ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2012

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, 2012, together with comparative figures for the previous year, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31st March, 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Turnover			
– gross proceeds	3	**19,644**	54,455
Revenue	3	**19,548**	36,102
Management and other related service income		**3,895**	4,736
Net gain on financial instruments	4	**27,028**	7,482
Interest income		**11,760**	26,902
Property rental income		**3,087**	4,125
Other income		**2,232**	1,362
Gain on changes in fair values of investment properties		**2,000**	13,088
Administrative expenses		**(58,860)**	(61,299)
Finance costs		**(18,561)**	(22,558)
Gain on disposal of subsidiaries	5	**31,045**	–
Net loss on deemed disposal of partial interests in associates		**(3,748)**	(49,853)
Share of results of associates			
– share of results		**108,333**	86,497
– gain on deemed acquisition and acquisitions of additional interests in associates		**322,463**	228,836
Profit before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate		**430,674**	239,318
Impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate	6	**–**	(829,897)
Profit (loss) before taxation	7	**430,674**	(590,579)
Taxation	8	**(330)**	(2,136)
Profit (loss) for the year		**430,344**	(592,715)

	Note	2012 HK$'000	2011 HK$'000
Other comprehensive (expenses) income:			
Exchange differences arising on translation of foreign operations		**(585)**	1,303
Share of other comprehensive (expenses) income of associates		**(15,934)**	94,968
Gain on revaluation of land and buildings		**9,233**	39,212
Deferred tax arising on revaluation of land and buildings		**(1,519)**	(6,451)
Reclassification adjustments:			
– reserves released on distribution of assets to shareholders		**–**	(104,307)
– reserves released on deemed disposal of partial interests in associates		**(774)**	(1,052)
Other comprehensive (expenses) income for the year		**(9,579)**	23,673
Total comprehensive income (expenses) for the year		**420,765**	(569,042)
		HK cents	*HK cents*
Earnings (loss) per share	10		
Basic		**55.38**	(77.99)
Diluted		**35.05**	(77.99)

Consolidated Statement of Financial Position

As at 31st March, 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**11,606**	251,524
Investment properties		**22,303**	102,423
Intangible assets		**1,649**	1,737
Interests in associates		**2,506,835**	2,022,646
Debt portion of convertible notes		**61,102**	–
Conversion options embedded in convertible notes		**11,421**	–
Note receivable from an associate		**100,000**	–
Available-for-sale investments		**–**	1,552
		2,714,916	2,379,882
Current assets			
Inventories		**32**	30
Debtors, deposits and prepayments	11	**1,844**	4,701
Amounts due from associates		**6,796**	2,211
Loans receivable		**10,000**	26,969
Debt portion of convertible notes		**–**	56,088
Short-term bank deposits, bank balances and cash		**48,440**	8,970
		67,112	98,969

	Note	2012	2011
		HK$'000	HK$'000
Current liabilities			
Creditors and accrued expenses	12	**11,554**	12,083
Amounts due to associates		**–**	526
Loan from a director		**–**	46,113
Bank borrowings – due within one year		**–**	5,250
Bank overdrafts		**36,756**	42,790
Convertible notes payable		**–**	161,589
		48,310	268,351
Net current assets (liabilities)		**18,802**	(169,382)
Total assets less current liabilities		**2,733,718**	2,210,500
Non-current liabilities			
Bank borrowings – due after one year		**–**	42,250
Convertible notes payable		**131,299**	–
Deferred tax liabilities		**1,014**	38,457
		132,313	80,707
Net assets		**2,601,405**	2,129,793
Capital and reserves			
Share capital		**7,770**	7,770
Share premium and reserves		**2,593,635**	2,122,023
Total equity		**2,601,405**	2,129,793

Condensed Consolidated Statement of Cash Flows
For the year ended 31st March, 2012

	2012	2011
	HK$'000	*HK$'000*
Net cash from operating activities	**17,801**	52,515
Net cash from (used in) investing activities	**74,766**	(180,151)
Net cash used in financing activities	**(47,227)**	(12,591)
Net increase (decrease) in cash and cash equivalents	**45,340**	(140,227)
Cash and cash equivalents brought forward	**(33,820)**	106,233
Effect of foreign exchange rate changes	**164**	174
Cash and cash equivalents carried forward	**11,684**	(33,820)
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	**48,440**	8,970
Bank overdrafts	**(36,756)**	(42,790)
	11,684	(33,820)

Notes:

1. **BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS(s)") 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**

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 or fair values as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

In the current year, the Group has applied a number of new and revised HKFRSs issued by the HKICPA.

