ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2013

RESULTS

The board of directors (the "Board") of ITC Corporation Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2013, together with comparative figures for the corresponding period 2012. The interim results for the six months ended 30th September, 2013 are not audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and the Audit Committee of the Company.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30th September, 2013

		(Unaudited) Six months ended	
		30.9.2013	30.9.2012
	Notes	***HK$'000***	*HK$'000*
Revenue	3	**4,194**	8,860
Management and other related service income		**2,224**	1,852
Gain on conversion options embedded in convertible notes		**–**	447
Interest income		**1,271**	6,315
Property rental income		**542**	536
Other income		**282**	723
Administrative expenses		**(19,431)**	(22,540)
Finance costs		**(5,103)**	(7,133)
Net loss on net decrease in interest in an associate	4	**(116,186)**	(3,100)
Share of results of associates			
– share of results		**12,246**	152,638
– gain on acquisitions of additional interests in associates		**26,427**	32,403
(Loss) profit for the period	6	**(97,728)**	162,141

	Note	(Unaudited) Six months ended 30.9.2013 HK$'000	30.9.2012 HK$'000
Other comprehensive income (expenses):			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(424)**	477
Share of other comprehensive income (expenses) of associates		**5,524**	(6,873)
Reclassification adjustment on reserves released on net decrease in interest in an associate		**(2,191)**	(54)
Other comprehensive income (expenses) for the period		**2,909**	(6,450)
Total comprehensive (expenses) income for the period		**(94,819)**	155,691
		HK cents	*HK cents*
(Loss) earnings per share	8		
Basic		**(9.40)**	20.79
Diluted		**(9.40)**	10.04

Condensed Consolidated Statement of Financial Position

At 30th September, 2013

	Notes	(Unaudited) 30.9.2013 HK$'000	(Audited) 31.3.2013 HK$'000
Non-current assets			
Property, plant and equipment		**6,721**	7,637
Investment property		**21,615**	21,966
Intangible assets		**1,733**	1,825
Interests in associates		**2,839,878**	2,785,380
Debt portion of convertible notes		**–**	52,741
Conversion options embedded in convertible notes		**–**	18,634
		2,869,947	2,888,183
Current assets			
Inventories		**–**	29
Debtors, deposits and prepayments	9	**2,633**	3,641
Amounts due from associates		**2,278**	4,244
Loans receivable		**10,000**	28,000
Note receivable from an associate		**–**	50,000
Short-term bank deposits, bank balances and cash		**49,117**	39,635
		64,028	125,549
Current liabilities			
Margin account payable		**20,018**	–
Creditors and accrued expenses	10	**5,706**	9,898
Dividend payable		**37,528**	–
Bank overdrafts		**52,410**	52,555
Convertible notes payable		**–**	95,852
		115,662	158,305
Net current liabilities		**(51,634)**	(32,756)
Total assets less current liabilities		**2,818,313**	2,855,427
Non-current liabilities			
Deferred tax liabilities		**1,035**	1,035
Net assets		**2,817,278**	2,854,392
Capital and reserves			
Share capital		**12,576**	9,276
Share premium and reserves		**2,804,702**	2,845,116
Total equity		**2,817,278**	2,854,392

Condensed Consolidated Statement of Cash Flows
For the six months ended 30th September, 2013

	(Unaudited) Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
Net cash from (used in) operating activities	**42,498**	(20,678)
Net cash (used in) from investing activities	**(47,497)**	35,670
Net cash from (used in) financing activities	**14,645**	(25,488)
Net increase (decrease) in cash and cash equivalents	**9,646**	(10,496)
Cash and cash equivalents at beginning of the period	**(12,920)**	11,684
Effect of foreign exchange rate changes	**(19)**	117
Cash and cash equivalents at end of the period	**(3,293)**	1,305
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	**49,117**	34,148
Bank overdrafts	**(52,410)**	(32,843)
	(3,293)	1,305

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity and going concern of the Group in light of the Group's current liabilities exceed its current assets by approximately HK$51.6 million as at 30th September, 2013. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration that there are available borrowing facilities, the future plan of the Group and that there are assets available to pledge for obtaining further banking facilities.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements. The directors of the Company made an assessment as at the date of initial application of these new and revised standards (i.e. 1st April, 2013) and concluded that the application of these new and revised standards has had no impact to the Group.

