ITC

ITC CORPORATION LIMITED

(德祥企業集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2012

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, 2012, together with comparative figures for the corresponding period 2011. The interim results for the six months ended 30th September, 2012 are not audited, but have been reviewed by the auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and the Audit Committee of the Company.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th September, 2012

		(Unaudited) Six months ended	
	Notes	**30.9.2012** *HK$'000*	30.9.2011 *HK$'000* (Restated)
Revenue	3	**8,860**	8,945
Management and other related service income		**1,852**	2,179
Net gain on financial instruments	4	**447**	24,823
Interest income		**6,315**	4,372
Property rental income		**536**	2,151
Other income		**723**	2,095
Gain on changes in fair values of investment properties		**–**	2,000
Administrative expenses		**(22,540)**	(25,415)
Finance costs		**(7,133)**	(11,158)
Net (loss) gain on deemed disposal of partial interests in associates		**(3,100)**	1,490
Share of results of associates			
– share of results		**152,638**	42,561
– gain on acquisitions of additional interests in associates		**32,403**	14,633
Profit for the period	6	**162,141**	59,731

Condensed Consolidated Statement of Comprehensive Income (Continued)
For the six months ended 30th September, 2012

	Note	(Unaudited) Six months ended 30.9.2012 HK$'000	30.9.2011 HK$'000 (Restated)
Other comprehensive income (expenses):			
Exchange differences arising on translation of foreign operations		**477**	(1,381)
Share of other comprehensive expenses of associates		**(6,873)**	(25,540)
Gain on revaluation of land and buildings		**–**	9,120
Deferred tax arising on revaluation of land and buildings		**–**	(1,505)
Reclassification adjustment:			
– reserves released on deemed disposal of partial interests in an associate		**(54)**	–
Other comprehensive expenses for the period		**(6,450)**	(19,306)
Total comprehensive income for the period		**155,691**	40,425
		HK cents	*HK cents*
Earnings per share	8		
Basic		**20.79**	7.69
Diluted		**10.04**	5.31

Condensed Consolidated Statement of Financial Position
At 30th September, 2012

	Notes	(Unaudited) 30.9.2012 HK$'000	(Audited) 31.3.2012 HK$'000 (Restated)
Non-current assets			
Property, plant and equipment		**9,661**	11,606
Investment properties		**22,616**	22,303
Intangible assets		**1,917**	1,649
Interests in associates		**2,699,133**	2,518,690
Debt portion of convertible notes		**49,745**	61,102
Conversion options embedded in convertible notes		**9,379**	11,421
Note receivable from an associate		**50,000**	100,000
		2,842,451	2,726,771
Current assets			
Inventories		**31**	32
Debtors, deposits and prepayments	9	**2,343**	1,844
Amounts due from associates		**14,346**	6,796
Loans receivable		**28,000**	10,000
Short-term bank deposits, bank balances and cash		**34,148**	48,440
		78,868	67,112
Current liabilities			
Creditors and accrued expenses	10	**8,506**	11,554
Amount due to an associate		**31**	–
Bank overdrafts		**32,843**	36,756
		41,380	48,310
Net current assets		**37,488**	18,802
Total assets less current liabilities		**2,879,939**	2,745,573
Non-current liabilities			
Convertible notes payable		**132,902**	131,299
Deferred tax liabilities		**1,014**	1,014
		133,916	132,313
Net assets		**2,746,023**	2,613,260
Capital and reserves			
Share capital		**7,876**	7,770
Share premium and reserves		**2,738,147**	2,605,490
Total equity		**2,746,023**	2,613,260

Condensed Consolidated Statement of Cash Flows
For the six months ended 30th September, 2012