The application of the new and revised HKFRSs in current year has had no material impact on the Group's financial performance and positions for current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle[2]
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1st July, 2011.
[2] Effective for annual periods beginning on or after 1st January, 2013.
[3] Effective for annual periods beginning on or after 1st January, 2015.
[4] Effective for annual periods beginning on or after 1st January, 2012.
[5] Effective for annual periods beginning on or after 1st July, 2012.
[6] Effective for annual periods beginning on or after 1st January, 2014.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed. As at 31st March, 2012, no financial liability has been designated as at fair value through profit or loss, the application of HKFRS 9 will affect the measurement of such financial liability if designation is made in the future.

Amendments to HKAS 12 "Deferred Tax – Recovery of Underlying Assets"

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1st January, 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through use currently.

3. TURNOVER, GROSS PROCEEDS, REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from outside customers for the year 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 resource 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 operating segments, which are also reportable segments of the Group, is reported below.

Gross proceeds included in turnover represents the amounts received and receivable from outside customers for the year together with gross proceeds from disposal of held for trading investments 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 and reportable segment:

For the year ended 31st March, 2012

	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	**5,197**	**8,188**	**729**	**9,180**	**23,294**	**(3,650)**	**19,644**
SEGMENT REVENUE							
External sales	**3,435**	**8,188**	**633**	**7,292**	**19,548**	**–**	**19,548**
Inter-segment sales	**1,762**	**–**	**–**	**1,888**	**3,650**	**(3,650)**	**–**
Total	**5,197**	**8,188**	**633**	**9,180**	**23,198**	**(3,650)**	**19,548**
RESULT							
Segment result	**(29,696)**	**18,333**	**613**	**13,642**	**2,892**	**–**	**2,892**
Central administration costs							**(18,596)**
Finance costs							**(18,561)**
Gain on disposal of subsidiaries *(Note)*							**21,732**
Net loss on deemed disposal of partial interests in associates							**(3,748)**
Gain on convertible notes payable							**16,159**
Share of results of associates							
– share of results							**108,333**
– gain on deemed acquisition and acquisitions of additional interests in associates							**322,463**
Profit before taxation							**430,674**

For the year ended 31st March, 2011

	Finance	Long-term investment	Other investment	Others	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER							
– gross proceeds	13,442	22,911	18,521	12,095	66,969	(12,514)	54,455
SEGMENT REVENUE							
External sales	3,948	22,911	168	9,075	36,102	–	36,102
Inter-segment sales	9,494	–	–	3,020	12,514	(12,514)	–
Total	13,442	22,911	168	12,095	48,616	(12,514)	36,102
RESULT							
Segment result	(23,867)	29,589	(9,568)	17,124	13,278	–	13,278
Central administration costs							(19,213)
Finance costs							(22,558)
Net loss on deemed disposal of partial interests in associates							(49,853)
Gain on convertible notes payable							2,331
Share of results of associates							
– share of results							86,497
– gain on acquisitions of additional interests in associates							228,836
Profit before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate							239,318
Impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate							(829,897)
Loss before taxation							(590,579)

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, gain on disposal of subsidiaries, gain on convertible notes payable, impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate and items related to interests in associates.

Note:

Reconciliation of gain on disposal of subsidiaries

	2012
	HK$'000
Others segment	**9,313**
Unallocated	**21,732**
Gain on disposal of subsidiaries as shown in the consolidated statement of comprehensive income	**31,045**

Geographical information

The Group's operations are located in Hong Kong and Canada.

