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ITC CORPORATION LIMITED

德祥企業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 372)

(Financial figures in this announcement are expressed in Hong Kong dollars (“\$”) unless otherwise specified)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2016

FINANCIAL HIGHLIGHTS			
	31.3.2016	31.3.2015	Change
Profit attributable to shareholders	\$436 million	\$240 million	+82%
Basic EPS	27.70 cents	18.09 cents	+53%
Dividend per share			
– Interim	2 cents	1 cent	+100%
– Final	3 cents	4 cents	-25%
– Special	–	3 cents	-100%
	<hr/>	<hr/>	
– Total	5 cents	8 cents	-38%
	<hr/> <hr/>	<hr/> <hr/>	
NAV	\$3,534 million	\$3,108 million	+14%
NAV per share	\$2.12	\$2.17	-2%

* For identification purpose only

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, 2016.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2016

	Notes	2016 \$'000	2015 \$'000
Revenue	3	15,027	9,099
Management and other related service income		3,417	3,418
Interest income		9,667	4,336
Property rental income		926	1,031
Other income		4,866	912
Net loss on equity investments		(5,106)	–
Gain on change in fair value of investment property		3,327	319
Administrative expenses		(57,578)	(53,192)
Finance costs		(194)	(486)
Net loss on net decrease in interests in associates		(3,730)	(6,347)
Share of results of associates			
– share of results		390,271	263,113
– gain on acquisitions of additional interests in associates		90,468	27,424
Profit before taxation	4	436,334	240,528
Taxation	5	(416)	(40)
Profit for the year		435,918	240,488

	<i>Note</i>	2016 \$'000	2015 \$'000
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(528)	(3,335)
Share of other comprehensive expenses of associates		(49,209)	(10,410)
Reclassification adjustment on reserves released on net decrease in interests in associates		57	9,014
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings		539	140
Share of other comprehensive expenses of associates		(49,949)	(144,598)
Deferred tax arising on revaluation of land and buildings		(67)	(17)
Other comprehensive expenses for the year		(99,157)	(149,206)
Total comprehensive income for the year		336,761	91,282
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	7		
Basic		27.70	18.09
Diluted		N/A	N/A

Consolidated Statement of Financial Position

As at 31st March, 2016

	<i>Notes</i>	2016 \$'000	2015 \$'000
Non-current assets			
Property, plant and equipment		7,229	5,860
Investment property		21,966	18,759
Intangible assets		1,120	1,189
Interests in associates		3,054,405	2,642,274
Equity investments		40,600	–
		<u>3,125,320</u>	<u>2,668,082</u>
Current assets			
Debtors, deposits and prepayments	8	266,264	16,112
Amounts due from associates		1,691	2,712
Loans receivable		110,000	–
Promissory note receivable		–	300,000
Equity investments		50,830	–
Short-term bank deposits, bank balances and cash		51,886	138,691
		<u>480,671</u>	<u>457,515</u>
Current liabilities			
Creditors and accrued expenses	9	8,483	6,821
Bank overdrafts		61,918	9,997
		<u>70,401</u>	<u>16,818</u>
Net current assets		<u>410,270</u>	<u>440,697</u>
Total assets less current liabilities		<u>3,535,590</u>	<u>3,108,779</u>
Non-current liability			
Deferred tax liabilities		1,727	1,244
Net assets		<u><u>3,533,863</u></u>	<u><u>3,107,535</u></u>
Capital and reserves			
Share capital		16,677	14,338
Share premium and reserves		3,517,186	3,093,197
Total equity		<u><u>3,533,863</u></u>	<u><u>3,107,535</u></u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (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, for the first time, the following new amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 - 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 - 2013 Cycle

The application of the new amendments to HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

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	–	investments including convertible notes issued by the associates and other long-term equity investments
Other investment	–	investment in other financial assets and trading of securities
Others	–	leasing of investment property, leasing of motor vehicles and management services