Amendments to HKAS 34 Interim Financial Reporting

(as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle)

The Group has applied the amendments to HKAS 34 "Interim Financial Reporting" as part of the Annual Improvements to HKFRSs 2009 - 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision makers and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

The directors of the Company considered that the application of HKFRS 13 has had no material effect on the amounts recognised in these condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from outside customers for the period.

Segment information

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

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

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

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

Six months ended 30th September, 2013

	Finance	Long-term investment	Others	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE						
External sales	**558**	**701**	**2,935**	**4,194**	**–**	**4,194**
Inter-segment sales	**912**	**–**	**–**	**912**	**(912)**	**–**
Total	**1,470**	**701**	**2,935**	**5,106**	**(912)**	**4,194**
RESULT						
Segment result	**1,419**	**596**	**433**	**2,448**	**–**	**2,448**
Central administration costs						**(17,560)**
Finance costs						**(5,103)**
Net loss on net decrease in interest in an associate						**(116,186)**
Share of results of associates						
– share of results						**12,246**
– gain on acquisitions of additional interests in associates						**26,427**
Loss for the period						**(97,728)**

Six months ended 30th September, 2012 (restated)

	Finance	Long-term investment	Others	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE						
External sales	3,023	3,277	2,560	8,860	–	8,860
Inter-segment sales	890	–	–	890	(890)	–
Total	3,913	3,277	2,560	9,750	(890)	8,860
RESULT						
Segment result	3,900	3,603	32	7,535	–	7,535
Central administration costs						(20,202)
Finance costs						(7,133)
Net loss on net decrease in interest in an associate						(3,100)
Share of results of associates						
– share of results						152,638
– gain on acquisitions of additional interests in associates						32,403
Profit for the period						162,141

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 and items related to interests in associates.

The information reported under the finance and others segments for the six months ended 30th September, 2012 was restated to conform to the presentation of the 2013 annual financial statements.

4. NET LOSS ON NET DECREASE IN INTEREST IN AN ASSOCIATE

The net loss comprises of the following:

		Six months ended	
		30.9.2013	30.9.2012
	Notes	***HK$'000***	*HK$'000*
Loss on deemed disposals of partial interest in an associate	(a)	**29,769**	3,100
Net loss on acquisitions and deemed disposals of interest in an associate resulted on the conversion of convertible notes by the Group and outside parties concurrently	(b)	**86,417**	–
		116,186	3,100

Notes:

(a) Loss on deemed disposals of partial interest in an associate

The loss for the six months ended 30th September, 2013 was mainly resulted from the deemed disposals of partial interest in an associate which was resulted from the dilution effect of exercise of share options and conversion of convertible notes issued by the associate by parties other than the Group and Ms. Ng (as defined in note 4(b)(i)); and the issuance of scrip dividends by that associate. For the six months ended 30th September, 2012, the net loss was mainly resulted from the deemed disposals of partial interest in an associate which arose from the dilution effect of conversion of convertible notes issued by the associate by parties other than the Group.