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

	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**14,772**	30,775
Canada	**4,776**	5,327
	19,548	36,102

4. NET GAIN ON FINANCIAL INSTRUMENTS

	2012	2011
	HK$'000	*HK$'000*
Dividend income on available-for-sale investments	**611**	168
Gain on convertible notes payable	**16,159**	2,331
Net gain (loss) on:		
– Repurchase of convertible notes receivable	**13,704**	6,859
– Conversion options embedded in convertible notes	**(3,468)**	(76)
– Investments held for trading	**22**	(1,800)
	27,028	7,482

5. DISPOSAL OF SUBSIDIARIES

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 wholly-owned subsidiary, Great Intelligence Limited, 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 ITC Development Group Limited (formerly 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"), an associate of the Group, for an aggregate 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 (being HK$313,000,000 plus the negative NTAV of HK$97,330,000). Of the net proceeds, HK$100,000,000 shall be settled by way of the issue of a 2-year loan note issued by a subsidiary of ITC Properties. On the disposal of the Top Precise Group, the property revaluation reserve of HK$180,920,000, which was recognised as equity, was reclassified to accumulated profits. According to the Top Precise Agreement, the Group had given an indemnity relating to taxation liabilities, if any, and the affairs and business of Top Precise Group up to the date of disposal to the purchaser.

The net assets of the Top Precise Group at the date of disposal, being 16th November, 2011, were as follows:

	HK$'000
Consideration received:	
Cash received	115,670
Note receivable	100,000
	215,670
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	235,097
Investment properties	85,000
Debtors, deposits and prepayments	997
Creditors and accrued expenses	(827)
Bank borrowings	(97,500)
Deferred taxation	(39,292)
Net assets disposed of	183,475
Gain on disposal of subsidiaries:	
Consideration received and receivable	215,670
Net assets disposed of	(183,475)
	32,195
Less: related transaction cost	(1,150)
	31,045
Net cash inflow arising on disposal:	
Cash consideration received	115,670
Less: related transaction cost	(1,150)
	114,520

6. IMPAIRMENT LOSS ON AN ASSOCIATE UPON AND AFTER CLASSIFICATION AS HELD FOR DISTRIBUTION TO SHAREHOLDERS AND GAIN ON DERECOGNITION OF THE ASSOCIATE

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). The remaining 2,169,122 shares were retained as investments held for trading. The Group disposed of majority of these Hanny shares classified as held for trading and held certain Hanny shares with negligible value as at 31st March, 2011 and 2012.

Impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate were recognised in the profit or loss in 2011 and summarised as follows:

	2011 *HK$'000*
Impairment loss on an associate upon and after classification as held for distribution to shareholders *(Note (i))*	(934,204)
Gain on derecognition of the associate *(Note (ii))*	104,307
	(829,897)

Notes:

(i) Impairment loss on an associate upon and after classification as held for distribution to shareholders of HK$934,204,000 was recognised in the profit or loss as the difference between the fair value of the Hanny shares on the date the interests in Hanny as an associate were classified as held for distribution to shareholders upon the approval of the Distribution, and the carrying value of the interest in Hanny as at that date, and the subsequent write down for fair value decrease after that date to the date of Distribution, i.e. 11th November, 2010.

(ii) The amount recognised in the profit or loss represented the reclassification adjustment of reserve on acquisition, other reserve, investment revaluation reserve and translation reserve that were recognised in other comprehensive income in previous years upon derecognition of the associate.

7. PROFIT (LOSS) BEFORE TAXATION

	2012	2011
	HK$'000	*HK$'000*
Profit (loss) before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**10,668**	12,371

8. TAXATION

Taxation represents the deferred tax recognised by the Group.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

9. DISTRIBUTIONS

	2012	2011
	HK$'000	*HK$'000*
Dividends recognised as distributions to owners of the Company during the year:		
– Final dividend for 2011 – HK1.0 cent (2011: HK1.0 cent for 2010) per ordinary share	**7,770**	7,537
– Interim dividend for 2012 – HK1.0 cent (2011: HK1.0 cent for 2011) per ordinary share	**7,770**	7,770
	15,540	15,307
Dividends proposed in respect of the current year:		
– Final dividend for 2012 – HK3.0 cents (2011: HK1.0 cent) per ordinary share	**23,311**	7,770

In addition, as detailed in note 6, for the year ended 31st March, 2011, the total number of Hanny shares distributed was 700,936,289. The amount of the Distribution recognised in the consolidated financial statements was HK$350,468,000, which was determined with reference to the market price of Hanny shares on 11th November, 2010, being the date of the Distribution.

