results	<u>633</u>	<u>3,180</u>	<u>1,022</u>	<u>(380)</u>	<u>30,969</u>	<u>35,424</u>	<u>-</u>	<u>35,424</u>
Central administration costs								(24,140)
Finance costs								(412)
Loss on net decrease in interest in an associate								(146,443)
Share of results of associates – share of results								<u>102,865</u>
Loss before taxation								<u>(32,706)</u>

For the year ended 31st March, 2017

	Trading HK\$'000	Finance HK\$'000	Long-term investment HK\$'000	Other investment HK\$'000	Others HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE								
External sales	-	3,765	866	3,535	7,238	15,404	-	15,404
Inter-segment sales	-	4,173	-	-	-	4,173	(4,173)	-
Total	-	7,938	866	3,535	7,238	19,577	(4,173)	15,404
RESULTS								
Segment results	-	6,901	(6,355)	1,881	2,043	4,470	-	4,470
Central administration costs								(50,389)
Finance costs								(536)
Loss on net decrease in interests in associates								(5,001)
Share of results of associates								114,692
– share of results								
– gain on acquisitions of additional interest in an associate								31,816
Impairment loss on interest in an associate								(385,000)
Loss before taxation and loss on assets distributed to shareholders								(289,948)
Loss on assets distributed to shareholders								(1,003,612)
Loss before taxation								(1,293,560)

Inter-segment sales are charged at prevailing market rates or at terms determined and agreed by both parties.

Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, finance costs, loss on assets distributed to shareholders and items related to interests in associates.

Geographical information

The Group's operations are located in Hong Kong, the Peoples' Republic of China (the "PRC"), Canada and others.

Information about the Group's revenue from external customers or counterparties is presented based on the locations of transactions conducted.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	1,963,966	7,717
The PRC, excluding Hong Kong	10,982	–
Canada	9,219	7,687
Others	201	–
	<u>1,984,368</u>	<u>15,404</u>

4. LOSS ON NET DECREASE IN INTERESTS IN ASSOCIATES

The loss for the years ended 31st March, 2018 and 2017 was mainly resulted from the deemed disposal of partial interests in associates which was resulted from the dilution effect of exercise of share options and share placements by the associates.

In May 2017, PYI Corporation Limited ("PYI") placed 915,470,000 new shares at a price of HK\$0.156 per share to not less than six independent third parties (the "PYI Placing"). The PYI Placing and exercise of PYI share options resulted in loss on decrease in interest in PYI of HK\$144,217,000 and HK\$2,226,000 respectively during the year ended 31st March, 2018. The Group's interest in PYI decreased from approximately 28.45% at 31st March, 2017 to approximately 23.65% at 31st March, 2018.

5. LOSS ON ASSETS DISTRIBUTED TO SHAREHOLDERS

On 16th January, 2017, the shareholders of the Company approved a special dividend by way of distribution in specie of all shares of ITC Properties Group Limited ("ITC Properties") held by the Group on the basis of 9 shares of ITC Properties for every 50 shares of the Company held (the "Distribution in Specie"). Out of the total of 306,180,916 shares of ITC Properties held by the Group, a total of 303,890,057 shares of ITC Properties had been distributed, and the remaining 2,290,859 undistributed shares of ITC Properties had been sold in the market and net proceeds of such sale had been retained by the Group. The loss amounting to approximately HK\$1,003,612,000 was determined with reference, amongst others, to the market price per share of ITC Properties on 25th January, 2017, being the date of the distribution, and the carrying value of the Group's interest in ITC Properties as an associate.

6. LOSS BEFORE TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	1,691	1,454
Amortisation of intangible assets	–	4
Minimum lease payments under operating leases in respect of rented premises	5,889	3,164
Cost of inventories recognised as an expense	1,970,005	–
and after crediting:		
Gain on disposals of property, plant and equipment	526	10

7. TAXATION

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Deferred tax		
Charge for the year	3,386	418
Attributable to a change in tax rate	914	–
	4,300	418

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the relevant subsidiaries had no assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC Enterprise Income Tax ("EIT") is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made as the relevant subsidiary had no assessable profits under PRC EIT.

The Group's operations in Canada are subject to corporation income tax rate at 27% (2017: 26%). Deferred tax has been recognised on the revaluation of properties located in Canada. As a result of the increase in the applicable corporation income tax rate from 26% to 27% with effect from 1st January, 2018, deferred tax liabilities recognised in relation to the Group's revaluation of properties in Canada have been adjusted.

Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for income tax has been made as the relevant subsidiaries had no relevant assessable profits.

8. DISTRIBUTIONS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Dividends recognised as distributions to owners of the Company during the year:		
Final dividend for 2016 – HK3.0 cents per share	–	50,030
	<u>–</u>	<u>50,030</u>
Dividends in form of:		
Cash	–	38,468
Scrip dividend	–	11,562
	<u>–</u>	<u>11,562</u>
	<u>–</u>	<u>50,030</u>

In addition, as detailed in note 5, the Company distributed 303,890,057 shares in ITC Properties with a carrying amount of HK\$990,682,000 to its shareholders on 25th January, 2017.

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2018 (2017: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	(36,828)	(1,293,978)
Effect of dilutive potential ordinary shares:		
Adjustment to the share of results of an associate based on dilution of its earnings per share	(3)	–
	<u>(3)</u>	<u>–</u>
Loss for the year attributable to the owners of the Company for the purpose of diluted loss per share	(36,831)	(1,293,978)
	<u>(36,831)</u>	<u>(1,293,978)</u>

	Number of shares	
	2018	2017
Weighted average number of shares for the purposes of basic and diluted loss per share	1,702,748,580	1,677,657,976
	<u>1,702,748,580</u>	<u>1,677,657,976</u>

For the years ended 31st March, 2018 and 2017, the computation of diluted loss per share did not assume the exercise of the share options and warrants of the Group's associates, as appropriate, since their assumed exercise would result in a decrease in loss per share.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade debtors	<u>1,357</u>	<u>1,552</u>
Prepayments to suppliers	95,543	–
Prepaid expenses, deposits and other receivables	<u>35,714</u>	<u>26,688</u>
Other debtors, deposits and prepayments	<u>131,257</u>	<u>26,688</u>
	<u>132,614</u>	<u>28,240</u>

Trade debts arising from commodities trading are either receipt in advance or are granted with credit terms up to 90 days. The credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. Rental income arising from leasing of investment properties business are receivable in advance. For interest receivable, there are no credit terms granted by the Group.

The following is an aged analysis of trade debtors presented based on the invoice/delivery notes date at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade debtors		
0–30 days	1,357	1,548
31–60 days	<u>–</u>	<u>4</u>
	<u>1,357</u>	<u>1,552</u>

Before accepting any new customer, the Group will assess the potential customer's credit quality. The directors of the Company will continuously assess the recoverability of the receivables.

No trade debtors were past due but not impaired as at 31st March, 2018 and 2017.

Movements in the allowance for doubtful debts are as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Balance at beginning of the year	–	1,344
Allowance for doubtful debts	–	361
Written off	<u>–</u>	<u>(1,705)</u>
Balance at end of the year	<u>–</u>	<u>–</u>

11. LOANS RECEIVABLE

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Secured	200,000	–
Unsecured	–	60,000
	<u>200,000</u>	<u>60,000</u>

As at 31st March, 2018, loans receivable carry fixed interests at contractual interest rates (which were also equal to the effective interest rates) at 2.00% (2017: from 2.75% to 5.00%) per annum and are repayable within one year (2017: repayable within one year).

As at 31st March, 2018, the loan receivable is secured by a share charge relating to shares in an entity independent of the Group. As at 31st March, 2017, the loans receivable were unsecured.

The loan receivable as at 31st March, 2018 has been settled subsequent to the end of the reporting period.

12. CREDITORS AND ACCRUED EXPENSES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade creditors	651	345
Receipt in advance	109,153	–
Other payables and accrued expenses	10,159	7,223
Other creditors and accrued expenses	119,312	7,223
	<u>119,963</u>	<u>7,568</u>

The following is an aged analysis of trade creditors presented based on the invoice/delivery notes date at the end of the reporting period:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0–30 days	632	337
31–60 days	19	8
	<u>651</u>	<u>345</u>

The credit periods on purchases of goods ranged from 10 to 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2018 (2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

For the year ended 31st March, 2018, the Group continued to principally engage in the businesses of investment holding, comprising strategic investments in PYI and Burcon NutraScience Corporation (“Burcon”), investments in other financial assets and securities, provision of finance, and property investments. In order to diversify its investments and expand its revenue source, the Group has also expanded into the business of commodities trading during the current year.