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

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

For the year ended 31st March, 2016

	Finance	Long-term	Other	Others	Segment	Eliminations	Consolidated
	\$'000	investment	investment	\$'000	total	\$'000	\$'000
		\$'000	\$'000	\$'000	\$'000		
SEGMENT REVENUE							
External sales	9,485	-	693	4,849	15,027	-	15,027
Inter-segment sales	3,979	-	-	-	3,979	(3,979)	-
	<u>13,464</u>	<u>-</u>	<u>693</u>	<u>4,849</u>	<u>19,006</u>	<u>(3,979)</u>	<u>15,027</u>
Total	<u>13,464</u>	<u>-</u>	<u>693</u>	<u>4,849</u>	<u>19,006</u>	<u>(3,979)</u>	<u>15,027</u>
RESULT							
Segment result	<u>13,266</u>	<u>4,730</u>	<u>(9,983)</u>	<u>4,037</u>	<u>12,050</u>	<u>-</u>	<u>12,050</u>
Central administration costs							(52,531)
Finance costs							(194)
Net loss on net decrease in interest in an associate							(3,730)
Share of results of associates							390,271
- share of results							390,271
- gain on acquisitions of additional interests in associates							90,468
Profit before taxation							<u>436,334</u>

For the year ended 31st March, 2015

	Finance \$'000	Long-term investment \$'000	Others \$'000	Segment total \$'000	Eliminations \$'000	Consolidated \$'000
SEGMENT REVENUE						
External sales	4,110	–	4,989	9,099	–	9,099
Inter-segment sales	3,720	–	–	3,720	(3,720)	–
	<u>7,830</u>	<u>–</u>	<u>4,989</u>	<u>12,819</u>	<u>(3,720)</u>	<u>9,099</u>
RESULT						
Segment result	<u>7,583</u>	<u>(86)</u>	<u>218</u>	<u>7,715</u>	<u>–</u>	7,715
Central administration costs						(50,891)
Finance costs						(486)
Net loss on net decrease in interests in associates						(6,347)
Share of results of associates						263,113
– share of results						
– gain on acquisitions of additional interest in an associate						27,424
Profit before taxation						<u>240,528</u>

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

Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, finance costs and items related to interests in associates. During the year ended 31st March, 2015, there was no activity in the other investment segment.

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.

	2016 \$'000	2015 \$'000
Hong Kong	10,677	4,637
Canada	4,350	4,462
	<u>15,027</u>	<u>9,099</u>

4. PROFIT BEFORE TAXATION

	2016 \$'000	2015 \$'000
Profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	1,277	1,070
Amortisation of intangible assets	69	146
Loss on disposal of intangible assets	–	306
Minimum lease payments under operating leases in respect of rented premises	3,144	3,264
and after crediting:		
Gain on disposals of property, plant and equipment	<u>525</u>	<u>270</u>

5. 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.

6. DISTRIBUTIONS

	2016 \$'000	2015 \$'000
Dividends recognised as distributions to owners of the Company during the year:		
– Final dividend for 2015 – HK4.0 cents (2015: HK3.0 cents for 2014) per share	62,151	38,107
– Special dividend for 2016 – Nil (2015: HK3.0 cents for 2015 and HK3.0 cents for 2014) per share	–	79,119
– Interim dividend for 2016 – HK2.0 cents (2015: HK1.0 cent for 2015) per share	32,541	13,671
	<u>94,692</u>	<u>130,897</u>

	2016	2015
	\$'000	\$'000
Dividends in form of:		
– Cash	19,633	34,400
– Scrip dividend	75,059	96,497
	94,692	130,897
Dividends proposed in respect of the current year:		
– Final dividend for 2016 – HK3.0 cents (2015: HK4.0 cents) per share	50,030	62,151

The directors of the Company have resolved to recommend the payment of a final dividend of HK3.0 cents per share (2015: a final dividend of HK4.0 cents per share) for the year ended 31st March, 2016, which will be payable in cash, with an option to elect scrip dividend of shares, in respect of part or all of such dividends.

7. EARNINGS PER SHARE

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

	2016	2015
	\$'000	\$'000
Earnings for the year attributable to the owners of the Company for the purpose of basic earnings per share	435,918	240,488
	Number of shares	
	2016	2015
Weighted average number of shares for the purpose of basic earnings per share	1,573,876,138	1,329,071,979

No diluted earnings per share has been presented for the years ended 31st March, 2016 and 2015 as the Company did not have any dilutive potential ordinary shares outstanding during both years.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of \$3,319,000 (2015: \$4,525,000) and refundable earnest money of C\$40,500,000 (equivalent to approximately \$242,000,000) (2015: Nil).