The directors of the Company have resolved to recommend the payment of a final dividend of HK3.0 cents per ordinary share for the year ended 31st March, 2012, which will be payable in cash, with an option to elect scrip dividend of ordinary shares, in respect of part or all of such dividend (2011: HK1.0 cent).

10. 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:

	2012	2011
	HK$'000	*HK$'000*
Earnings (loss) for the year attributable to the owners of the Company for the purpose of basic earnings (loss) per share	**430,344**	(592,715)
Effect of dilutive potential ordinary shares:		
Adjustment of finance cost on convertible notes payable	**15,541**	–
Adjustment to the share of result of an associate based on dilution of their earnings per share	**7,884**	–
Adjustment of the interest income on the convertible notes issued by an associate	**(8,188)**	–
Earnings (loss) for the purpose of diluted earnings (loss) per share	**445,581**	(592,715)

	Number of shares	
	2012	2011
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**777,028,676**	760,005,845
Effect of dilutive potential ordinary shares of convertible notes payable	**494,198,543**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**1,271,227,219**	760,005,845

The potential ordinary shares attributable to the Company's outstanding convertible notes payable had anti-dilutive effect for the year ended 31st March, 2011 as the assumed conversion would result in a decrease in loss per share.

For the year ended 31st March, 2011, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of the options were higher than the average market price of shares.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$850,000 (2011: HK$3,547,000). Aged analysis of trade debtors presented based on the invoice date at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
Trade debtors		
0 – 30 days	**803**	2,200
31 – 60 days	**14**	16
61 – 90 days	**5**	5
Over 90 days	**28**	1,326
	850	3,547

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.

12. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade creditors of HK$3,437,000 (2011: HK$3,972,000) and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	2012	2011
	HK$'000	*HK$'000*
Trade creditors		
0 – 30 days	**3,423**	472
31 – 60 days	**14**	3,500
	3,437	3,972

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK3.0 cents per ordinary share for the year ended 31st March, 2012 (2011: HK1.0 cent) to the shareholders of the Company whose names appear on the register of members of the Company as at the close of business on Wednesday, 29th August, 2012. The proposed final dividend is expected to be paid to the shareholders of the Company by post on or about Wednesday, 26th September, 2012 following approval at the forthcoming annual general meeting of the Company. The proposed final dividend is conditional upon the passing of an ordinary resolution to approve the final dividend at the forthcoming annual general meeting of the Company. The Board has also proposed that the final dividend should be satisfied in cash, with an option to elect scrip dividend of ordinary shares, in respect of part or all of such dividend. The market value of the ordinary shares to be issued under the scrip dividend proposal will be fixed by reference to the average of the closing prices of the ordinary shares of the Company for the three consecutive trading days ending 29th August, 2012 less a discount of five percent of such average price or par value of ordinary shares, whichever is the higher. The proposed scrip dividend is conditional upon the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the new ordinary shares to be issued and the passing at the forthcoming annual general meeting of the Company of an ordinary resolution to approve the final dividend. A circular giving full details of the scrip dividend proposal and a form of election will be sent to shareholders of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 27th August, 2012 to Wednesday, 29th August, 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final 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 Friday, 24th August, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

For the year ended 31st March, 2012, the Group reported a profit of HK$430 million attributable to owners (2011: loss HK$593 million). Basic earnings per share was HK55.38 cents compared with the loss per share of HK77.99 cents last year. The turnaround from loss to profit during the year was mainly due to the following:

1. A net gain of HK$318 million (2011: HK$179 million) arising from changes in interests in associates, which comprised mainly HK$221 million from Rosedale Hotel Holdings Limited ("Rosedale") and HK$101 million from ITC Properties Group Limited ("ITC Properties"). During the year, the Group enhanced its interests in its strategic investments with an aim of creating long-term value for the shareholders. Having considered Rosedale's prospect with reference to its operating environment and the underlying values of its hotel properties, the Group acted expeditiously by acquiring approximately 92 million shares for HK$41 million between September and November 2011 on the open market, thereby increasing the Group's interest from 15.8% to 29.7%. Interest in ITC Properties increased from 24.7% to 37.9% following the completion of ITC Properties shares repurchase offer in February 2012 in respect of which the Group had given several undertakings, among others, not to accept the offer. The Group therefore increased its proportionate interest and benefited from the enhanced net asset value per share and earnings per share of ITC Properties. Gains were recognised on the above two events since the net asset values attributed to the additional interests acquired were higher than the costs of acquisition;

2. A gain of HK$31 million was recognised mainly on the disposal of a Group's subsidiary in November 2011 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. The aforesaid property interests were acquired by the Group at HK$107 million in 2004. The Group was able to realise capital value of the property interests with a disposal price of HK$313 million; and

3. The absence of last year's non-cash loss of HK$830 million arising from the distribution of shares in Hanny Holdings Limited ("Hanny") to the shareholders in November 2010. Hanny is a Hong Kong-listed company which was an associate of the Group before the distribution.

Analysis of the Group's performance is as follows:

	2012	2011
	HK$'M	*HK$'M*
Share of results of associates:		
PYI	**84**	54
ITC Properties	**70**	–
Rosedale	**(38)**	66
Burcon	**(8)**	(14)
Hanny	**–**	(19)
	108	87
Net gain from changes in interests in associates	**318**	179
Gain on disposal of subsidiaries	**31**	–
Results from other investments and operations	**(27)**	(29)
Profit before distribution	**430**	237
Loss on distribution of Hanny shares to shareholders	**–**	(830)
Profit (loss) attributable to owners	**430**	(593)

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 year, the Group's interests in PYI decreased slightly from 26.7% to 26.6% as the Group elected to receive cash instead of shares under PYI's scrip dividend scheme in relation to the final dividend for the year ended 31st March, 2011. PYI recorded a profit attributable to its owners of HK$334 million for the year ended 31st March, 2012 compared with HK$200 million last year. The increase in profit for the year was mainly attributable to the gain on disposal of 50.1% interest in Jiangsu Yangkou Port Development and Investment Co., Ltd. As a result, the profit contributed by PYI increased from HK$54 million to HK$84 million.

ITC Properties Group Limited ("ITC Properties")

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

In May 2011, the Group received new convertible notes of ITC Properties in the principal amount of HK$70.4 million as the consideration for the Group's acceptance of the offer made by ITC Properties to repurchase its previous convertible notes held by the Group in an aggregate principal amount of HK$64 million. The new convertible notes are redeemable at 105% of the outstanding principal amount in November 2013 and the initial conversion price (subject to adjustments) is HK$2.20 per share. The Group did not exercise the conversion rights under the new convertible notes during the year.

In November 2011, ITC Properties announced a conditional voluntary offer to repurchase up to 260 million shares of ITC Properties at HK$2.60 per share (the "Offer"). The Group had undertaken that it would not accept the Offer and a whitewash waiver was granted to waive the obligation of the Group to make a mandatory general offer for all ITC Properties shares not owned by the Group and its concert parties. As a result, the Group's interest in ITC Properties increased from 24.7% to 37.9% immediately after completion of the Offer in February 2012 which led to a gain of HK$101 million. As at 31st March, 2012, the Group's interest in ITC Properties remained at 37.9%.

ITC Properties recorded a profit of HK$162 million attributable to its owners for the year ended 31st March, 2012 compared with HK$80 million last year, mainly attributable to the recognition of a gain on disposal of subsidiaries amounted to HK$346 million as a result of the disposal of 50% interest in a residential development project in Causeway Bay, Hong Kong. Accordingly, the Group shared a profit of HK$70 million for the current year.

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.