(b) Net loss on acquisitions and deemed disposals of interest in an associate resulted on the conversion of convertible notes by the Group and outside parties concurrently:

(i) On 11th April, 2013, the Group and Ms. Ng Yuen Lan, Macy ("Ms. Ng"), spouse of Dr. Chan Kwok Keung, Charles, the Chairman and an Executive Director of the Company, converted the 3.25% convertible notes issued by ITC Properties Group Limited ("ITC Properties", an associate of the Group) (the "ITCP Notes") with principal amounts of HK$54.4 million and HK$297 million, respectively, into approximately 25.9 million and 141.3 million shares of ITC Properties at the conversion price of HK$2.102 per share (the "April Conversion"). The Group's interest in ITC Properties decreased by 6.39% from 37.37% to 30.98% as a result of the April Conversion by both the Group and Ms. Ng concurrently. A net loss of HK$112,511,000 was recognised in the profit or loss, which was determined as the aggregate of the net reduction in the share of net assets of ITC Properties and its subsidiaries ("ITC Properties Group") at the date of the April Conversion and the carrying values of the debt portion of the ITCP Notes held by the Group and the related embedded conversion options at the date of the April Conversion.

(ii) On 22nd August, 2013, the Group further converted the entire ITCP Notes held with principal amount of HK$43.85 million into approximately 20.9 million shares of ITC Properties. Certain holders of the ITCP Notes converted the ITCP Notes on the same date concurrently with the Group. As a result, the interest in ITC Properties held by the Group increased from 31.99% to 33.75%. A net gain of HK$26,094,000 was recognised in the profit or loss, which was determined as the difference of the net increase in the share of fair values of the identifiable assets and liabilities attributable to the Group's interests in ITC Properties Group on 22nd August, 2013, and the carrying values of the debt portion of the ITCP Notes held by the Group and the related embedded conversion options at the date of the conversion.

5. TAXATION

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

6. (LOSS) PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,047**	3,064
Share of taxation of associates (included in share of results of associates)	**43,003**	56,783

7. DISTRIBUTION

During the current period, a final dividend of HK3.0 cents per share, with an option to elect scrip dividend of shares in respect of the year ended 31st March, 2013 (six months ended 30th September, 2012: HK3.0 cents per share in respect of the year ended 31st March, 2012) was declared and approved for distribution to shareholders of the Company. The aggregate amount of the final dividend declared and approved in the current interim period amounted to HK$37,528,000 representing cash dividend of HK$31,130,000 and scrip dividend of HK$6,398,000 (six months ended 30th September, 2012: cash dividend of HK$21,755,000 and scrip dividend of HK$1,756,000).

Subsequent to the end of the interim period, the directors have determined that an interim dividend of HK1.0 cent per share, being HK$12,702,000 in total with reference to the issued shares as at the date of this announcement (six months ended 30th September, 2012: interim dividend of HK1.0 cent per share, total being HK$7,876,000) will be paid to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 20th December, 2013.

8. (LOSS) EARNINGS PER SHARE

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

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
(Loss) earnings for the period attributable to the owners of the Company for the purpose of basic (loss) earnings per share	**(97,728)**	162,141
Effect of dilutive potential shares:		
Adjustment of finance costs on convertible notes payable	**–**	7,032
Adjustment to the share of result of an associate based on dilution of its earnings per share	**–**	(40,020)
Adjustment to the interest income on the convertible notes issued by an associate	**–**	(3,299)
(Loss) earnings for the purpose of diluted (loss) earnings per share	**(97,728)**	125,854
	Number of shares	*Number of shares*
Weighted average number of shares for the purposes of basic (loss) earnings per share	**1,039,403,374**	779,867,605
Effect of dilutive potential shares of convertible notes payable	**–**	473,934,426
Weighted average number of shares for the purpose of diluted (loss) earnings per share	**1,039,403,374**	1,253,802,031

The potential shares attributable to the Company's outstanding convertible notes payable in the current period has anti-dilutive effect.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$1,647,000 (31.3.2013: HK$2,101,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	(Unaudited)	(Audited)
	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
Trade debtors		
0 – 30 days	**1,635**	2,099
31 – 60 days	**10**	2
61 – 90 days	**2**	–
	1,647	2,101

Trade debtors arising from leasing of investment property 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. For interest receivable, there are no credit terms granted by the Group.

10. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of HK$565,000 (31.3.2013: HK$2,613,000) and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	(Unaudited)	(Audited)
	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
Trade creditors		
0 – 30 days	**554**	2,601
31 – 60 days	**11**	12
	565	2,613

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK1.0 cent per share (six months ended 30th September, 2012: HK1.0 cent per share). The interim dividend will be paid to shareholders whose names appear on the register of members of the Company as at the close of business on Friday, 20th December, 2013 and is expected to be paid to shareholders by post on or about Wednesday, 22nd January, 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18th December, 2013 to Friday, 20th December, 2013, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 17th December, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

The Group reported a loss of HK$98 million attributable to shareholders (2012: profit of HK$162 million) and a basic loss per share of HK9.40 cents (2012: earnings per share HK20.79 cents) for the six months ended 30th September, 2013. Such loss was mainly attributable to net loss of HK$90 million on the net change in the Group's interest in ITC Properties Group Limited ("ITC Properties") and decrease in share of associates' results to HK$12 million from HK$153 million for the last interim period.

Analysis of the Group's performance is as follows:

	Six months ended	
	30.9.2013	30.9.2012
	HK$'M	*HK$'M*
Share of results of associates:		
ITC Properties	**42**	164
PYI	**18**	22
Rosedale	**(48)**	(33)
Burcon	**–**	–
	12	153
Net (loss) gain on the net change in interests in associates	**(90)**	29
Net loss on other investments and operations	**(20)**	(20)
(Loss) profit attributable to shareholders	**(98)**	162

Listed Strategic Investments

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 development and investments in golf resort and leisure operations in Mainland China, securities investments and the provision of loan financing services.

In April 2013, the Group and Ms. Ng Yuen Lan, Macy (spouse of Dr. Chan Kwok Keung, Charles) converted the convertible notes of ITC Properties (the "ITCP Notes") in the principal amounts of HK$54.4 million and HK$297 million at the conversion price of HK$2.102 per share, respectively. In order to benefit from the continual return from ITC Properties, the Group invested HK$41.8 million in acquiring approximately 12.7 million shares of ITC Properties on the open market and HK$55.1 million in acquiring the ITCP Notes in an aggregate principal amount of HK$43.85 million in April 2013. Such HK$43.85 million ITCP Notes was also converted by the Group into the shares of ITC Properties at the conversion price of HK$2.102 per share in August 2013. Coupling with others' conversion of their ITCP Notes and exercise of share options and the issuance of scrip dividends by ITC Properties, the Group's interest in ITC Properties decreased from 37.3% as at 31st March, 2013 to 32.8% as at 30th September, 2013. As a result, the Group recorded a net loss on the above net change in interest in ITC Properties of approximately HK$90 million.

ITC Properties recorded a profit of HK$97 million attributable to its shareholders for the six months ended 30th September, 2013. The decrease in profit as compared with HK$405 million for last corresponding period in 2012 was mainly attributable to the absence of substantial gain on disposal of its partial interest in Sun Valley Golf Resort in Sanya, Mainland China. As a result, the Group shared a profit of HK$42 million from ITC Properties for the interim period.

PYI Corporation Limited ("PYI")

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

The Group's interest in PYI remained at 26.8% throughout the period under review. PYI recorded a profit attributable to shareholders of HK$69 million for the six months ended 30th September, 2013, as compared with HK$81 million for the corresponding period in 2012. The decrease was mainly attributable to (a) the absence of interest income from deferred consideration receivable from disposal of 50.1% interest in Yangkou Port Co which was early received in December 2012; and (b) an one-off loss on disposal of a non-core 45% joint venture for a possible property redevelopment project in an old residential area of Yichang City. As a result, the profit contributed by PYI decreased from HK$22 million to HK$18 million.