The aged analysis of trade debtors based on the invoice date at the end of the reporting period is as follows:

	2016	2015
	\$'000	\$'000
Trade debtors		
0 – 30 days	2,412	4,524
31 – 60 days	–	1
Over 90 days	907	–
	<hr/>	<hr/>
	3,319	4,525
	<hr/> <hr/>	<hr/> <hr/>

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 is no credit terms granted by the Group.

The refundable earnest money of C\$40,500,000 (equivalent to approximately \$242,000,000) (2015: Nil) paid by the Company for entering into a memorandum of understanding with an independent third party in October 2015 (the “MOU”) in order to facilitate a continued exclusive negotiation in respect of a possible acquisition of 25% to 33% indirect interest in a reputable hotel located in Vancouver, British Columbia, Canada. The expiry date of the MOU was subsequently extended to 31st May, 2016. On 31st May, 2016, the MOU was terminated and the earnest money was refunded to the Company accordingly.

9. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses were trade creditors of \$1,029,000 (2015: \$416,000) and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	2016	2015
	\$'000	\$'000
Trade creditors		
0 – 30 days	1,019	403
31 – 60 days	10	13
	<hr/>	<hr/>
	1,029	416
	<hr/> <hr/>	<hr/> <hr/>

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK3.0 cents per share (2015: HK4.0 cents per share) for the year ended 31st March, 2016 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, 24th August, 2016. The proposed final dividend is expected to be paid to the shareholders of the Company by post on or about Thursday, 6th October, 2016 following approval at the forthcoming annual general meeting of the Company. The proposed final dividend is conditional upon the passing of ordinary resolution(s) to approve the 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 shares, in respect of part or all of such dividend. The market value of the shares to be issued under the scrip dividend proposal will be fixed by reference to the average of the closing prices of the shares of the Company for the three consecutive trading days ending 24th August, 2016 less a discount of 5 percent of such average price or par value of 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 shares to be issued and the passing at the forthcoming annual general meeting of the Company of ordinary resolution(s) 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 Tuesday, 23rd August, 2016 to Wednesday, 24th August, 2016, 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 certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Monday, 22nd August, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

The Group reported a profit of \$436 million attributable to shareholders (2015: \$240 million) and basic earnings per share of HK27.70 cents (2015: HK18.09 cents) for the year ended 31st March, 2016. The increase in results compared with last year was mainly attributable to the increase in contribution from ITC Properties Group Limited (“ITC Properties”) and gain on acquisitions of additional interests in ITC Properties and PYI Corporation Limited (“PYI”).

Analysis of the Group’s performance is as follows:

	2016	2015
	\$’M	\$’M
Share of results of associates:		
ITC Properties	480	253
PYI	(82)	23
Burcon	(8)	(13)
	390	263
Net loss on net decrease in interests in associates	(4)	(6)
Gain on acquisitions of additional interests in associates	90	27
Net loss on other investments and operations	(40)	(44)
	436	240

Listed Strategic Investments

ITC Properties Group Limited (“ITC Properties”)

ITC Properties and its subsidiaries (the “ITC Properties Group”) is principally engaged in property development and investment in Macau, the People’s Republic of China (the “PRC”), Hong Kong and Canada. The ITC Properties Group is also engaged in the development, investment and operation of hotels and leisure business in the PRC and Hong Kong, securities investments and the provision of loan financing services.

In order to benefit from the continual return from ITC Properties, the Group elected scrip shares for the final dividend of ITC Properties for the year ended 31st March, 2015 and for the interim dividend for the interim ended 30th September, 2015. Furthermore, the Group acquired on-market approximately 6 million shares of ITC Properties during the year at an aggregate cash consideration of approximately \$18.2 million. As a result of the above, the Group’s interest in ITC Properties increased from 32.6% as at 31st March, 2015 to 33.6% as at 31st March, 2016. Accordingly, the Group recorded a gain of approximately \$27 million on the above increase in interest in ITC Properties.