Between September and November 2011, the Group acquired approximately 92 million shares of Rosedale through several transactions on the open market at a total consideration of HK$41 million. As the Rosedale shares were trading at a discount to their net assets values, the Group recognised a gain of HK$221 million from those acquisitions. The Group's interest in Rosedale increased from 15.8% to 29.7% and remained the same at year end.

Rosedale recorded a loss of HK$207 million attributable to its owners for the year ended 31st December, 2011 against a profit of HK$468 million in 2010 which was mainly attributable to a non-recurring gain on disposal of the travel and related business of HK$716.9 million. Accordingly, the Group shared a loss of HK$38 million for the current year compared with a profit of HK$66 million shared last year.

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 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 developed CLARISOY™ soy protein, the only vegetable-based protein that offers clarity and complete protein nutrition for low pH beverage systems; Peazazz™, a uniquely soluble and clean-tasting pea protein isolate; and Puratein®, Supertein™ and Nutratein™ canola protein isolates with unique functional and nutritional attributes.

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.

Burcon has licensed its CLARISOY™ soy protein technology to Archer-Daniels-Midland Company ("ADM"), a leader in the global food ingredient industry listed in the U.S. In June 2012, Burcon announced that ADM has opened its first commercial-scale plant to make CLARISOY™ soy protein available for customers looking to purchase commercial-scale quantities.

The decrease in the Group's interest in Burcon from 21.1% to 21.0% was due to the new shares issued for options exercised by other parties. The twelve-month shareholders mandate for the possible disposal of all its Burcon shares held by the Group obtained in May 2011, has expired and no Burcon share was disposed of during the mandate period by the Group. As Burcon was in the stage of development during the year, the loss shared by the Group was HK$8 million.

(CLARISOY™ is under license from ADM)

(CLARISOY™ is a trademark of ADM)

Paul Y. Engineering Group Limited ("Paul Y. Engineering")

Paul Y. Engineering is an international engineering services group serving Hong Kong, Mainland China, Macau and the international market. It has three core areas of business: management contracting, property development management and property investment. Paul Y. Engineering remained as a subsidiary of PYI throughout the year and its results have been consolidated into PYI's results.

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 31.03.2012	Effective interest As at the date of this announcement
PYI	Hong Kong Stock Exchange	498	26.6%	26.6%
ITC Properties	Hong Kong Stock Exchange	199	38.3%	40.0%
Rosedale	Hong Kong Stock Exchange	1189	29.7%	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)*	16.7% *(Note)*

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2012, total assets were HK$2,782 million and equity attributable to owners were HK$2,601 million, representing a 12% and 22% increase respectively over 2011 driven by the additional interests in associates attributable to the Group during the year.

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 seizing investment opportunities, as and when they become available.

As at 31st March, 2012, current assets were HK$67 million, decreased by 32% year-on-year as last year's amount included the convertible notes of ITC Properties which would mature in June 2011. These convertible notes were repurchased by ITC Properties in May 2011 at a consideration satisfied by new convertible notes of ITC Properties with a maturity date in November 2013. Current liabilities were HK$48 million, decreased by 82% compared with last year. The decrease was mainly because the Company's convertible notes, classified as current liabilities last year, were reclassified as non-current liabilities this year 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 1.4 (2011: 0.4).

GEARING

The Group's gearing ratio was 4.6% as at 31st March, 2012 (2011: 13.6%), calculated on the basis of net borrowings of HK$120 million over the equity attributable to owners of HK$2,601 million. Net borrowings is arrived at by deducting bank deposits, bank balances and cash from the aggregate of borrowings and the liability component of convertible notes issued by the Company.

As at 31st March, 2012, the Group had bank deposits, bank balances and cash of HK$48 million, bank borrowings of HK$37 million and HK$131 million recognised as the liability component of its convertible notes. All bank borrowings were either repayable within one year or on demand and were at floating interest rates. The aforesaid convertible notes, which pays an annual interest of 5%, were initially issued in November 2009 with a 2-year maturity but was subsequently extended to 2nd November, 2013. As at 31st March, 2012, the aggregate principal amount of the convertible notes that remained outstanding was HK$143 million and the conversion price was HK$0.30 per share.

