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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2011

RESULTS

The board of directors (the “Board”) of ITC Corporation Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2011, together with comparative figures for the corresponding period 2010. The interim results for the six months ended 30th September, 2011 are not audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and the Audit Committee of the Company.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2011

	Notes	(Unaudited)	
		30.09.2011	30.09.2010
		HK\$'000	HK\$'000
Turnover			
– gross proceeds	3	<u>9,041</u>	<u>30,419</u>
Revenue	3	<u>8,945</u>	<u>27,934</u>
Management and other related service income		2,179	2,379
Net gain (loss) on financial instruments	4	24,823	(6,025)
Interest income		4,372	20,860
Property rental income		2,151	2,047
Other income		2,095	111
Net gain on changes in fair values of investment properties		2,000	–
Administrative expenses		(25,415)	(27,789)
Finance costs		(11,158)	(10,946)
Net gain (loss) on deemed disposal of partial interests in associates		1,490	(46,443)
Share of results of associates			
– share of results		40,229	115,160
– gain on acquisitions of additional interests in associates		14,633	86,200
Profit before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders		57,399	135,554
Impairment loss on an associate upon and after classification as held for distribution to shareholders	5	–	(845,445)
Profit (loss) before taxation		57,399	(709,891)
Taxation	6	(330)	–
Profit (loss) for the period	7	<u>57,069</u>	<u>(709,891)</u>

Condensed Consolidated Statement of Comprehensive Income (Continued)

For the six months ended 30th September, 2011

		(Unaudited)	
		Six months ended	
	<i>Note</i>	30.09.2011	30.09.2010
		<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income (expenses):			
Exchange differences arising on translation of foreign operations		(1,381)	(400)
Share of other comprehensive (expenses) income of associates		(25,540)	57,086
Gain on revaluation of land and buildings		9,120	–
Deferred tax arising on revaluation of land and buildings		(1,505)	–
Reclassification adjustments:			
– reserves released on distribution of assets to shareholders		–	(88,294)
– reserves released on deemed disposal of partial interests in associates		–	(424)
Other comprehensive expenses for the period		<u>(19,306)</u>	<u>(32,032)</u>
Total comprehensive income (expenses) for the period		<u>37,763</u>	<u>(741,923)</u>
		<i>HKcents</i>	<i>HKcents</i>
Earnings (loss) per share	9		
Basic		<u>7.34</u>	<u>(94.19)</u>
Diluted		<u>5.10</u>	<u>(94.19)</u>

Condensed Consolidated Statement of Financial Position
At 30th September, 2011

	<i>Notes</i>	(Unaudited) 30.09.2011 <i>HK\$'000</i>	(Audited) 31.03.2011 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		17,872	251,524
Investment properties		18,230	102,423
Intangible assets		1,693	1,737
Interests in associates		2,087,338	2,022,646
Debt portion of convertible notes		57,859	–
Conversion options embedded in convertible notes		9,693	–
Available-for-sale investments		1,038	1,552
		<hr/> 2,193,723	<hr/> 2,379,882
Current assets			
Inventories		27	30
Debtors, deposits and prepayments	10	3,055	4,701
Amounts due from associates		53,471	2,211
Loan receivable		5,000	26,969
Debt portion of convertible notes		–	56,088
Short-term bank deposits, bank balances and cash		26,817	8,970
		<hr/> 88,370	<hr/> 98,969
Assets classified as held for sale	11	<hr/> 370,877	<hr/> –
		<hr/> 459,247	<hr/> 98,969

Condensed Consolidated Statement of Financial Position (Continued)

