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ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

(Warrant Code: 779)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

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, 2009, together with comparative figures for the previous year, as follows:

Consolidated Income Statement

For the year ended 31st March, 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Continuing operations			
Turnover			
– gross proceeds	3	<u>255,994</u>	<u>718,056</u>
Revenue	3	<u>46,453</u>	<u>155,699</u>
Management and other related service income		3,509	5,110
Net (loss) gain on financial instruments	4	(16,735)	159,441
Interest income		37,945	71,530
Property rental income		3,672	1,615
Other income		709	9,831
(Loss) gain on changes in fair values of investment properties		(16,744)	4,566
Administrative expenses		(64,951)	(122,868)
Impairment loss recognised in respect of available-for-sale investments		(24,086)	(20,960)
Finance costs		(16,517)	(57,040)
Net gain (loss) on deemed disposal and disposal of subsidiaries and associates		28,881	(88,638)
Share of results of associates			
– share of results		(689,730)	160,939
– discount on acquisitions of associates		37,654	200,975
(Loss) profit before taxation	5	(716,393)	324,501
Taxation	6	2,894	(10,669)

	<i>Notes</i>	2009 HK\$'000	2008 <i>HK\$'000</i>
(Loss) profit for the year from continuing operations		(713,499)	313,832
Discontinued operation			
Profit for the year from discontinued operation		<u>—</u>	<u>2</u>
(Loss) profit for the year		<u>(713,499)</u>	<u>313,834</u>
Attributable to:			
Equity holders of the Company		(713,499)	252,051
Minority interests		<u>—</u>	<u>61,783</u>
		<u>(713,499)</u>	<u>313,834</u>
Distributions	7	<u>8,596</u>	<u>78,043</u>
		<i>HK\$</i>	<i>HK\$</i>
(Loss) earnings per share	8		
From continuing and discontinued operations			
Basic		<u>(1.52)</u>	<u>0.57</u>
Diluted		<u>(1.52)</u>	<u>0.52</u>
From continuing operations			
Basic		<u>(1.52)</u>	<u>0.57</u>
Diluted		<u>(1.52)</u>	<u>0.52</u>

Consolidated Balance Sheet

As at 31st March, 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		68,484	88,621
Investment properties		54,592	9,511
Prepaid lease payments		57,892	85,223
Intangible assets		830	830
Interests in associates		2,305,330	2,745,768
Debt portion of convertible notes		192,377	180,555
Conversion options embedded in convertible notes		–	1,923
Available-for-sale investments		39,239	117,377
		<u>2,718,744</u>	<u>3,229,808</u>
Current assets			
Inventories		28	33
Prepaid lease payments		1,544	2,214
Debtors, deposits and prepayments	9	10,862	8,898
Margin account receivables		55	2,930
Amounts due from associates		218,626	261,294
Amounts due from related companies		96	6,753
Loan receivable		25,000	25,000
Financial assets designated at fair value through profit or loss		–	5,390
Investments held for trading		2,073	33,433
Derivative financial instruments		2,876	–
Short-term bank deposits, bank balances and cash		13,700	70,297
		<u>274,860</u>	<u>416,242</u>
Non-current assets classified as held for sale		–	59,482
		<u>274,860</u>	<u>475,724</u>

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current liabilities			
Margin account payables		4,231	1,835
Creditors and accrued expenses	10	12,935	20,524
Amounts due to associates		6,040	832
Bank borrowings – due within one year		2,973	2,450
Bank overdrafts		16,476	29,457
Convertible notes payable		197,299	–
		<u>239,954</u>	<u>55,098</u>
Net current assets		<u>34,906</u>	<u>420,626</u>
Total assets less current liabilities		<u>2,753,650</u>	<u>3,650,434</u>
Non-current liabilities			
Bank borrowings – due after one year		64,394	55,200
Convertible notes payable		–	192,952
Deferred tax liabilities		8,104	5,851
		<u>72,498</u>	<u>254,003</u>
Net assets		<u>2,681,152</u>	<u>3,396,431</u>
Capital and reserves			
Share capital		269,461	269,460
Share premium and reserves		2,411,691	3,126,971
Total equity		<u>2,681,152</u>	<u>3,396,431</u>

