ITC CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 372)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

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, 2011, together with comparative figures for the previous year, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31st March, 2011

	Notes	**2011** **HK$'000**	2010 HK$'000 (Restated)
Turnover			
– gross proceeds	3	**54,455**	75,276
Revenue	3	**36,102**	59,014
Management and other related service income		**4,736**	4,363
Net gains and losses on financial instruments	4	**7,482**	37,892
Interest income		**26,902**	42,079
Property rental income		**4,125**	3,959
Other income		**1,362**	8,046
Net gain on changes in fair values of investment properties		**13,088**	31,784
Administrative expenses		**(61,299)**	(64,264)
Finance costs		**(22,558)**	(18,247)
Net loss on deemed disposal of partial interests in associates		**(49,853)**	(136,815)
Share of results of associates			
– share of results		**86,497**	87,161
– gain on acquisitions of additional interests in associates		**228,836**	2,850
Profit (loss) before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate		**239,318**	(1,192)
Impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate	5	**(829,897)**	–
Loss before taxation	6	**(590,579)**	(1,192)
Taxation	7	**(2,136)**	(4,682)
Loss for the year		**(592,715)**	(5,874)

	Note	2011 HK$'000	2010 HK$'000 (Restated)
Other comprehensive income (expenses):			
Exchange differences arising on translation of foreign operations		**1,303**	8,743
Share of other comprehensive income of associates		**94,968**	83,862
Gain on revaluation of land and buildings		**39,212**	85,364
Deferred tax arising on revaluation of land and buildings		**(6,451)**	(13,458)
Fair value gain on available-for-sale investments		**–**	21,714
Reclassification adjustments:			
– reserves released on distribution of assets to shareholders		**(104,307)**	–
– reserves released on deemed disposal of partial interests in associates		**(1,052)**	(6,670)
– investment revaluation reserve released on disposal of available-for-sale investments		**–**	(25,705)
Other comprehensive income for the year		**23,673**	153,850
Total comprehensive (expenses) income for the year		**(569,042)**	147,976
		HKCents	*HKCent*
Loss per share	9		
Basic and diluted		**(77.99)**	(0.83)

Consolidated Statement of Financial Position
As at 31st March, 2011

	Note	**31.3.2011**	31.3.2010	1.4.2009
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current assets				
Property, plant and equipment		**251,524**	219,503	170,404
Investment properties		**102,423**	88,497	54,592
Intangible assets		**1,737**	1,540	830
Interests in associates		**2,022,646**	2,471,715	2,305,330
Debt portion of convertible notes		**–**	328,358	192,377
Conversion options embedded in convertible notes		**–**	201	–
Available-for-sale investments		**1,552**	8,049	39,239
		2,379,882	3,117,863	2,762,772
Current assets				
Inventories		**30**	33	28
Debtors, deposits and prepayments	10	**4,701**	2,917	10,917
Amounts due from associates		**2,211**	74,356	218,626
Amounts due from related companies		**–**	96	96
Loans receivable		**26,969**	21,969	25,000
Debt portion of convertible notes		**56,088**	–	–
Investments held for trading		**–**	6,825	2,073
Derivative financial instruments		**–**	–	2,876
Short-term bank deposits, bank balances and cash		**8,970**	144,207	13,700
		98,969	250,403	273,316

	Note	31.3.2011 HK$'000	31.3.2010 HK$'000 (Restated)	1.4.2009 HK$'000 (Restated)
Current liabilities				
Margin account payables		**–**	–	4,231
Creditors and accrued expenses	11	**12,083**	13,011	12,935
Amounts due to associates		**526**	941	6,040
Loan from a director		**46,113**	–	–
Bank borrowings – due within one year		**5,250**	5,250	2,973
Bank overdrafts		**42,790**	37,974	16,476
Convertible notes payable		**161,589**	–	197,299
		268,351	57,176	239,954
Net current (liabilities) assets		**(169,382)**	193,227	33,362
Total assets less current liabilities		**2,210,500**	3,311,090	2,796,134
Non-current liabilities				
Bank borrowings – due after one year		**42,250**	47,500	64,394
Convertible notes payable		**–**	180,492	–
Deferred tax liabilities		**38,457**	29,870	15,586
		80,707	257,862	79,980
Net assets		**2,129,793**	3,053,228	2,716,154
Capital and reserves				
Share capital		**7,770**	7,537	269,461
Share premium and reserves		**2,122,023**	3,045,691	2,446,693
Total equity		**2,129,793**	3,053,228	2,716,154