At 30th September, 2011

	<i>Notes</i>	(Unaudited) 30.09.2011 <i>HK\$'000</i>	(Audited) 31.03.2011 <i>HK\$'000</i>
Current liabilities			
Creditors and accrued expenses	12	10,840	12,083
Amounts due to associates		86	526
Loan from a director		16,146	46,113
Dividend payable		7,770	–
Deposit received for disposal of subsidiaries	11	60,000	–
Bank borrowings – due within one year		–	5,250
Bank overdrafts		16,791	42,790
Convertible notes payable		–	161,589
		<u>111,633</u>	<u>268,351</u>
Liabilities associated with assets classified as held for sale	11	<u>187,355</u>	<u>–</u>
		<u>298,988</u>	<u>268,351</u>
Net current assets (liabilities)		<u>160,259</u>	<u>(169,382)</u>
Total assets less current liabilities		<u>2,353,982</u>	<u>2,210,500</u>
Non-current liabilities			
Bank borrowings – due after one year		–	42,250
Convertible notes payable		127,997	–
Deferred tax liabilities		1,000	38,457
		<u>128,997</u>	<u>80,707</u>
Net assets		<u><u>2,224,985</u></u>	<u><u>2,129,793</u></u>
Capital and reserves			
Share capital		7,770	7,770
Share premium and reserves		2,217,215	2,122,023
Total equity		<u><u>2,224,985</u></u>	<u><u>2,129,793</u></u>

Condensed Consolidated Statement of Cash Flows
For the six months ended 30th September, 2011

	(Unaudited)	
	Six months ended	
	30.09.2011	30.09.2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(3,004)	(27,377)
Net cash from investing activities	58,052	43,183
Net cash used in financing activities	(11,440)	(5,164)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	43,608	10,642
Cash and cash equivalents at beginning of the period	(33,820)	106,233
Effect of foreign exchange rate changes	209	(67)
	<hr/>	<hr/>
Cash and cash equivalents at end for the period	9,997	116,808
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balance of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	76,672	159,589
Bank overdrafts	(66,675)	(42,781)
	<hr/>	<hr/>
	9,997	116,808
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with the 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 with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at revalued amounts or fair values as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2011 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2011 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new or revised Standards, Amendments and Interpretation (“new or revised HKFRSs”) issued by the HKICPA.

The application of the new or revised HKFRSs in the current interim period has no material effect on the amounts reported in these condensed consolidated financial statements and / or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standard, amendments and interpretation that have been issued but are not yet effective. The following standard, amendment and interpretation has been issued after the date the consolidated financial statements for the year ended 31st March, 2011 were authorised for issuance but are not yet effective:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ²
HKAS 19 (Revised 2011)	Employee Benefits ¹
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1st January, 2013.

² Effective for annual periods beginning on or after 1st July, 2012.

The directors of the Company anticipate that the application of the new or revised standard, amendments and interpretation will have no material impact on the results and the financial position of the Group.

3. TURNOVER, GROSS PROCEEDS, REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from outside customers for the period and includes gain on disposal of investments held for trading.

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker, being the Executive Directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Finance	–	loan financing services
Long-term investment	–	investment in investments such as convertible notes issued by the associates
Other investment	–	investment in available-for-sale investments and trading of securities
Others	–	leasing of investment properties, leasing of motor vehicles and management services

Information regarding the above segments is reported below.

Gross proceeds included in turnover represents the amounts received and receivable from outside customers for the period together with gross proceeds from disposal of financial instruments which arise incidental to the main revenue generating activities of the Group.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

Six months ended 30th September, 2011:

	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
TURNOVER							
– gross proceeds	<u>5,037</u>	<u>3,797</u>	<u>252</u>	<u>6,030</u>	<u>15,116</u>	<u>(6,075)</u>	<u>9,041</u>
SEGMENT REVENUE							
External sales	472	3,797	156	4,520	8,945	–	8,945
Inter-segment sales	<u>4,565</u>	–	–	<u>1,510</u>	<u>6,075</u>	<u>(6,075)</u>	–
Total	<u>5,037</u>	<u>3,797</u>	<u>156</u>	<u>6,030</u>	<u>15,020</u>	<u>(6,075)</u>	<u>8,945</u>
RESULT							
Segment result	<u>(11,258)</u>	<u>12,276</u>	<u>(3,538)</u>	<u>4,615</u>	<u>2,095</u>	–	<u>2,095</u>
Central administration costs							(6,049)
Finance costs							(11,158)
Net gain on deemed disposal of partial interests in associates							1,490
Gain on convertible notes payable							16,159
Share of results of associates							40,229
– share of results							
– gain on acquisitions of additional interests in associates							14,633
Profit before taxation							<u>57,399</u>

Six months ended 30th September, 2010:

	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
TURNOVER							
- gross proceeds	7,250	18,491	5,048	6,045	36,834	(6,415)	30,419
SEGMENT REVENUE							
External sales	2,345	18,491	2,563	4,535	27,934	-	27,934
Inter-segment sales	4,905	-	-	1,510	6,415	(6,415)	-
Total	7,250	18,491	2,563	6,045	34,349	(6,415)	27,934
RESULT							
Segment result	(13,289)	9,881	2,558	1,462	612	-	612
Central administration costs							(9,029)
Finance costs							(10,946)
Net loss on deemed disposal of partial interests in associates							(46,443)
Share of results of associates							115,160
- share of results							115,160
- gain on acquisitions of additional interests in associates							86,200
Profit before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders							135,554
Impairment loss on an associate upon and after classification as held for distribution to shareholders							(845,445)
Loss before taxation							(709,891)

Inter-segment sales are charged at prevailing market rate 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, impairment loss on an associate upon and after classification as held for distribution to shareholders and items related to interest in associates.

4. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

	Six months ended	
	30.09.2011	30.09.2010
	HK\$'000	HK\$'000
Dividend income on investments	134	1
Gain on convertible notes payable	16,159	–
Net gain (loss) on:		
– Repurchase of convertible notes receivable	13,704	(8,513)
– Conversion options embedded in convertible notes receivable	(5,196)	(76)
– Investments held for trading	22	2,563
	<u>24,823</u>	<u>(6,025)</u>

5. IMPAIRMENT LOSS ON AN ASSOCIATE UPON AND AFTER CLASSIFICATION AS HELD FOR DISTRIBUTION TO SHAREHOLDERS

In July 2010, Hanny Holdings Limited (“Hanny”), a then associate of the Group proposed a repurchase offer to repurchase the 2% convertible notes issued by Hanny at their face value to be satisfied by the issue of new shares in Hanny of HK\$0.5 each (the “Hanny Repurchase Offer”). The Group proposed an acceptance of the Hanny Repurchase Offer (the “Acceptance”) and a distribution of the Group’s contributed surplus on the basis of 9.3 ordinary shares in Hanny for every 10 ordinary shares in the Company (the “Distribution”). The Distribution had been approved by the shareholders of the Company on 21st September, 2010. On the date of approval of the Distribution, the Group held 42.77% equity interest in Hanny, representing 240,146,821 shares in Hanny. Taking into account the 462,958,590 new shares in Hanny obtained through the Acceptance, the total number of Hanny shares distributed was 700,936,289 (details of which were set out in the announcement of the Company dated 21st October, 2010). Impairment loss on an associate upon and after classification as held for distribution to shareholder of HK\$845,445,000 were recognised in the profit and loss for the period ended 30th September, 2010.

6. TAXATION

Taxation represents the deferred tax recognised by the Group.

No provision for Hong Kong Profits Tax has been made as the entities within the Group had no assessable profit for both periods.

7. PROFIT (LOSS) FOR THE PERIOD

	Six months ended	
	30.09.2011 <i>HK\$'000</i>	30.09.2010 <i>HK\$'000</i> (Restated)
Profit (loss) for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	6,664	6,078
Share of taxation of associates (included in share of results of associates)	<u>38,378</u>	<u>35,544</u>

8. DISTRIBUTION

During the current period, a final dividend of HK\$1.0 cent per share in respect of the year ended 31st March, 2011 (2010: HK\$1.0 cent per share in respect of the year ended 31st March, 2010) was declared and approved for distribution to shareholders of the Company. The aggregate amount of the final dividend declared and approved in the current interim period amounted to HK\$7,770,000 (2010: HK\$7,537,000).

In addition, as detailed in note 5, the Distribution had been approved by the shareholders of the Company on 21st September 2010. The amount of the Distribution recognised in the consolidated financial statements for the six months ended 30th September, 2010 was HK\$343,459,000, which was determined with reference to the market price of the distributed Hanny shares on 30th September, 2010.

Subsequent to the end of the interim period, the directors have determined that an interim dividend of HK1.0 cent per share (2010: Nil) will be paid to the shareholders of the Company whose names appear in the Register of Members of the Company at the close of business on 20th January, 2012.