Condensed Consolidated Cash Flow Statement

For the year ended 31st March, 2009

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash from operating activities	51,149	129,401
Net cash used in investing activities	(87,118)	(492,297)
Net cash (used in) from financing activities	(11,047)	190,318
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(47,016)	(172,578)
Cash and cash equivalents brought forward	40,840	210,705
Effect of foreign exchange rate changes	3,400	2,713
	<hr/>	<hr/>
Cash and cash equivalents carried forward	(2,776)	40,840
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	13,700	70,297
Bank overdrafts	(16,476)	(29,457)
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	(2,776)	40,840
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Notes:

1. BASIS OF PREPARATION

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

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 disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and by the Hong Kong Companies Ordinance.

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

In the current year, the Group has applied the following new amendments and interpretations (“new HKFRSs”) issued by the HKICPA, which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 1 (Revised)	Presentation of Financial Statements ³
HKAS 23 (Revised)	Borrowing Costs ³
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁴
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidations ³
HKAS 39 (Amendment)	Eligible Hedged Items ⁴
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ³
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ³
HKFRS 3 (Revised)	Business Combinations ⁴
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ³
HKFRS 8	Operating Segments ³
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives ⁵
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁶

HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ³
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁷
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ⁴
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁸

¹ Effective for annual periods beginning on or after 1st January, 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

² Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 and 1st January, 2010, as appropriate

³ Effective for annual periods beginning on or after 1st January, 2009

⁴ Effective for annual periods beginning on or after 1st July, 2009

⁵ Effective for annual periods ending on or after 30th June, 2009

⁶ Effective for annual periods beginning on or after 1st July, 2008

⁷ Effective for annual periods beginning on or after 1st October, 2008

⁸ Effective for transfers on or after 1st July, 2009

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st April, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of other new and 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. TURNOVER, GROSS PROCEEDS, REVENUE AND SEGMENT INFORMATION

Business segments

For management purposes, the Group's operations are organised into four (2008: five) operating divisions, namely finance, securities investment, other investment and property investment. In prior years, the Group's operations also included a trading of building materials and machinery operating division, which was discontinued in 2008. 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

On 26th October, 2007, the Group disposed of its entire interest in a subsidiary engaged in trading of building materials and machinery business, which resulted in discontinuation of business segment of trading of building materials and machinery.

Gross proceeds included in turnover presented below represent amounts received and receivables 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.

Business segment information for the year ended 31st March, 2009 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	Elimination HK\$'000	Total HK\$'000	Trading of building materials and machinery HK\$'000	
TURNOVER									
- GROSS PROCEEDS	33,161	205,099	21,593	7,582	3,889	(15,330)	255,994	-	255,994
REVENUE									
External sales	21,741	947	16,204	3,672	3,889	-	46,453	-	46,453
Inter-segment sales	11,420	-	-	3,910	-	(15,330)	-	-	-
Total	33,161	947	16,204	7,582	3,889	(15,330)	46,453	-	46,453
RESULT									
Segment result	(8,259)	(36,632)	11,193	(14,282)	(1,680)	-	(49,660)	-	(49,660)
Unallocated corporate expenses							(27,021)	-	(27,021)
Finance costs							(16,517)	-	(16,517)
Net gain on deemed disposal and disposal of subsidiaries and associates							28,881	-	28,881
Share of results of associates									
- share of results							(689,730)	-	(689,730)
- discount on acquisitions of associates							37,654	-	37,654
Loss before taxation							(716,393)	-	(716,393)
Taxation							2,894	-	2,894
Loss for the year							(713,499)	-	(713,499)

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

	Continuing operations						Discontinued operation		Consolidated HK\$'000
	Finance HK\$'000	Securities	Other	Property	Unallocated HK\$'000	Elimination HK\$'000	Total HK\$'000	Trading of building materials and machinery HK\$'000	
		investment HK\$'000	investment HK\$'000	investment HK\$'000					
TURNOVER									
- GROSS PROCEEDS	62,871	628,140	38,813	6,810	7,692	(26,270)	718,056	2,547	720,603
REVENUE									
External sales	42,794	65,528	38,070	1,615	7,692	-	155,699	2,547	158,246
Inter-segment sales	20,077	-	998	5,195	-	(26,270)	-	-	-
Total	62,871	65,528	39,068	6,810	7,692	(26,270)	155,699	2,547	158,246
RESULT									
Segment result	5,762	63,278	102,326	5,196	990	-	177,552	24	177,576
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							200,975	-	200,975
Profit before taxation							324,501	2	324,503
Taxation							(10,669)	-	(10,669)
Profit for the year							313,832	2	313,834