Rosedale Hotel Holdings Limited ("Rosedale")

Rosedale is principally engaged in the business of hotel operation in Mainland China and Hong Kong and also trading of securities. Rosedale is managing 4-star rated hotels in Mainland China and Hong Kong, namely Rosedale Hotel Kowloon, Rosedale on the Park, Rosedale Hotel & Suites, Beijing, Rosedale Hotel & Suites, Guangzhou, Times Plaza Hotel, Shenyang and Luoyang Golden Gulf Hotel.

In June 2013, Rosedale announced a capital injection plan for Rosedale Hotel Beijing Co., Ltd. ("Rosedale Beijing") under which an investor conditionally agreed to make a capital contribution of US$68.8 million in cash. The investor shall pay a compensation amount estimated at approximately RMB530.2 million to Rosedale in consideration of waiving its pre-emption rights to make the capital contribution. According to the circular of Rosedale dated 26th July, 2013, upon completion of the capital injection, Rosedale's interest in Rosedale Beijing will be reduced from 88.7% to 17.7% and Rosedale expects to recognise a gain before taxation of HK$790 million, subject to adjustments. Based on the aforementioned gain to Rosedale and the Group's 29.7% interest in Rosedale as at the date of this announcement, the Group will share a profit of approximately HK$230 million.

The Group's interest in Rosedale remained at 29.7% throughout the period under review. For the six months ended 30th June, 2013, Rosedale recorded a loss of HK$162 million attributable to shareholders as compared with HK$111 million for the corresponding period in 2012. The loss was mainly attributable to recognition of impairment losses in respect of a hotel property in Mainland China and the increase in repair and maintenance expenses. With the loss recorded by Rosedale, the Group shared a loss of HK$48 million for the interim period.

Burcon NutraScience Corporation ("Burcon")

Burcon is a leader in developing functionally and nutritionally valuable plant-based proteins. Its shares are listed on the Toronto Stock Exchange, the NASDAQ Global Market and the Frankfurt Stock Exchange. 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.

Burcon's flagship protein technology, CLARISOY™, has been licensed to Archer-Daniels-Midland Company ("ADM"), a leader in the global food ingredient industry listed in the U.S., since March 2011. Under the license agreement, Burcon will earn a royalty based on a percentage of net revenue from sales of CLARISOY™ by ADM. In December 2012, ADM notified Burcon of the first commercial sale of CLARISOY™. In May 2013, CLARISOY™ earned the 2013 Food Innovation Award from the Canadian Institute of Food Science and Technology. ADM also introduced CLARISOY™ 120, a powdered version that may be used in acidic beverages.

In June 2013, Burcon completed the building of a semi-works production facility to produce Peazazz® pea protein. The new plant utilises commercial-scale equipment and will be capable of producing large quantities of Peazazz® required for market development activities. In August 2013, the aforesaid plant became fully commissioned and operational, marking a significant advancement in the commercialisation of Peazazz®.

The Group's interest in Burcon remained at 20.8% during the interim period.

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

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

Name of investee company	Place of listing	Stock code	Effective interest As at 30.9.2013	Effective interest As at the date of this announcement
ITC Properties	Hong Kong Stock Exchange	199	33.0%	30.9%
PYI	Hong Kong Stock Exchange	498	26.8%	26.8%
Rosedale	Hong Kong Stock Exchange	1189	29.7%	29.7%
Burcon	Toronto Stock Exchange NASDAQ Global Market Frankfurt Stock Exchange	BU BUR WKN 157793	20.8%	20.8%
Louis XIII	Hong Kong Stock Exchange	577	6.6% *(Note)*	5.5% *(Note)*

Note: The Group's effective interest in Louis XIII Holdings Limited ("Louis XIII") is held through ITC Properties and PYI.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2013, the Group's total assets and equity attributable to shareholders were HK$2,934 million and HK$2,817 million respectively, representing a respective decrease of 3% and 1% as compared with the last audited date, which was mainly due to the recognition of net loss from the net change in interest in an associate during the period.