For the year ended 31st March, 2018, the Group’s revenue increased by over 127 times to HK\$1,984,368,000 (2017: HK\$15,404,000). The sharp rise of the Group’s revenue was mainly contributed by the commodities trading business which presently focuses on the trading of copper cathodes and nickel briquettes, and has recently expanded its scope of business to fishery products.

For the year ended 31st March, 2018, the Group reported a loss of HK\$36,828,000 attributable to the owners of the Company (2017: loss of HK\$1,293,978,000) and basic loss per share of HK2.16 cents (2017: basic loss per share of HK77.13 cents). The Group’s loss was mainly due to a non-cash loss of HK\$146,443,000 on the decrease in interest in PYI primarily as a result of its share placement to independent investors in May 2017; which was partially offset by the share of PYI’s profit of HK\$109,115,000 for the year ended 31st March, 2018. For illustrative purposes, without such loss of deemed disposal of interest in PYI, the Group would have achieved a profit attributable to the owners of the Company of HK\$109,615,000 for the current year.

To reward the shareholders of the Company, a special dividend by way of distribution in specie of all the shares of the Group’s former associate, ITC Properties, held by the Group was completed in January 2017. The Group no longer shared the result of ITC Properties after the distribution (2017: share of profit of HK\$130,973,000).

Listed Strategic Investments

PYI

Based in Hong Kong, PYI focuses on ports and infrastructure development and investment, and the operation of ports and logistics facilities, in the Yangtze River region of China. It also engages in land and property development and investment in association with ports and infrastructure development, as well as securities and treasury investment. In addition, PYI provides comprehensive engineering and property-related services through its associate Paul Y. Engineering Group Limited.

In May 2017, PYI placed 915,470,000 new shares to independent investors which was the main reason for the loss on net decrease in interest in PYI of HK\$146,443,000. The Group's interest in PYI decreased from approximately 28.45% at 31st March, 2017 to approximately 23.65% at 31st March, 2018.

PYI recorded a profit attributable to the owners of HK\$477,390,000 for the year ended 31st March, 2018. The turnaround from its loss of HK\$34,143,000 recorded in last year was mainly attributed to the gain on disposal of its 45% equity interest in an associate, Nantong Port Group Limited, of HK\$847,628,000 in the current year, which was partially offset by the recognition of an impairment loss of HK\$148,049,000 on its property, plant and equipment. The Group shared a profit of HK\$109,115,000 (2017: share of loss of HK\$9,720,000) from PYI for the current year.

Burcon

Burcon is a leader in developing technologies for the production of valuable plant-sourced ingredients for use in food, nutrition, wellness and supplement products. The company has developed a portfolio of composition, application, and process patents originating from a core protein extraction and purification technology. Its shares are listed on the Toronto Stock Exchange and the Frankfurt Stock Exchange. Burcon has developed CLARISOY™, a soy protein which offers clarity and complete nutrition for low pH systems; Peazazz® pea protein which is uniquely soluble with clean flavor characteristics; and Puratein®, Supertein® and Nutratein®, three canola protein isolates with unique functional and nutritional attributes.

Burcon's flagship protein technology, CLARISOY™, has been licensed to Archer Daniels Midland Company ("ADM") which is a leader in the global food ingredient industry listed in the United States, since March 2011.

In February 2018, Burcon completed a rights offering to raise gross proceeds of Canadian dollars 3,485,186. The Group subscribed for rights under the offering and the Group's interest in Burcon increased from 20.87% to 22.45%.

For the year ended 31st March, 2018, the Group shared the loss of Burcon of HK\$6,250,000 (2017: HK\$6,561,000).

Note: CLARISOY™, a trademark of ADM, is under license to Burcon from ADM.

Provision of Finance

For the year ended 31st March, 2018, the Group's finance operation continued to contribute a profitable segment result of HK\$3,180,000 (2017: HK\$6,901,000) which decreased by 54% compared to last year. At 31st March, 2018, the loans portfolio held by the Group amounted to HK\$200,000,000 (2017: HK\$60,000,000).