9. EARNINGS (LOSS) PER SHARE

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

	Six months ended	
	30.09.2011 <i>HK\$'000</i>	30.09.2010 <i>HK\$'000</i>
Earnings (loss) for the period attributable to the owners of the Company for the purpose of basic earnings (loss) per share	57,069	(709,891)
Effect of dilutive potential ordinary shares:		
Adjustment of finance cost on convertible notes payable	<u>8,655</u>	<u>–</u>
Earnings (loss) for the purpose of diluted earnings (loss) per share	<u>65,724</u>	<u>(709,891)</u>

	<i>Number of shares</i>	<i>Number of shares</i>
Number of ordinary shares for the purposes of basic earnings (loss) per share	777,028,676	753,695,343
Effect of dilutive potential ordinary shares of convertible notes payable	511,730,419	–
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u>1,288,759,095</u>	<u>753,695,343</u>

For the six months ended 30th September, 2010, the potential ordinary shares attributable to the Company's outstanding convertible notes payable and share options has anti-dilutive effect as the assumed conversion and exercise would result in a decrease in loss per share.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK\$504,000 (31.03.2011: HK\$3,547,000) and their aged analysis at the end of the reporting period is as follows:

	(Unaudited) 30.09.2011 <i>HK\$'000</i>	(Audited) 31.03.2011 <i>HK\$'000</i>
Trade debtors		
0 – 30 days	483	2,200
31 – 60 days	9	16
61 – 90 days	4	5
Over 90 days	8	1,326
	<hr/>	<hr/>
	<u>504</u>	<u>3,547</u>

Trade debtors arising from property investment business are payable one month in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days.

11. ASSETS CLASSIFIED AS HELD FOR SALE / LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 9th September, 2011, the Group entered into a sale and purchase agreement to dispose of its entire interest in Top Precise Investments Limited, a wholly-owned subsidiary of the Company (“Top Precise”, together with its subsidiary, collectively referred to as the “Top Precise Group”) (“Top Precise Agreement”) and the entire amount of the shareholder’s loan owing by Top Precise to Hero’s Way Resources Ltd., another wholly-owned subsidiary of the Company as at the completion date to a subsidiary of ITC Properties Group Limited (“ITC Properties”) for a consideration of HK\$313,000,000 plus the net tangible asset value (“NTAV” as defined in the circular dated 26th October, 2011) at completion subject to adjustment (see circular dated 26th October, 2011 issued by the Company for details). Top Precise Group is engaged in the leasing of properties to the Group and outsiders. The transaction was completed on 16th November, 2011, on which date, the consideration was determined as HK\$215,670,000. According to the Top Precise Agreement, the Group had given an indemnity to the purchaser relating to taxation liabilities, if any, and the affairs and business of Top Precise Group up to the date of disposal.

The assets and liabilities attributable to the Top Precise Group that are expected to be sold within twelve months have been classified as a disposal group held for sale and are separately presented in the condensed consolidated statement of financial position.

The sale proceeds are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised.

Major classes of assets and liabilities of Top Precise Group as at 30th September, 2011, excluding the shareholder’s loan owing to Hero’s Way Resources Ltd., are as follows:

	30.09.2011 <i>HK\$’000</i>
Property, plant and equipment	235,908
Investment properties	85,000
Debtors, deposits and prepayments	114
Bank balances	49,855
	<hr/>
Total assets classified as held for sale	370,877
	<hr/> <hr/>
Creditors and accrued expenses	678
Bank overdraft	49,884
Bank borrowings	97,500
Deferred taxation	39,293
	<hr/>
Total liabilities associated with assets classified as held for sale	187,355
	<hr/> <hr/>

12. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of HK\$3,313,000 (31.03.2011: HK\$3,972,000) and their aged analysis at the end of the reporting period is as follows:

	(Unaudited) 30.09.2011 <i>HK\$'000</i>	(Audited) 31.03.2011 <i>HK\$'000</i>
Trade creditors		
0 – 30 days	324	472
31 – 60 days	2,989	3,500
	<hr/> 3,313 <hr/>	<hr/> 3,972 <hr/>

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK1.0 cent per share (2010: HK1.0 cent per share). The interim dividend will be paid to shareholders whose names appear on the register of members of the Company as at the close of business on Friday, 20th January, 2012 and is expected to be paid to shareholders by post on or about Tuesday, 28th February, 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18th January, 2012 to Friday, 20th January, 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of 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 Tuesday, 17th January, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

For the six months ended 30th September, 2011, the Group reported a profit of HK\$57 million attributable to owners (2010: loss HK\$710 million). Basic profit per share was accordingly HK7.34 cents compared with the loss per share of HK94.19 cents for the corresponding period last year. The loss for the six months ended 30th September, 2010 included a major non-recurring item which was the HK\$845 million non-cash loss arising from the distribution of Hanny Holdings Limited (“Hanny”) shares to the shareholders. After such distribution in November 2010, Hanny ceased to be an associate of the Group and the Group would not share any result of Hanny in the current interim period (2010: loss HK\$19 million).