	(Unaudited) Six months ended	
	30.9.2012	30.9.2011
	HK$'000	*HK$'000*
Net cash used in operating activities	**(20,678)**	(3,004)
Net cash from investing activities	**35,670**	58,052
Net cash used in financing activities	**(25,488)**	(11,440)
Net (decrease) increase in cash and cash equivalents	**(10,496)**	43,608
Cash and cash equivalents at beginning of the period	**11,684**	(33,820)
Effect of foreign exchange rate changes	**117**	209
Cash and cash equivalents at end of the period	**1,305**	9,997
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	**34,148**	76,672
Bank overdrafts	**(32,843)**	(66,675)
	1,305	9,997

Notes:

1. **BASIS OF PREPARATION**

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

2. **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical 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, 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

Except as described below, the application of the amendments to HKFRSs in the current interim period has no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

Under the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets", 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 Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodies in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, no deferred taxes on changes in fair value for the Group's then investment properties located in Hong Kong, which were disposed of during the year ended 31st March, 2012 was recognised as the Group is not subject to any income taxes on the disposal of its investment properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use. The application of the amendments has resulted in the Group's tax charge for the six months ended 30th September, 2011 being decreased by HK$330,000.

The amendments to HKAS 12 have been applied retrospectively for the Group and its associates. Accordingly, prior period adjustments were made on the Group's interests in associates and share of results of the Group's associates in previous years. Comparative figures were restated accordingly. The application of the amendments has resulted in the Group's share of results of associates for the six months ended 30th September, 2012 and 30th September, 2011 being increased by HK$1,565,000 and HK$2,332,000, respectively, and hence resulted in the profit for the six months ended 30th September, 2012 and 30th September, 2011 being increased by HK$1,565,000 and HK$2,332,000, respectively.

Summary of the effect of the above change in accounting policy

The effect of the change in accounting policy described above on the results for the current and preceding interim periods by line items presented in the condensed consolidated statement of comprehensive income is as follows:

	Six months ended	
	30.9.2012	30.9.2011
	HK$'000	*HK$'000*
Increase in share of results of associates	**1,565**	2,332
Decrease in taxation	**–**	330
Increase in profit for the period	**1,565**	2,662

The effect of the change in accounting policy described above on the financial positions of the Group as at 31st March, 2012 is as follows:

	As at 31.3.2012 (originally stated)	Adjustments	As at 31.3.2012 (restated)
	HK$'000	*HK$'000*	*HK$'000*
Interest in associates, total effect on net assets	2,506,835	11,855	2,518,690
Accumulated profits, total effect on equity	1,645,549	11,855	1,657,404

The effect of the change in accounting policy described above on the financial positions of the Group as at 1st April, 2011 is as follows:

	As at 1.4.2011 (originally stated) *HK$'000*	Adjustments *HK$'000*	As at 1.4.2011 (restated) *HK$'000*
Interests in associates	2,022,646	4,654	2,027,300
Deferred tax liabilities	(38,457)	3,211	(35,246)
Total effect on net assets	1,984,189	7,865	1,992,054
Accumulated profits, total effect on equity	1,049,047	7,865	1,056,912

Impact on basic earnings per share

	Six months ended	
	30.9.2012	30.9.2011
	HK cents	*HK cents*
Basic earnings per share before adjustments	**20.59**	7.34
Adjustments arising from change in accounting policy in relation to the application of amendments to HKAS 12 in respect of deferred taxes on investment properties	**0.20**	0.35
Reporting basic earnings per share	**20.79**	7.69

Impact on diluted earnings per share

	Six months ended	
	30.9.2012	30.9.2011
	HK cents	*HK cents*
Diluted earnings per share before adjustments	**9.91**	5.10
Adjustments arising from change in accounting policy in relation to the application of amendments to HKAS 12 in respect of deferred taxes on investment properties	**0.13**	0.21
Reporting diluted earnings per share	**10.04**	5.31

3. REVENUE AND SEGMENT INFORMATION

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

Segment information

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

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

Information regarding the above segments, 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, 2012:

	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*
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	**(6,548)**	**3,603**	**–**	**(775)**	**(3,720)**	**–**	**(3,720)**
Central administration costs							**(8,947)**
Finance costs							**(7,133)**
Net loss on deemed disposal of partial interests in associates							**(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**