Over 90% of the revenue of the Group was from the customers or counterparties located 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 (LOSS) GAIN ON FINANCIAL INSTRUMENTS

	Continuing operations		Discontinued operation		Consolidated	
	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain on disposal of:						
– Precious metals	–	65	–	–	–	65
– Available-for-sale investments	5,315	20,183	–	–	5,315	20,183
Dividend income on investments held for trading	947	1,403	–	–	947	1,403
Net (loss) gain on:						
– Conversion options embedded in convertible notes	(1,923)	64,396	–	–	(1,923)	64,396
– Derivative financial instruments	(3,004)	(1,794)	–	–	(3,004)	(1,794)
– Financial assets designated at FVTPL	–	11,128	–	–	–	11,128
– Investments held for trading	(18,070)	64,125	–	–	(18,070)	64,125
– Gold trading contract	–	(65)	–	–	–	(65)
	(16,735)	159,441	–	–	(16,735)	159,441

5. (LOSS) PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit before taxation has been arrived at after charging (crediting):						
Depreciation of property, plant and equipment	9,287	10,406	–	2	9,287	10,408
Release of prepaid lease payments	1,599	2,214	–	–	1,599	2,214
Loss (gain) on disposal of property, plant and equipment	24	(1,537)	–	–	24	(1,537)

6. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax:						
Hong Kong Profits Tax	-	10,726	-	-	-	10,726
Deferred tax	<u>(2,894)</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>(2,894)</u>	<u>(57)</u>
Taxation attributable to the Company and its subsidiaries	<u>(2,894)</u>	<u>10,669</u>	<u>-</u>	<u>-</u>	<u>(2,894)</u>	<u>10,669</u>

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

7. DISTRIBUTIONS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Dividends recognised as distributions to equity holders of the Company during the year:		
– Final dividend for 2008 – HK0.3 cent (2008: HK2.0 cents for 2007) per ordinary share	8,084	43,480
– Interim dividend for 2009 – Nil (2008: HK1.3 cents for 2008) per ordinary share	-	34,563
Bonus warrants (<i>Note</i>)	512	-
	<u>8,596</u>	<u>78,043</u>

Note: On 30th September, 2008, the shareholders of the Company approved the issuance of bonus warrants to the holders of ordinary shares of the Company 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 anti-dilutive adjustments). The Company issued 538,921,053 bonus warrants on the date of grant and the bonus warrants entitled its holders to exercise it at any time during the period from 5th November, 2008 to 4th November, 2009. The fair value of the warrants of approximately HK\$512,000 was determined by the directors of the Company with reference to the valuation as at the date of declaration, which is the date of approval of the issue of the warrants on 30th September, 2008 performed by an independent professional valuer, not connected with the Group, using the Binomial Model.

The directors do not recommend the payment of a final dividend for the year ended 31st March, 2009 (2008: final dividend of HK0.3 cent declared per ordinary share in cash).

Of the dividend paid during the year ended 31st March, 2008, approximately HK\$46,465,000 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.

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.

8. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i> (restated)
(Loss) profit for the year attributable to equity holders of the Company for the purpose of basic (loss) earnings per share	(713,499)	252,051
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
Adjustment to the share of results of associates and subsidiaries based on dilution of their earnings per share	–	(6,631)
	<hr/>	<hr/>
(Loss) earnings for the purpose of diluted (loss) earnings per share	<u>(713,499)</u>	<u>257,761</u>

	2009	2008
	Number	Number
	of shares	of shares
		(restated)
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	470,285,275	443,787,571
Effect of dilutive potential ordinary shares:		
Options	–	2,395
Redeemable convertible preference shares	–	22,858,680
Convertible notes payable	–	33,469,020
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u>470,285,275</u>	<u>500,117,666</u>

The weighted average number of ordinary shares for both years have been adjusted for the capital reorganisation of the Company in April 2009 and the issue of four rights shares for every reorganised share of the Company in May 2009.