Analysis of the Group’s performance is as follows:

	Six months ended	
	30.09.2011	30.09.2010
	<i>HK\$’M</i>	<i>HK\$’M</i>
Share of results of associates:		
PYI	89	48
ITC Properties	(25)	8
Rosedale	(18)	85
Burcon	(6)	(7)
Hanny	–	(19)
	<hr/>	<hr/>
	40	115
Gain from changes in interests in associates	16	40
Net gain (loss) from other investments and operations	1	(20)
	<hr/>	<hr/>
Profit before distribution	57	135
Loss on distribution of Hanny shares to shareholders	–	(845)
	<hr/>	<hr/>
Profit (loss) attributable to owners	57	(710)
	<hr/> <hr/>	<hr/> <hr/>

Listed Strategic Investments

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 of Mainland China. It also engages in land and property development and investment. In addition, PYI provides comprehensive engineering and property-related services through Paul Y. Engineering Group Limited.

During the period under review, the Group's interests in PYI remained unchanged at 26.7%. PYI recorded a profit attributable to its owners of HK\$331 million for the six months ended 30th September, 2011 compared with HK\$178 million for the same period in 2010. The increase in profit was mainly attributable to the gain on disposal of 50.1% interest in Jiangsu Yangkou Port Development and Investment Co., Ltd. and the increase in gross profit during the period. As a result, PYI contributed a profit increase from HK\$48 million to HK\$89 million for the interim period to the Group.

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 the provision of loan financing services.

The Group's interest in ITC Properties remained unchanged at 24.7% during the interim period. The Group accepted the conditional offer made by ITC Properties to repurchase the convertible notes issued by ITC Properties in an aggregate principal amount of HK\$64 million at a consideration of HK\$70.4 million, which was satisfied by new convertible notes issued by ITC Properties in May 2011.

ITC Properties recorded a loss of HK\$89 million attributable to its owners for the six months ended 30th September, 2011, as compared with a profit of HK\$115 million for the same period last year, mainly due to (i) the increase in fair value of investment properties dropped from HK\$103 million last year to HK\$57 million; (ii) a net loss on financial instruments of HK\$52 million caused by the general downturn of the equity market in the third quarter this year; and (iii) the absence of the non-recurring compensation income of HK\$119 million arising from the cancellation of land use acquisition rights at Hengqin, Zhuhai for the six months ended 30th September, 2010. With the loss recorded by ITC Properties, the Group shared a loss of HK\$25 million for the interim period.

Rosedale Hotel Holdings Limited ("Rosedale")

Rosedale is principally engaged in hotel operation in Mainland China and Hong Kong and also trading of securities. Rosedale is managing a 4-star business hotel chain in Mainland China and Hong Kong, namely Rosedale on the Park, Rosedale Hotel & Suites Beijing, Rosedale Hotel & Suites, Guangzhou, Times Plaza Hotel, Shenyang and Luoyang Golden Gulf Hotel. In addition, Rosedale is running a budget hotel chain under the brand name "Square Inn" in Mainland China.

In September 2011, the Group acquired of approximately 6 million shares of Rosedale on the open market at a total consideration of about HK\$2 million. The gain on the acquisition recorded by the Group was about HK\$15 million.

For the six months ended 30th June, 2011, Rosedale recorded a loss of HK\$111 million attributable to its owners. Compared with the same period in 2010, Rosedale recorded a profit of HK\$578 million which was mainly caused by the non-recurring substantial gain on disposal of its 90% equity interest in its travel business. Accordingly, the Group shared a loss of HK\$18 million for the interim period compared with last interim period's share of profit of HK\$85 million.