Six months ended 30th September, 2011 (restated):

	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*
SEGMENT REVENUE							
External sales	472	3,797	156	4,520	8,945	–	8,945
Inter-segment sales	4,565	–	–	1,510	6,075	(6,075)	–
Total	5,037	3,797	156	6,030	15,020	(6,075)	8,945
RESULT							
Segment result	(11,258)	12,276	(3,538)	4,615	2,095	–	2,095
Central administration costs							(6,049)
Finance costs							(11,158)
Net gain on deemed disposal of partial interests in associates							1,490
Gain on convertible notes payable							16,159
Share of results of associates							
– share of results							42,561
– gain on acquisitions of additional interests in associates							14,633
Profit for the period							59,731

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 convertible notes payable and items related to interest in associates.

4. NET GAIN ON FINANCIAL INSTRUMENTS

	Six months ended	
	30.9.2012	30.9.2011
	HK$'000	*HK$'000*
Dividend income on available-for-sale investments	**–**	134
Gain on convertible notes payable	**–**	16,159
Net gain (loss) on:		
– Repurchase of convertible notes receivable	**–**	13,704
– Conversion options embedded in convertible notes	**447**	(5,196)
– Investments held for trading	**–**	22
	447	24,823

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. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2012	30.9.2011
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**3,064**	6,664
Share of taxation of associates (included in share of results of associates)	**56,783**	38,378

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, 2012 (six months ended 30th September, 2011: HK1.0 cent per share in respect of the year ended 31st March, 2011) 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$23,511,000 representing cash dividend of HK$21,755,000 and scrip dividend of HK$1,756,000 (six months ended 30th September, 2011: cash dividend of HK$7,770,000).

Subsequent to the end of the interim period, the directors have determined that an interim dividend of HK1.0 cent per share, being HK$7,876,000 in total with reference to the issued shares as at the date of this announcement (six months ended 30th September, 2011: interim dividend of HK1.0 cent per share, total being HK$7,700,000) will be paid to the shareholders of the Company whose names appear in the register of members of the Company at the close of business on 19th December, 2012.

8. EARNINGS PER SHARE

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

	Six months ended	
	30.9.2012	30.9.2011
	HK$'000	*HK$'000*
		(Restated)
Earnings for the period attributable to the owners of the Company for the purpose of basic earnings per share	**162,141**	59,731
Effect of dilutive potential shares:		
Adjustment of finance cost on convertible notes payable	**7,032**	8,655
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)**	–
Earnings for the purpose of diluted earnings per share	**125,854**	68,386
	Number of shares	*Number of shares*
Weighted average number of shares for the purposes of basic earnings per share	**779,867,605**	777,028,676
Effect of dilutive potential shares of convertible notes payable	**473,934,426**	511,730,419
Weighted average number of shares for the purpose of diluted earnings per share	**1,253,802,031**	1,288,759,095

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$1,205,000 (31.3.2012: HK$850,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	(Unaudited)	(Audited)
	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
Trade debtors		
0 – 30 days	**1,196**	803
31 – 60 days	**8**	14
61 – 90 days	**1**	5
Over 90 days	**–**	28
	1,205	850

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

10. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of HK$3,557,000 (31.3.2012: HK$3,437,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	(Unaudited)	(Audited)
	30.9.2012	31.3.2012
	HK$'000	*HK$'000*
Trade creditors		
0 – 30 days	**3,544**	3,423
31 – 60 days	**13**	14
	3,557	3,437

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of HK1.0 cent per share (six months ended 30th September, 2011: 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 Wednesday, 19th December, 2012 and is expected to be paid to shareholders by post on or about Tuesday, 29th January, 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17th December, 2012 to Wednesday, 19th December, 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Friday, 14th December, 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

For the six months ended 30th September, 2012, the Group reported a profit of HK$162 million attributable to shareholders (2011: HK$60 million). The improvement in results compared with the last corresponding period was mainly due to the increase in contribution from ITC Properties. Basic earnings per share was accordingly HK20.79 cents (2011: HK7.69 cents).