During the year, PT Credit Limited, a wholly-owned subsidiary of the Company, as lender entered into a loan agreement (the "Loan Agreement") with Mr. Zhu Bin, as the borrower for a short-term loan facility up to the principal amount of HK\$200,000,000 (the "Loan Facility") at an interest rate of 2% per annum with a share charge on all the issued shares of Thousand Vantage Investment Limited ("Thousand Vantage") and a debenture incorporating a first floating charge over all the undertaking, property and assets of Thousand Vantage executed by Mr. Zhu Bin as security for the Loan Facility. Thousand Vantage is a company incorporated in Hong Kong with limited liability holding 75% equity interest in a subsidiary established in the PRC, which is principally engaged in the provision of oil port and storage services as well as port related services, strategically located in South Western PRC, and the trading of oil and petrochemical products.

Pursuant to the Loan Agreement, Mr. Zhu Bin granted to the Group an exclusive right to purchase all or part of the issued shares of and all or part of the shareholder's loans due by Thousand Vantage or to subscribe for new shares of Thousand Vantage. The exclusive right under the Loan Agreement allows the Group to obtain exposure towards oil and petrochemical sector which the Company believes will continue to be an important commodity as fuel in the growth engine of the PRC and will become even more important under the One Belt One Road Initiative.

Commodities Trading

During the year, the Group commenced its trading business which presently focuses on the trading of commodities including copper cathodes and nickel briquettes, and has recently expanded its scope of business to fishery products. The business generated a revenue of HK\$1,970,638,000 and recorded a segment profit of HK\$633,000.

In light of the continuous growth of the Chinese economy, the Group is of the view that market demand for metal products will continue to grow. During the year, the Group began the metal trading businesses in Hong Kong and the PRC. This business segment is operated by an experienced management team located in Shanghai, with extensive and unique experience in the field of metal trading. The metal trading business generated a sizable revenue and respectable market share for the initial period of operation, and it also became one of the main sources of income for the Group. The Group expects that revenue from this metal trading business will continue to grow, mainly attributable to the increasing market demand for metal and energy in the PRC, which will in turn boost the revenue of the Group from metal and energy trading.

Regarding the fishery business, the Group has set up a wholly-owned subsidiary in Sri Lanka managed by a management team with dynamic and abundant experience. Sri Lanka has the premium geographical location, plentiful resources and excellent natural environment for fishery business. It also has exclusive fishing and economic rights for an ocean area of 500,000 square kilometers and a coastal line of 1700 km in addition to inland water bodies which makes fishery to be one of the promising industries in the country.

Under the One Belt One Road strategy, the PRC government vigorously promotes the integration and development of fishery industry with the goal of enhancing quality and efficiency, increasing income with smaller production scale, green development and enriching fishermen by effectively shifting the focus of fishery industry from quantitative growth and scale expansion to qualitative development and green development. To align with the One Belt One Road strategy, we will continue to look for different opportunities on expanding our fishery business segment such as exploring suitable operating locations in the PRC.

In light of the above, the management expects that the commodities traded by the Group have good prospects and the trading business will continue to contribute profitable results in the future.

Long-term Investment

During the year, the Group's long-term investment recorded a revenue of HK\$1,086,000 (2017: HK\$866,000) and a segment profit of HK\$1,022,000 (2017: segment loss of HK\$6,355,000). At 31st March, 2018, the Group's long-term investment amounted to HK\$13,596,000 (31st March, 2017: HK\$12,555,000) and represented an investment in a 3-year unlisted convertible note issued by Burcon with a principal amount of Canadian dollars 2,000,000 and a coupon rate of 8% per annum. The segment revenue and the segment profit for the current year was mainly attributed to the interest income from such convertible note. The turnaround of the segment result was mainly due to the absence of a HK\$6,524,000 loss from the disposal of an investment in an unlisted entity that indirectly held an equity investment listed in Hong Kong recorded in last year.

Other Investment

During the year, the Group's other investment contributed a segment revenue of HK\$251,000 (2017: HK\$3,535,000) and a segment loss of HK\$380,000 (2017: segment profit of HK\$1,881,000). In the current year, the Group received interest income of HK\$251,000 (2017: HK\$332,000) from a debt instrument which represented an investment in a 5-year senior guaranteed note with a principal amount of United States dollars 1,800,000 and a coupon rate of 4.75% per annum issued by a directly wholly-owned subsidiary of ITC Properties. The debt instrument was disposed of during the current year and the Group recorded a loss of HK\$40,000 from the disposal. The segment loss for the year was mainly due to net loss on financial instruments of HK\$633,000 (2017: net loss on financial instruments of HK\$1,869,000).