Burcon NutraScience Corporation ("Burcon")

Burcon is a leader in nutrition, health and wellness in the field of functional, renewable plant proteins. In addition to its listing on the Toronto Stock Exchange and the Frankfurt Stock Exchange, Burcon's shares have commenced trading on The NASDAQ Global Market on 27th October, 2011. Since 1999, Burcon has developed a portfolio of composition, application, and process patents originating from its core protein extraction and purification technology. Burcon has licensed its CLARISOY™ soy protein technology to Archer-Daniels-Midland Company, a leader in the global food ingredient industry listed in the U.S., on an exclusive, worldwide basis for the production, marketing and sale of CLARISOY™ soy proteins. CLARISOY™ is a revolutionary soy protein isolate which is 100% soluble and completely transparent in acidic solutions. Burcon is also developing Supertein™ and Puratein® canola protein isolates with unique functional and nutritional attributes. Supertein™ and Puratein® are the first canola protein isolates to have attained *Generally Recognised as Safe* status in the U.S.

In November 2011, Burcon announced that it has developed a novel pea protein isolate branded as Peazazz™ which is 100% soluble and transparent in low pH solutions with clean flavor characteristics and is heat stable permitting hot fill applications. This new Peazazz™ protein offers another platform for Burcon to monetize its technology.

As Burcon is still in the stage of development, it reported a loss of 3.0 million Canadian dollars for the six months ended 30th September, 2011, as compared with a loss of 4.1 million Canadian dollars for the corresponding in 2010. The decrease in the loss amount was mainly due to the decrease of non-cash stock-based compensation expense for share options. The loss shared by the Group was HK\$6 million for the interim period.

The Company obtained shareholders' approval in May 2011 for the possible disposal of a maximum of all 6.3 million shares of Burcon held by the Group at the minimum disposal price of 9 Canadian dollars per share (subject to adjustments) within twelve months from the date of the approval to allow flexibility in effecting future disposal(s) of Burcon shares expeditiously when market conditions are favourable. The Group has not disposed of any Burcon shares since the date of shareholders' approval.

(CLARISOY is a trademark of Archer-Daniels-Midland Company.)

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

Paul Y. Engineering is an international construction and engineering services group serving Hong Kong, Mainland China and the international market. It has three core areas of business: management contracting, property development management and property investment.

In November 2011, Paul Y. Engineering obtained shareholders’ approval to diversify its business through a series of transactions, including (i) placing requiring a specific mandate to issue a total of 3,100 million new shares of Paul Y. Engineering at HK\$0.65 each, with the prospect of up to an additional 500 million new shares of Paul Y. Engineering; (ii) acquisition of a 50% interest in film joint venture to which Paul Y. Engineering will contribute US\$220.5 million (approximately HK\$1,719.9 million) in cash; (iii) capital reduction, distribution in specie of a 49% interest in Paul Y. Engineering existing businesses with a cash alternative; and (iv) cash dividend of HK\$0.25 per Paul Y. Engineering share with a scrip alternative.

The Group’s shareholding interests in the major listed strategic investments are summarised below:

Name of investee company	Place of listing	Stock code	Effective interest	
			As at 30.09.2011	As at the date of this announcement
PYI	Hong Kong Stock Exchange	498	26.7%	26.6%
ITC Properties	Hong Kong Stock Exchange	199	25.0%	25.0%
Rosedale	Hong Kong Stock Exchange	1189	16.6%	29.7%
Burcon	Toronto Stock Exchange NASDAQ Global Market Frankfurt Stock Exchange	BU BUR WKN 157793	21.0%	21.0%
Paul Y. Engineering	Hong Kong Stock Exchange	577	16.7% (Note)	16.6% (Note)

Note: The Group’s effective interest is held through PYI.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2011, the Group’s total assets and equity attributable to owners were HK\$2,653 million and HK\$2,225 million respectively, representing an increase of 7% and 4% as compared to the last audited date.

With respect to liquidity, the Group adopts a prudent funding and treasury policy with regard to its overall business operations such that adequate funding is maintained to match with cash flows required for working capital and seizing investment opportunities.

As at 30th September, 2011, current assets of the Group was HK\$459 million, representing an increase of 364% during the interim period. These current assets included HK\$371 million of assets reclassified as held for sale due to the disposal of a subsidiary holding a property after the interim period.