Analysis of the Group's performance is as follows:

	Six months ended	
	30.9.2012	30.9.2011
	HK$'M	*HK$'M*
Share of results of associates:		
ITC Properties	**164**	(22)
PYI	**22**	89
Rosedale	**(33)**	(18)
Burcon	**–**	(6)
	153	43
Gain from changes in interests in associates	**29**	16
Net (loss) gain from other investments and operations	**(20)**	1
Profit attributable to shareholders	**162**	60

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

During the period, the Group converted HK$26.5 million convertible notes of ITC Properties ("ITCP Notes") into approximately 12 million shares. Coupling with others' conversion of their ITCP Notes, the Group's interest in ITC Properties increased from 37.9% to 39.3% and a net gain of HK$18 million was recognised. Since the Group also acquired HK$10.5 million ITCP Notes, the principal amount of the ITCP Notes held by the Group as at 30th September 2012 was HK$54.4 million, which can be converted into approximately 26 million shares at the prevailing conversion price of HK$2.102 per share.

ITC Properties recorded a profit of HK$405 million attributable to its shareholders for the six months ended 30th September, 2012 which marked a significant turn-around compared to a loss of HK$89 million for the same period last year. Such improvement was mainly attributable to a 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$164 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 interests in PYI increased slightly from 26.6% to 26.9% as at 30th September, 2012 when the Group acquired approximately 13 million shares on the open market during the interim period and recognised a gain of HK$11 million. PYI recorded a profit of HK$81 million attributable to its shareholders for the six months ended 30th September, 2012 as compared with HK$331 million for the corresponding period in 2011. The substantial decrease was mainly attributable to (a) the absence of any substantial gain on disposal of investment for current period as compared to a non-recurring substantial gain on disposal of 50.1% interest in Jiangsu Yangkou Port Development and Investment Co., Ltd. earned for the corresponding last period; (b) absence of substantial exchange gain arising from appreciation of Renminbi denominated monetary assets as compared with the corresponding period in 2011; and (c) the substantial decrease in sale of property stock with higher margin as compared with the corresponding period in 2011. As a result, the profit contributed by PYI decreased from HK$89 million to HK$22 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 a 4-star business hotel chain 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 addition, Rosedale is running a budget hotel chain under the brand name "Square Inn" in Mainland China.

The Group's interest in Rosedale remained at 29.7% throughout the period under review. For the six months ended 30th June, 2012, Rosedale recorded a loss of HK$111 million attributable to shareholders which was similar to the same period in 2011. In July 2012, Rosedale Hotel Kowloon commenced its soft opening and it is expected that both the bottom line and market share of Rosedale shall be strengthened in the coming years. With the loss recorded by Rosedale, the Group shared a loss of HK$33 million for the interim period.

Burcon NutraScience Corporation ("Burcon")

Burcon is a leader in nutrition, health and wellness in the field of functional, renewable plant 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. In June 2012, Burcon announced that ADM had opened its first commercial scale plant to make CLARISOY™ soy protein available for customers looking to purchase commercial-scale quantities. In October 2012, ADM earned the Best Beverage Ingredient Concept prize for CLARISOY™ 150, the first extension to the CLARISOY™ product line, at the 2012 InterBev Awards ceremony in Las Vegas.

For Peazazz™, Burcon announced that in August 2012, it has entered into a non-binding letter of intent with a commercial partner that details the intention to enter into a strategic partnership for commercial production, marketing and sale worldwide and with a phased approach to commercialization.

The Group's interest in Burcon decreased from 21.0% to 20.8% due to exercise of share options by other parties during the interim period.