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.

During the interim period, the Group invested an aggregate of HK$97 million in acquiring the ITCP Notes in the principal amount of HK$43.85 million and 12.7 million shares of ITC Properties. As a result, the Group's current assets were reduced to HK$64 million as at 30th September, 2013, decreased by 49% as compared with the last audited date. During the interim period, the holders of the convertible notes of the Company (the "Convertible Notes") continued to demonstrate their confidence in the Group by converting all of the outstanding Convertible Notes in the principal amount of HK$99 million into approximately 330 million shares of the Company at the conversion price of HK$0.30 per share, therefore the Group's current liabilities were reduced to HK$116 million, decreased by 27% as compared with the last audited date. Accordingly, the Group's current ratio was 0.6 as at the interim period end date (31st March, 2013: 0.8).

GEARING

As at 30th September, 2013, the Group had bank deposits, bank balances and cash of HK$49 million, bank borrowings of HK$52 million and margin account payable of HK$20 million. All bank borrowings and margin account payable were either repayable within one year or on demand and were at floating interest rates.

As a result of the conversion of the Convertible Notes, the Group's gearing ratio improved to 0.8% as at 30th September, 2013 (31st March, 2013: 3.8%). The gearing ratio was calculated on the basis of net borrowings of HK$23 million over the equity attributable to shareholders of HK$2,817 million. Net borrowings is arrived at by deducting bank deposits, bank balances and cash from the aggregate of borrowings and margin account payable.

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 exchange hedging instruments are used.

PLEDGE OF ASSETS

As at 30th September, 2013, certain assets of the Group with carrying value of HK$582 million were pledged to financial institutions for credit facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30th September, 2013, the Group had no contingent liabilities, except that upon the disposal of subsidiaries in 2011, the Group had given an indemnity relating to unrecorded taxation liabilities, if any, and the affairs and business of the subsidiaries up to the date of disposal to the purchaser.

EMPLOYEE AND REMUNERATION POLICY

As at 30th September, 2013, the Group had a total of 63 employees. It is the Group's remuneration policy that the employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme of the Company is established for the eligible participants (including employees) but no share options were granted during the period and there is no outstanding share option as at 30th September, 2013 and as at the date of this announcement.

EVENT AFTER THE INTERIM PERIOD

Rosedale

In November 2013, Rosedale announced that its wholly-owned subsidiary has entered into an agreement to dispose of its 60% equity interest, including the corresponding shareholder's loan, in the hotel property known as Rosedale Hotel Kowloon. Upon completion, Rosedale is expected to recognise a gain of approximately HK$456 million, subject to adjustments. Based on the aforementioned gain to Rosedale and the Group's 29.7% interest in Rosedale as at the date of this announcement, the Group will share a profit of approximately HK$130 million. The completion of the aforesaid disposal is subject to fulfillment or waiver of certain conditions on or before 5th March, 2014.

OUTLOOK

In view of the precarious state of the global economy, mainly driven by slow economic recovery and the uncertain timing of tapering US quantitative measures, the outlook is expected to remain uncertain. The Group's strategic framework will continue to keep the Group well-poised for opportunities as well as meeting the challenges ahead. The diversified business activities of the Group's strategic investments would help to reduce the Group's reliance on a particular sector.

Looking forward, the Board remains cautiously optimistic about the long-term prospects of the Group, and the Group will pursue investment opportunities in a prudent but proactive approach in order to bring long-term value to its shareholders.

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

During the six months ended 30th September, 2013, 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 upon conversion of Convertible Notes and under scrip dividend scheme for final dividend for the year ended 31st March, 2013, the number of issued shares of the Company of HK$0.01 each is 1,270,229,989 as at the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended 30th September, 2013, complied with the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code for the six months ended 30th September, 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

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

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

Hong Kong, 29th November, 2013

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, *GBS, JP*