As at 30th September, 2011, current liabilities of the Group was HK\$299 million, representing an increase of 11% during the interim period. The increase was due to HK\$187 million of liabilities reclassified as held for sale which was disposed by a subsidiary holding a property after the interim period. Such increase was reduced by the carrying amount of the convertible notes issued by the Company (the “ITC Notes”) (in the principal amount of HK\$143 million) which was reclassified from current liabilities to non-current liabilities due to the extension of its maturity date from 2nd November, 2011 to 2nd November, 2013 as approved by the shareholders in September 2011.

Accordingly, the Group’s current ratio was 1.5 as at the interim period end date.

GEARING

As at 30th September, 2011, bank deposits, bank balances and cash was HK\$77 million and the total bank loan facilities drawn by the Group was HK\$164 million of which HK\$17 million is repayable within one year or on demand and HK\$147 million is classified as liabilities associated with assets classified as held for sale. All of these bank loan facilities were at floating interest rates. Loan from a director of HK\$16 million is repayable within one year and at floating interest rate. In addition, the Group recognised HK\$128 million as the liability component of its convertible notes which were issued in November 2009 with an initially 2-year maturity and subsequently extended to 2nd November, 2013 and at 5% annual interest. As at 30th September, 2011, the conversion price of the outstanding ITC Notes in the aggregate principal amount of HK\$143 million was HK\$0.3 per share.

Accordingly, the Group’s gearing ratio was 10.4% as at 30th September, 2011 (31st March, 2011: 13.6%), calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balances and cash, of HK\$231 million over the equity attributable to owners of HK\$2,225 million.

EXCHANGE RATE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars, hence the Group’s exposure to fluctuations in foreign exchange rates is minimal and no foreign exchanging hedging instruments are used.

PLEDGE OF ASSETS

As at 30th September, 2011, properties with an aggregate carrying value of HK\$346 million were pledged to a bank to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30th September, 2011, the Group had no contingent liabilities, except that on disposal of an associate, the Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and the affairs and business of the associate up to the date of disposal.

EMPLOYEE AND REMUNERATION POLICY

As at 30th September, 2011, the Group had a total of 63 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. The share option scheme is established for the eligible participants (including employees) but no share options were granted during the period and there is no outstanding share option as at 30th September, 2011 and as at the date of this announcement.

MAJOR EVENTS AFTER THE INTERIM PERIOD

The Company completed the disposal of the entire interest in a subsidiary which owned the office on the 30th Floor and four car parking spaces at the Bank of America Tower, 12 Harcourt Road, Central, Hong Kong for an aggregate consideration of HK\$313 million plus the net tangible asset value of the disposed group (subject to adjustments). The disposal was approved by shareholders and completed in November 2011 with an estimated gain of about HK\$49 million.

Subsequent to the interim period, the Group acquired an aggregate of approximately 86 million shares of Rosedale, representing approximately 13.1% of the issued share capital of Rosedale, for an aggregate cash consideration of about HK\$39 million. With reference to the latest published interim report as at 30th June, 2011 of Rosedale and subject to any fair value changes, the pro forma gain on the aforesaid acquisition of Rosedale shares amounted to approximately HK\$212 million.

OUTLOOK

The global economic environment has become increasingly uncertain amid the eurozone sovereign debt crises and concern over the U.S. economy. Mainland China's and Hong Kong's economy may face a slowdown in growth. In this challenging environment, the Group continues to look for investment opportunities cautiously such as the further acquisition of Rosedale shares by the Group subsequent to this interim period. Moreover, the Group completed the disposal of a property to realise its capital value. These activities will contribute positively to the results of the second half year of the Group. Looking forward, the Group will remain cautious in its operating environment and will maintain its long-term strategy to explore opportunities in a prudent manner.

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

During the six months ended 30th September, 2011, the Company repurchased its convertible notes in the principal amount of HK\$25 million at a consideration of HK\$25 million from a noteholder in June 2011 and such convertible notes were cancelled. Save as disclosed herein, during the six months ended 30th September, 2011, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

SECURITIES IN ISSUE

The total number of issued shares of the Company of HK\$0.01 each remained unchanged during the interim period and through to the date of this announcement at 777,028,676.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the six months ended 30th September, 2011, complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the 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 six months ended 30th September, 2011.

PUBLICATION OF INTERIM RESULTS AND INTERIM 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 interim report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

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

Hong Kong, 25th November, 2011

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. Chan Yiu Lun, Alan

Independent non-executive Directors:

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