No diluted loss per share has been presented for 2009 because the Company's outstanding share options, warrants and the conversion of convertible notes have anti-dilutive effect in 2009.

From continuing operations

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

	2009	2008
	HK\$'000	HK\$'000
		(restated)
(Loss) profit for the year attributable to equity holders of the Company for the purpose of basic (loss) earnings per share	(713,499)	252,051
Less: Profit for the year from discontinued operation	–	(2)
	<hr/>	<hr/>
(Loss) earnings for the purpose of basic (loss) earnings per share from continuing operations	(713,499)	252,049
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
Adjustment to the share of results of associates and subsidiaries based on dilution of their earnings per share	–	(6,631)
	<hr/>	<hr/>
(Loss) earnings for the purpose of diluted (loss) earnings per share from continuing operations	<u>(713,499)</u>	<u>257,759</u>

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

From discontinued operation

Basic and diluted earnings per share for the discontinued operation is negligible for the year ended 31st March, 2008, based on the profit for the year from the discontinued operation of HK\$2,000 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\$9,575,000 (2008: HK\$7,346,000). Aged analysis of trade debtors at the balance sheet date is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade debtors		
0 – 30 days	2,627	2,955
31 – 60 days	4	3
61 – 90 days	4	3
Over 90 days	6,940	4,385
	<u>9,575</u>	<u>7,346</u>

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 ranged from 30 days to 90 days (2008: 30 days to 90 days).

10. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade creditors of approximately HK\$4,791,000 (2008: HK\$4,299,000). Aged analysis of trade creditors at the balance sheet date is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade creditors		
0 – 30 days	672	138
31 – 60 days	4,118	4,161
Over 90 days	1	–
	<u>4,791</u>	<u>4,299</u>

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2009 (2008: final dividend of HK0.3 cent declared per ordinary share).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE AND POSITION

For the year ended 31st March, 2009, the Group recorded a consolidated turnover of approximately HK\$256 million, representing a decrease of 64% compared to that of last year. Loss attributable to equity holders was approximately HK\$713 million (2008: profit HK\$252 million) and basic loss per ordinary share was HK\$1.52 for the year (2008: earnings HK\$0.57).

Analysis of the Group's performance is as follows:

	2009	2008
	HK\$'M	HK\$'M
(Loss) profit on contribution from strategic investments:		
Hanny (<i>Note</i>)	(572)	77
Wing On Travel	(115)	–
PYI	37	97
ITC Properties	(35)	(3)
Others	(5)	21
	(690)	192
Discount on acquisition of associates	38	201
Other investments and operations, net of expenses	(61)	(141)
	(713)	252

Note: Hanny ceased to be a subsidiary and became an associate of the Group in May 2007. The comparative amount for 2008 also includes Hanny's contribution during the period as a subsidiary.

Hanny Holdings Limited (“Hanny”) suffered a loss attributable to its equity holders of approximately HK\$1,145 million for the year ended 31st March, 2009, compared to a profit of approximately HK\$129 million of last year, mainly attributable to loss arising from the change in fair value of financial assets, disposal of investments held for trading and disposal of subsidiaries. Accordingly, the Group shared a loss of approximately HK\$572 million and such loss represented the majority of the Group's loss.

Wing On Travel (Holdings) Limited (“Wing On Travel”) recorded a loss of approximately HK\$689 million attributable to its equity holders for the year ended 31st December, 2008, compared to a loss of approximately HK\$16 million of last year. The increase in loss was mainly attributed to the impairment losses recognised for its luxury train business, hotel properties and available-for-sale investments as a result of the economic downturn. As a result, the Group shared a loss of approximately HK\$115 million.

PYI Corporation Limited (“PYI”) recorded a fall in profit attributable to its equity holders of 61% to HK\$139 million for the year, mainly due to a decrease in contribution from Paul Y. Engineering Group Limited, the drop in port-related project management income, as well as the increase in net loss arising from fair value reduction in trading securities. Contribution from PYI to the Group decreased from approximately HK\$97 million to approximately HK\$37 million.