At 31st March, 2018, the Group's equity investments portfolio amounted to HK\$4,992,000 (2017: HK\$60,090,000) and comprised of shares in various companies listed in Hong Kong.

Others

During the year, the Group's other business contributed a segment revenue of HK\$8,483,000 (2017: HK\$7,238,000) and a segment profit of HK\$30,969,000 (2017: HK\$2,043,000). At 31st March, 2018, the Group's other business mainly represented the leasing of investment properties and provision of management services. During the current year, the Group continues to receive a stable property rental income of HK\$4,800,000 (2017: HK\$3,625,000) from leasing of office premises and hotel strata lots located in Canada and management service income of HK\$3,316,000 (2017: HK\$3,182,000) from provision of property agency service in Canada. The segment profit for the year was mainly due to an increase in fair values of investment properties of HK\$29,199,000 (2017: HK\$803,000).

FINANCIAL REVIEW

Liquidity and Financial Resources

At 31st March, 2018, the Group's total assets of HK\$1,428,455,000 (2017: HK\$1,180,622,000) represented an increase of approximately 21% when compared with last year. The increase was mainly due to the increase in loans receivable and prepayments to suppliers in the trading segment.

At 31st March 2018, equity attributable to owners of the Company amounted to HK\$1,282,153,000 (2017: HK\$1,163,683,000), representing an increase of HK\$118,470,000 or 10% compared to the prior year end which was mainly due to the completion of placing of 330,000,000 new shares of the Company in March 2018 that raised net proceeds of approximately HK\$134,342,000.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

At 31st March, 2018, current assets and current liabilities of the Group were HK\$623,529,000 and HK\$127,120,000 respectively. Accordingly, the Group's current ratio was about 5 (2017: 50).

Use of Proceeds from Shares Placement

During the year, a total of 330,000,000 new shares of the Company have been placed by a placing agent to not less than six independent placees at the price of HK\$0.42 per share (the "Placing"). The gross and net proceeds after deducting the placing commission and other related expenses from the Placing are HK\$138,600,000 and approximately HK\$134,342,000 respectively. The net proceeds will be utilised as to (i) approximately HK\$100,000,000 for financing the expansion of the commodity trading business of the Group; and (ii) the rest as working capital for the other businesses of the Group and for general corporate purpose.

Gearing

At 31st March, 2018, the Group had bank deposits, bank balances and cash of HK\$281,996,000 and bank and other borrowings of HK\$14,277,000. The Group's gearing ratio was zero at 31st March, 2018 and 31st March, 2017 as the Group was in net cash position. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank deposits, bank balances and cash from borrowings.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Canadian dollars, Renminbi and United States dollars. During the year, the Group had not entered into any foreign currency forward contracts, currency swaps or other financial derivatives for hedging purposes. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Pledge of Assets

At 31st March, 2018, investment properties of HK\$17,694,000 (2017: HK\$16,147,000) were pledged to secure a bank loan granted to the Group.

Contingent Liabilities

At 31st March, 2018, the Group had no significant contingent liabilities (2017: nil).

Capital Commitment

At 31st March, 2018, the Group had no significant capital commitment (2017: nil).

EMPLOYEES AND REMUNERATION POLICY

At 31st March, 2018, the Group had a total of 30 employees. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. 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 and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the year and there is no outstanding share option as at 31st March, 2018 and as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Subscription of Preference Shares

In April 2018, PT OBOR Financial Holdings Limited, a wholly-owned subsidiary of the Company (the “Subscriber”), entered into a subscription agreement with Thousand Vantage, pursuant to which the Subscriber agreed to subscribe for, and Thousand Vantage agreed to allot and issue, 100 preference shares at the total subscription price of HK\$200,000,000. The preference shares confer the Subscriber the right to receive cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price. The preferential shares are guaranteed by Mr. Zhu Bin who executed a share charge in favour of the Subscriber relating to all the shares of Thousand Vantage.

As Mr. Zhu Bin was indebted to the Group in the amount of HK\$200,000,000 (included as loans receivable as at 31st March, 2018), the subscription price for the preference shares was settled by way of offsetting the loan due by Thousand Vantage (as novated from Mr. Zhu Bin to Thousand Vantage pursuant to a deed of novation) to the Group. Accordingly, the loan receivable has been fully repaid subsequent to 31st March, 2018.