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 31st March, 2012, properties with an aggregate carrying value of HK$26 million were pledged to a bank to secure general facility granted to a subsidiary of the Company.

CONTINGENT LIABILITIES

As at 31st March, 2012, the Group had no contingent liabilities, except that upon disposal of an associate in previous years and subsidiaries in current year, the Group had given indemnities relating to unrecorded taxation liabilities, if any, and the affairs and business of the respective associate and subsidiaries up to the date of disposal to the respective purchasers.

EMPLOYEE AND REMUNERATION POLICY

As at 31st March, 2012, the Group had a total of 62 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 old share option scheme was terminated in August 2011 and at the same time a new share option scheme has been established by the Company for the eligible participants (including employees). No share option has been granted during the year and no share option was outstanding as at 31st March, 2012 and as at the date of this announcement.

EVENT AFTER THE YEAR ENDED 31ST MARCH 2012

In April 2012, the Group partially converted the convertible notes of ITC Properties with a principal amount of HK$26.5 million for approximately 12 million shares at HK$2.2 per share. The Group's interest in ITC Properties increased to 39.8% immediately after the conversion. The pro forma gain on the aforesaid conversion to be recognised in the profit or loss of the Group for the next financial year will be approximately HK$21 million with reference to the annual results announcement of ITC Properties for the year ended 31st March, 2012.

OUTLOOK

The prevailing uncertainties surrounding the eurozone have escalated the risk of a global economic downturn. The Group is well-equipped to succeed in this challenging environment. The diversified business activities of its strategic investments would reduce the Group's reliance on a particular sector. In the year under review, the Group enhanced its interest in ITC Properties and Rosedale which are operating in different sectors, property and hotel respectively. Both associates have projects that are currently in the development stage and are expected to contribute encouraging returns after their completion. Rosedale currently has earmarked on the opening of a new hotel in the Mongkok district of Hong Kong in the third quarter of 2012, this will be the first time the Rosedale brand name serving business and leisure travelers in Kowloon. Burcon's listing on the NASDAQ stock exchange is expected to raise awareness within the food and agri-food technology sectors and increase its accessibility to the U.S. investors. Burcon announced in June 2012 that its partner Archer-Daniels-Midland Company, also listed in the U.S., has opened its first commercial-scale plant to make Burcon's CLARISOY™ for commercial-sales.

Looking forward, the Board is cautiously optimistic in the long-term prospects of the Group. The Group, on one hand, is committed to enhancing the value of its strategic investments and, on the other hand, will continue to pursue investment opportunities with growth potential in order to bring long-term value to the Group and its shareholders. The Group will continue with its prudent but proactive investment approach in pursuing new opportunities and supporting its strategic investments in the interests of the shareholders.

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

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 the convertible notes were cancelled thereafter. Save as disclosed herein, during the year ended 31st March, 2012, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

SECURITIES IN ISSUE

During the year and up to the date of this announcement, the total number of issued shares of the Company with par value of HK$0.01 each remained unchanged at 777,028,676.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31st March, 2012, complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules in force at that time.

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 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, 2012.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2012 has 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 comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended 31st March, 2012 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.

PROPOSED AMENDMENTS TO BYE-LAWS AND ADOPTION OF THE AMENDED AND RESTATED BYE-LAWS

In order to bring the constitution of the Company in line with certain amendments made to the Companies Act 1981 of Bermuda and the Listing Rules, to incorporate certain housekeeping amendments and to consolidate the proposed amendments and all previous amendments made to the bye-laws of the Company (the "Bye-laws"), the directors of the Company proposed to seek approval from the shareholders of the Company to approve the proposed amendments to the Bye-laws and the adoption of the amended and restated Bye-laws (the "Proposed Amendments") by way of special resolutions at the forthcoming annual general meeting of the Company.

A circular containing, among others, further information in respect of the Proposed Amendments and a notice of the annual general meeting of the Company will be despatched to the shareholders of the Company in due course.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting of the Company will be held on 16th August, 2012. Notice of the 2012 Annual General Meeting will be published and issued to the 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, 22nd June, 2012

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*