ITC Properties Group Limited (“ITC Properties”) recorded a loss of approximately HK\$462 million attributable to its equity holders for the year ended 31st March, 2009, mainly owing to the impairment losses on property interests and the unrealised losses due to fair value changes in listed financial instruments. The share attributable to the Group was a loss of approximately HK\$35 million.

The discount on acquisition of associates, which was recorded when the Group increased its interests in Wing On Travel and ITC Properties with a consideration at a discount to the fair value of the assets acquired. The amount decreased to approximately HK\$38 million from approximately HK\$201 million of last year since the majority of the interests in the above two companies were acquired in last year. For the year ended 31st March, 2009, the Group’s direct interests in Wing On Travel and ITC Properties increased from approximately 14.2% to 16.7% and from approximately 6.5% to 7.7%, respectively (2008: Direct interests in Wing On Travel and ITC Properties increased from approximately 1.9% to 14.2% and from 0% to approximately 6.5%, respectively).

The net loss on other investments and operations of approximately HK\$61 million (2008: HK\$141 million) mainly comprised of the following:

- (i) A gain of approximately HK\$30 million from the disposal of an associate which held an investment property in the Central District of Hong Kong (2008: A deemed disposal loss of Hanny of approximately HK\$248 million and a disposal gain of Trasy Gold Ex Limited of approximately HK\$163 million);
- (ii) Interest income (net of finance cost) of approximately HK\$21 million (2008: HK\$30 million);
- (iii) A net loss of approximately HK\$58 million (2008: Net gain of HK\$5 million) on the investments in financial assets; and
- (iv) Administrative expenses of approximately HK\$65 million (2008: HK\$95 million).

Regarding the overall financial position of the Group as at 31st March, 2009, total assets decreased by 19% to approximately HK\$2,994 million and equity attributable to equity holders decreased by 21% to approximately HK\$2,681 million compared to the last year end date. The decrease was mainly due to the share of associates' loss for the year.

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, 2009, the Group continued to hold significant interests, directly or indirectly, in a number of companies listed in Hong Kong, Canada, 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.

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, property development and trading, and other strategic investments including (i) a subsidiary whose issued shares are listed on the Australian Securities Exchange; (ii) an associated company whose issued shares are traded on the OTC Securities Market in the U.S.A.; and (iii) long-term convertible notes issued by companies whose issued shares are listed on the Hong Kong Stock Exchange.

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 is also engaged 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.

ITC Properties Group Limited ("ITC Properties")

ITC Properties is principally engaged in property development and investment in Macau, Mainland China and Hong Kong, golf resort and leisure operations in Mainland China, securities investment and loan financing services.

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, and luxury train services with branches in Hong Kong, Macau, Mainland China, Canada and the United Kingdom. It is also engaged in the hotel operation business including a hotel chain with the "Rosedale" brand in Hong Kong and Mainland China.

Burcon NutraScience Corporation (“Burcon”)

Burcon is a leader in nutrition, health and wellness in the field of functional, renewable plant proteins. Burcon has developed a portfolio of composition, application and process patents originating from its plant protein extraction and purification technology. Burcon is developing the world’s first commercial canola proteins isolates, Puratein® and Supertein™, which are the first canola isolates to have attained self-affirmed GRAS status in the U.S.A. Burcon is also developing Clarisoy™, a soy protein isolate which is 100% soluble and completely transparent in acidic solutions. Since June 2009, the listing place for the common shares of Burcon has been changed from TSX Venture Exchange to TSX.

Listed strategic investments indirectly held

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

Paul Y. Engineering is an engineering and property services group headquartered in Hong Kong. It provides all-round construction and property-related services to a wide spectrum of distinguished clients, including the government and major enterprises in Hong Kong, Macau, Mainland China and the Middle East.

See Corporation Limited (“See Corp”)

See Corp is principally engaged in the entertainment and media business, which includes film and TV programme production; event production; artiste and model management; music production; a pay-TV operation; and investments in securities.

China Enterprises Limited (“China Enterprises”)

China Enterprises is principally engaged in investment holding, which includes investment in an associate which is principally engaged in the manufacture and sale of tires products in Mainland China and other countries; and 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.