Loan Agreement

On 1st June, 2018, PT Credit Limited, a wholly-owned subsidiary of the Company, as lender (the “Lender”) entered into a loan agreement (the “Loan Agreement”) with an independent third party, Eastern Yangtze Development (HK) Limited (the “Borrower”), for a loan in the principal amount of United States dollars 6,000,000 at an interest rate of 10% per annum (the “Loan”), and simultaneously entered into a participation agreement with an independent third party (the “Participant”), pursuant to which the Participant participated in the Loan in the principal amount of United States dollars 1,000,000. The Loan was secured with a share charge on all the issued shares of the Borrower and a debenture over all the undertaking, property, assets, goodwill, rights and revenues of the Borrower. The Borrower is a limited liability company incorporated in Hong Kong with a wholly-owned subsidiary in the PRC which is in the course of setting up infrastructure for operating chemical storages in the Yangtze River Delta, and has an international management team with vast industry experience, including the former Head of China of a leading international petrochemical group operating in the PRC.

Subscription in Shares of a Fund

On 21st June, 2018, the Group entered into a subscription agreement with AFC Korea Co., Ltd. pursuant to which the Group agreed to subscribe for shares of AFC Mercury Fund, a private equity fund established in Korea (the “Fund”) which represent approximately 26.67% of the issued share capital of the Fund, as a limited partner, for an aggregate consideration of United States dollars 20,000,000 (equivalent to approximately HK\$156,000,000) in cash.

OUTLOOK

China's social development has entered into a new era. As clearly stated in the report of Xi Jinping, the president of the PRC, presented at the Nineteenth National Congress of the Communist Party of China, the country's economy is in the process of switching to a high-quality development stage. The report also pointed out that there is a need to focus on the construction under the "One Belt and Road" initiative and introduce innovative ways of overseas investment, in order to promote cooperation between enterprises at home and abroad while expedite the materialisation of international cooperation and competitive advantages. In the coming year, under the auspices of the "One Belt and Road" policy, all industries in China will maintain a steady upward growth trend.

Looking forward into 2018, with the back drop of heightened risk of trade frictions between the United States and China and rising interest rates, the Group will continue to deploy its resources in a prudent manner. The Group will focus its resources in more defensive sectors, including trading of metal and fishery products and complementary businesses that will benefit from the "One Belt and Road" initiative. The Group will actively enhance its overall competitiveness, strengthen its capital base, optimise its investment portfolio and implement comprehensive risk management strategies, thereby laying a solid foundation for the Group's long-term development. The management believes that the Group is well-poised for the challenges ahead and is determined to bring maximum value to its shareholders.

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

During the year ended 31st March, 2018, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

SECURITIES IN ISSUE

As a result of the completion of placement of 330,000,000 new shares of the Company issued in March 2018, the total number of issued shares of the Company of HK\$0.01 each was 2,018,282,827 at 31st March, 2018.

CORPORATE GOVERNANCE CODE

The Company has, throughout the year ended 31st March, 2018, complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules except for the following deviation with reason as explained:

Code provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation

Following the resignation of Mr. Suen Cho Hung, Paul from the positions of the Executive Director, the Managing Director, and the Chairman of the Board with effect from 30th September, 2017, Mr. Ching Man Chun, Louis, an Executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Code Provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

The then Chairman of the Board, Mr. Suen Cho Hung, Paul, was unable to attend the annual general meeting of the Company held on 27th September 2017 as he had other important business engagement. However, Mr. Sue Ka Lok, an Executive Director of the Company, had chaired the meeting in accordance with Bye-law 77 of the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors of the Company 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, 2018.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2018 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March, 2018 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.ptcorp.com.hk under “Investor Relations”. 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.

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
PT International Development Corporation Limited
Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 26th June, 2018

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Ching Man Chun, Louis (Chairman and Managing Director), Mr. Sue Ka Lok, Ms. Xu Wei and Mr. Gary Alexander Crestejo; and three Independent Non-executive Directors, namely, Mr. Yam Kwong Chun, Mr. Yeung Kim Ting and Mr. Wong Yee Shuen, Wilson.