(CLARISOY™ is under license to Burcon 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 period under review 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 30.9.2012	Effective interest As at the date of this announcement
ITC Properties	Hong Kong Stock Exchange	199	39.8%	39.8%
PYI	Hong Kong Stock Exchange	498	26.9%	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%
Paul Y. Engineering	Hong Kong Stock Exchange	577	16.9% *(Note)*	16.8% *(Note)*

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2012, the Group's total assets and equity attributable to shareholders were HK$2,921 million and HK$2,746 million respectively, representing an increase of 5% as compared with the last audited date, which was mainly attributable to increase in the Group's share of results of associates 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.

As at 30th September, 2012, current assets of the Group has increased from HK$67 million to HK$79 million and current liabilities of the Group has decreased from HK$48 million to HK$41 million respectively as compared with the last audited date. Accordingly, the Group's current ratio was 1.9 as at the interim period end date (31st March, 2012: 1.4), which had improved mainly due to the repayment of HK$50 million non-current note receivable from an associate.

GEARING

As at 30th September, 2012, the Group had bank deposits, bank balances and cash of HK$34 million, bank borrowings of HK$33 million and HK$133 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 30th September, 2012, the aggregate principal amount of the convertible notes that remained outstanding was HK$141 million and the conversion price was HK$0.30 per share.

The Group's gearing ratio was 4.8% as at 30th September, 2012 (31st March, 2012: 4.6%), calculated on the basis of net borrowings of HK$132 million over the equity attributable to shareholders of HK$2,746 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.

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, 2012, a property with carrying value of HK$26 million was pledged to a bank to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30th September, 2012, 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, 2012, the Group had a total of 61 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, 2012 and as at the date of this announcement.

EVENTS AFTER THE INTERIM PERIOD

PYI and Paul Y. Engineering

In November 2012, PYI and Paul Y. Engineering jointly announced that Paul Y. Engineering entered into certain agreements to pursue certain transactions including (i) acquisition of an exclusive power of attorney over a land situated on the Cotai Strip in Macau for development of a 5-star hotel with ancillary retail and entertainment facilities; (ii) placing and contingent placing of shares and convertible bonds; (iii) distribution in specie of a 49% interest in its existing business ("Existing Business") with a cash alternative; and (iv) special cash dividend of HK$0.26 per share with scrip alternative.

Upon completion of the transactions, Paul Y. Engineering and PYI will directly hold 51% and approximately 30% to 49% shareholding in the Existing Business respectively. PYI will also hold approximately 3% to 21% shareholding in Paul Y. Engineering. Subject to certain conditions, PYI estimated that there may be a deemed disposal gain of approximately HK$164 million whereupon the Group may benefit accordingly.

Burcon

In November 2012, Burcon issued approximately 1.4 million common shares at a price of 4.0 Canadian dollars per share and the net proceeds will be used for continued commercialisation of Peazazz™ pea protein, CLARISOY™ soy protein and for general working capital purposes. Since the Board is optimistic about the future prospects of Burcon, the Group subscribed for 300,000 Burcon common shares.

OUTLOOK

The global economic environment will remain challenging and uncertain in the year ahead amid the eurozone sovereign-debt crisis and the United States fiscal cliff. In the meantime, the launching of the new Quantitative Easing program by the U.S. Federal Reserve, coupled with other major central banks' further accommodating monetary policy measures, should help reducing the downside risks. Mainland economy, though slowing, should continue to outperform amid the global economic weakness.

The Group is well positioned to meet future challenges. The diversified business activities of the Group's strategic investments and their close ties with Mainland China, Hong Kong and Macau would help to balance the risk exposure of the Group.

Looking forward, the Board remains prudently optimistic about the long-term prospects of the Group and is committed to enhance the value of its strategic investments. The Group will pursue investment opportunities with growth potential in a prudent but proactive investment 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, 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

As a result of the issue of shares upon conversion of convertible notes of the Company and under scrip dividend scheme for final dividend for the year ended 31st March, 2012, the number of issued shares of the Company of HK$0.01 each is 787,600,104 as at the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended 30th September, 2012, 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, 2012.

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, 27th November, 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*