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

Listed strategic investments directly held

Name of investee company	Place of listing	Stock code	Approximate shareholding percentage	
			As at 31/3/2009	As at the date of this announcement
Hanny	Hong Kong Stock Exchange	275	49.9%	42.7%
PYI	Hong Kong Stock Exchange	498	26.8%	26.7%
ITC Properties	Hong Kong Stock Exchange	199	16.0% <i>(Note a)</i>	14.8% <i>(Note a)</i>
Wing On Travel	Hong Kong Stock Exchange	1189	18.4% <i>(Note b)</i>	18.1% <i>(Note b)</i>
Burcon	Toronto Stock Exchange ("TSX") and Frankfurt Stock Exchange	BU WKN 157793	24.3%	21.8%

Listed strategic investments indirectly held

Name of investee company	Place of listing	Stock code	Approximate effective interest	
			As at 31/3/2009	As at the date of this announcement
Paul Y. Engineering	Hong Kong Stock Exchange	577	16.7% <i>(Note c)</i>	16.7% <i>(Note c)</i>
See Corp	Hong Kong Stock Exchange	491	10.4% <i>(Note d)</i>	9.1% <i>(Note d)</i>
China Enterprises	OTC Securities Market, U.S.A.	CSHEF	13.0% <i>(Note e)</i>	11.1% <i>(Note e)</i>
MRI	Australian Securities Exchange	MRI	28.5% <i>(Note e)</i>	24.4% <i>(Note e)</i>

Notes:

- (a) Hanny and China Enterprises hold shareholding interests in ITC Properties. The Group's effective interest includes its approximately 7.7% and 7.7% direct shareholding interest in ITC Properties as at 31st March, 2009 and as at the date of this announcement, respectively.
- (b) China Enterprises holds a shareholding interest in Wing On Travel. The Group's effective interest includes its approximately 16.7% direct shareholding interest in Wing On Travel as at 31st March, 2009 and as at the date of this announcement, respectively.
- (c) The Group's interest is held through PYI.
- (d) Hanny, Wing On Travel and China Enterprises hold shareholding interests in See Corp. The Group's effective interest includes its approximately 0.5% direct shareholding interest in See Corp as at 31st March, 2009 and as at the date of this announcement, respectively.
- (e) The Group's interest is held through Hanny.

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, 2009 amounted to approximately HK\$14 million. As at 31st March, 2009, the Group had bank borrowings of approximately HK\$84 million of which approximately HK\$19 million is repayable within one year or on demand.

As at 31st March, 2009, all the Group's borrowings, except the convertible notes, are at floating interest rates and the Group's current ratio was approximately 1.2.

GEARING RATIO

The Group's gearing ratio at the balance sheet date was approximately 10.0% (2008: 6.2%), calculated on the basis of the Group's net borrowings of approximately HK\$267 million over equity attributable to equity holders of approximately HK\$2,681 million.

EXCHANGE RATE EXPOSURE

As at 31st March, 2009, approximately 15.7% of the cash, bank balances and deposits were in foreign currencies and only approximately 4.7% of the Group's total borrowings of approximately HK\$13 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, 2009, certain of the Group's properties and listed securities of an associate with an aggregate carrying value of approximately HK\$353 million were pledged to banks and financial institutions to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31st March, 2009, the Group had no contingent liabilities, except that on disposal of an associate, the Group had given an indemnity to the acquirer 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 31st March, 2009, the Group had a total of 68 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 was granted during the year. There were 197,600,000 outstanding share options granted by the Company as at 31st March, 2009. Due to adjustments arising from the capital reorganisation and rights issue of the Company and lapse of share options after the year end, the outstanding share options of the Company as at the date of this announcement is 29,524,000 with a current exercise price of HK\$2.52 per share (subject to adjustments).

MAJOR EVENTS

The major events of the Group completed during the year ended 31st March, 2009 are summarised below:

Strategic investments

The Group has demonstrated its support to its strategic investments by participating in their fund raising activities through the subscription of the Group's pro-rata entitlement of (i) approximately 1,223 million rights shares of Wing On Travel at HK\$0.06 per rights share with a total consideration of approximately HK\$73 million in July 2008; (ii) approximately 606 million rights shares of ITC Properties at HK\$0.07 per rights share with a total consideration of approximately HK\$42 million in August 2008; and (iii) approximately 150 million open offer shares of Hanny at HK\$0.35 per open offer share with a total consideration of approximately HK\$53 million in March 2009.