ITC Properties recorded a profit of \$1,460 million attributable to its shareholders for the year ended 31st March, 2016. The increase in profit as compared with \$804 million for last year was mainly attributable to a considerable increase in share of profits from an associate, Empresa De Fomento Industrial E Comercial Concórdia, S.A., in which ITC Properties has 35.5% effective interest. As a result, the Group shared a profit of \$480 million from ITC Properties for the current year.

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 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.

During the year, the Group acquired on-market approximately 78 million shares of PYI, at an aggregate cash consideration of approximately \$13.6 million. As a result of the acquisition, the Group’s interest in PYI increased from 26.8% as at 31st March, 2015 to 28.5% as at 31st March, 2016. Accordingly, the Group recorded a gain of approximately \$63 million for the increase in interest in PYI.

PYI recorded a loss attributable to shareholders of \$298 million for the year ended 31st March, 2016, as compared with a profit of \$86 million for the year ended 31st March, 2015. The loss was mainly attributable to (a) a provision made for certain stock of properties under development situated at Xiao Yangkou of Rudong County, Nantong City, Jiangsu Province, the PRC; (b) the recognition of loss on fair value changes of investment properties situated mainly at Xiao Yangkou and Nantong City; and (c) an unrealised exchange loss arising from Renminbi denominated monetary assets. As a result, the Group shared a loss of \$82 million from PYI for the year.

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™, a soy protein which offers clarity and complete nutrition for low pH systems; Peazazz® pea protein which is uniquely soluble with clean flavor characteristics; and Puratein®, Supertein® and Nutratein®, three canola protein isolates with unique functional and nutritional attributes.

Burcon’s flagship protein technology, CLARISOY™, has been licensed to Archer-Daniels-Midland Company (“ADM”), a leader in the global food ingredient industry listed in the U.S., since March 2011. In July 2015, ADM demonstrated three products containing variations of CLARISOY™ at the 2015 Institute of Food Technologist Annual Meeting & Food Expo. Burcon expects ADM’s full-scale commercial CLARISOY™ production facility to be operational by mid-2016. Burcon is also making progress on its second major protein technology, Peazazz® pea protein, and is in discussions with potential commercialisation partners.

In April 2015, Burcon completed its rights offering for approximately 1.55 million common shares at C\$2.26 per share for aggregate gross proceeds of C\$3.5 million. The Group has applied additional subscription and totally subscribed for approximately 0.4 million common shares under the rights offering and so the Group’s interest in Burcon increased from 20.4% to 20.6% after the rights offering. As compensation to the Group’s commitment to subscribe, the Group received non-transferable warrants entitling the Group to acquire up to approximately 0.2 million common shares of Burcon at an exercise price of C\$2.26 per share.

In March 2016, the Group exercised certain share warrants to acquire approximately 0.1 million shares for a total consideration of approximately C\$0.3 million and the Group’s interest in Burcon increased from 20.6% to 20.8% accordingly.

For the year ended 31st March, 2016, the Group shared a loss of \$8 million.

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	Interest held	
			As at 31st March, 2016	As at the date of this announcement
ITC Properties	Hong Kong Stock Exchange	199	33.6%	33.7%
PYI	Hong Kong Stock Exchange	498	28.5%	28.5%
Burcon	Toronto Stock Exchange NASDAQ Global Market Frankfurt Stock Exchange	BU BUR BNE	20.8%	20.8%

MANDATORY UNCONDITIONAL CASH OFFER

In April 2015, Dr. Chan Kwok Keung, Charles (“Dr. Chan”), an executive director and the chairman of the Board, acquired a total of approximately 230 million shares of the Company for an aggregate consideration of approximately \$168 million. As such, Dr. Chan’s shareholding in the Company increased from 38.2% to 54.2%. As a result of the aforesaid share acquisition, Galaxyway Investments Limited (“Galaxyway”), a company indirectly wholly-owned by Dr. Chan, made a mandatory unconditional cash offer for all the shares in the issued share capital of the Company (other than those already owned or agreed to be acquired by Galaxyway and its concert parties) (the “Offer”) at \$0.73 per share. The Offer was closed in early June 2015 and had received valid acceptance of approximately 0.3 million shares under the Offer. As such, Dr. Chan, directly and indirectly owned approximately 778 million shares of the Company, and his shareholding was 54.2% upon the close of the Offer.

LIQUIDITY AND FINANCIAL RESOURCES

In June 2015, the Company completed a placement, through a placing agent, of 120 million new shares of the Company at a price of \$0.88 per share to not less than six independent third parties and net proceeds of approximately \$102.8 million (the net placing price was approximately \$0.857 per share) were raised. The placing price of \$0.88 per share represents a discount of approximately 18.5% to the closing price of \$1.08 per share as at 3rd June, 2015, the date of the placing agreement. The net proceeds have been fully utilised as to \$33.8 million for the acquisition of additional interests in associates and as to \$69 million for the Group’s general working capital which included purchase of trading securities, loan financing services and administrative expenses. Such fund raising activity has enlarged the shareholder base and capital base of the Company, and has strengthened the financial position of the Group.

As at 31st March, 2016, the Group’s total assets of \$3,606 million and equity attributable to shareholders of \$3,534 million represent an increase of 15% and 14% as compared with the last year respectively.

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, 2016, current assets and current liabilities of the Group were \$481 million and \$70 million respectively. Accordingly, the Group’s current ratio was 7 (2015: 27).

GEARING

As at 31st March, 2016, the Group had bank deposits, bank balances and cash of \$52 million and bank borrowings of \$62 million. All bank borrowings were denominated in Hong Kong dollars, either repayable within one year or on demand and at floating interest rates.

The Group’s gearing ratio was 0.3% as at 31st March, 2016, as compared with zero as at 31st March 2015. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to shareholders. Net borrowings is arrived at by deducting bank deposits, bank balances and cash from borrowings.

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.

CONTINGENT LIABILITIES

As at 31st March, 2016, the Group had no contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31st March, 2016, the Group had a total of 60 employees. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the year and there is no outstanding share option as at 31st March, 2016 and as at the date of this announcement.

EVENTS AFTER THE YEAR ENDED 31ST MARCH, 2016

In April 2016, the Group entered into a convertible note agreement to subscribe for Burcon's 3-year 8% convertible note (the "Note") with principal amount of C\$2.0 million. The Note was issued in May 2016 and can be converted at C\$4.01 per share (subject to adjustments) from 1st July, 2016 upto its maturity date.

The Company entered into a memorandum of understanding with an independent third party in October 2015 (the "MOU") in respect of a possible acquisition of 25% to 33% indirect interest in a reputable hotel located in Vancouver, British Columbia, Canada, the expiry date of which was extended to 29th April, 2016. In April 2016, the Company entered into a second supplemental memorandum of understanding to further extend the expiry date of the MOU to 31st May, 2016. On 31st May, 2016, the Company entered into a termination agreement to terminate the MOU and the earnest money was refunded to the Company accordingly.

OUTLOOK

The global economy is continued to be volatile and is expected to remain challenging. The Hong Kong's economy would inevitably be affected by the slowdown of growth in China and the depreciation in Renminbi. The recovery of the European economy may be affected by various unstable geopolitical factors, including the impact of Brexit after the EU referendum, the threat of terror attack and refugee issues. Furthermore, with signs of recovery in the United States, the Federal Reserve may raise interest rates in the coming future. All of the above may create ripple effects on the market.

Against the current economic backdrop, our Group remains cautious with our business outlook. Nevertheless, the Group is attentive and stayed alert to identify and capture any suitable investment opportunities that may arise in the market.

Looking forward, the Group will continue to adhere to its long-term strategy of exploring investment opportunities with growth potential in a prudent yet proactive approach. Accordingly, we will strive to maintain a diversified investment portfolio and to maximise our value to shareholders.

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

During the year ended 31st March, 2016, 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 120 million new shares of the Company issued in June 2015 and the issue of shares under the scrip dividend schemes for final dividend for the year ended 31st March, 2015 and for interim dividend for the period ended 30th September, 2015, the total number of issued shares of the Company of \$0.01 each was 1,667,654,793 as at 31st March, 2016.

CORPORATE GOVERNANCE CODE

The Company has, throughout the year ended 31st March, 2016, 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 year ended 31st March, 2016.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2016 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March, 2016 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 “Investor Relations”. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting of the Company will be held on Wednesday, 17th August, 2016. Notice of the 2016 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, 27th June, 2016

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*