These additional investments enable the Group to maintain its shareholding in and share the benefit from the growth of these strategic investments.

Property investment

In April 2008, the Group disposed of all the interest in an associate company which held an investment property in the Central District of Hong Kong for a consideration of HK\$145 million. A gain of approximately HK\$30 million was realised.

MAJOR SUBSEQUENT EVENTS

The major events of the Group completed subsequent to the year ended 31st March, 2009 are summarised below:

Capital reorganisation

In April 2009, a capital reorganisation of the Company (the “Capital Reorganisation”) comprising, inter alia, a consolidation of every twenty shares of HK\$0.10 each into one consolidated share of HK\$2.00 each, a reduction of paid-up capital of each consolidated share from HK\$2.00 to HK\$0.01, a subdivision of each of the authorised but unissued shares of HK\$0.10 into ten shares of HK\$0.01 each, and the credit arising from the capital reduction to be credited to the contributed surplus account of the Company has been effective. Thereafter, the board lot size of the shares has been changed from 4,000 shares to 2,000 shares.

Fund raising activities

In May 2009, the Company successfully completed its rights issue of shares on the basis of four rights shares for every share held at the subscription price of HK\$0.20 per rights share (the “Rights Issue”). Approximately 539 million shares of the Company were issued and approximately HK\$108 million of gross proceeds were raised.

In June 2009, the Company has placed, through a placing agent, 80 million new shares to more than six independent third parties at HK\$0.75 per share (the “Placing”) and approximately HK\$60 million of gross proceeds were raised.

These fund raising activities have enlarged the shareholder base and capital base of the Company, and have strengthened the Group’s financial position for future strategic investments as and when opportunities arise.

Strategic investments

In May 2009, the Group acquired the 2% convertible exchangeable notes due 7th June, 2011 issued by Wing On Travel of principal amounts of HK\$34 million and approximately HK\$24 million for a consideration of approximately HK\$27 million and HK\$19 million, respectively. In June 2009, the Group further acquired the convertible exchangeable note of a principal amount of HK\$50 million for a consideration of HK\$40 million.

In July 2009, the Group subscribed its pro-rata entitlement of approximately 809 million rights shares of PYI at HK\$0.12 per rights share with a total consideration of approximately HK\$97 million.

OUTLOOK

The sheer scale of the financial tsunami has led to the fear of an imminent global recession. Though there are signs of recovery in response to the various stimulus measures by the governments in the recent months, such unprecedented recession is widely thought to be the worst in decades and therefore recovery is likely to be a long term process. Against this background, the Group will continue to identify and capture investment opportunities that are undervalued by the market. The Group will also continue to offer support to its investee companies and this is further demonstrated by a series of events that has taken place subsequent to the 2009 financial year end such as the Group's acquisition of Wing On Travel's convertible exchangeable notes and subscription of PYI rights shares. With a strong balance sheet and a low gearing level, the Group is well-poised for facing the challenges and forging ahead for opportunities.

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

During the year ended 31st March, 2009, 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 issue of shares arising from warrant exercises, the Capital Reorganisation, Rights Issue and Placing and the bonus issue of warrants, the total number of issued ordinary shares of the Company of HK\$0.01 each is 753,689,530 and the total number of warrants is 538,768,186 carrying rights to subscribe for 26,938,409 shares of the Company at current subscription price of HK\$1.466 per share (subject to adjustments) as at the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31st March, 2009, complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules except that the Chairman of the Board could not attend the annual general meeting of the Company held on 30th September, 2008 due to other commitment abroad. Despite of that, representatives of the Board including executive directors and independent non-executive directors of the Company were present at the meeting to answer questions on the Group's businesses.

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, 2009.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2009 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, 2009 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 2009 Annual General Meeting of the Company will be held on Tuesday, 29th September, 2009. Notice of the 2009 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, 28 July, 2009

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
Mr. Chan Yiu Lun, Alan

Independent non-executive Directors:

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