Condensed Consolidated Statement of Cash Flows
For the year ended 31st March, 2011

	2011	2010
	HK$'000	*HK$'000*
Net cash from operating activities	**52,515**	96,856
Net cash used in investing activities	**(180,151)**	(122,204)
Net cash (used in) from financing activities	**(12,591)**	135,739
Net (decrease) increase in cash and cash equivalents	**(140,227)**	110,391
Cash and cash equivalents brought forward	**106,233**	(2,776)
Effect of foreign exchange rate changes	**174**	(1,382)
Cash and cash equivalents carried forward	**(33,820)**	106,233
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	**8,970**	144,207
Bank overdrafts	**(42,790)**	(37,974)
	(33,820)	106,233

Notes:

1. **BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosure 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.

In preparing the 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 exceeded its current assets by HK$169,382,000 at 31st March, 2011. 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 and the future plan of the Group and that there are assets available to pledge for obtaining further banking facilities.

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, where appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

In the current year, the Group has applied a number of new and revised HKFRSs issued by the HKICPA that have become mandatorily effective.

The Group applies HKFRS 3 (Revised) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1st April, 2010. The requirements in HKAS 27 (Revised) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st April, 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The principle adopted under HKAS 27 (as revised in 2008) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to HKAS 28. Therefore, when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss. In addition, as part of Improvements to HKFRSs issued in 2010, HKAS 28 (as revised in 2008) has been amended to clarify that the consequential amendments to HKAS 28 in relation to transactions where the investor loses significant influence over an associate should be applied prospectively. The Group has applied the amendments to HKAS 28 (as revised in 2008) as part of Improvements to HKFRSs issued in 2010 in advance of their effective dates (annual periods beginning on or after 1st July, 2010).

This change in policy has no material impact to the financial statements of the Group.

HK(IFRIC) - Int 17 "Distributions of Non-cash Assets to Owners" provides guidance on the accounting treatment when an entity distributes assets other than cash as dividends to its owners. Its clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. Under HK(IFRIC) - Int 17, the dividend should be measured at the fair value of the assets to be distributed, and any difference between the carrying amount of the dividend payable and the previous carrying amount of the assets distributed should be recognised in profit or loss when the entity settles the dividend payable.

HK(IFRIC) - Int 17 has resulted in consequential amendments to HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" regarding the accounting treatment of the non-cash assets held for distribution. Specifically, the amendments to HKFRS 5 specify that assets to be distributed to owners should be measured at the lower of their carrying amounts and fair value less costs to distribute.

During the year ended 31st March, 2011, the Group adopted HK(IFRIC) - Int 17, the assets to be distributed has been stated at fair value. Impairment loss on an associate upon and after classification as held for distribution to shareholders of HK$934,204,000 has been recognised in profit and loss for the year.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment to HKAS 17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1st April, 2010 based on information that existed at the inception of the leases. Leasehold lands which met finance lease classification have been reclassified from prepaid lease payments to property, plant and equipment measured at revalued amounts retrospectively.

The effect of changes in accounting policies on the adoption of amendment to HKAS 17 on the results for the current and prior period by line item presented in the consolidated statement of comprehensive income is as follows:

	31.3.2011	31.3.2010
	HK$'000	*HK$'000*
Increase in administrative expenses and increase in loss for the year	**3,476**	1,104

The effect of changes in accounting policies on the adoption of amendment to HKAS 17 on the financial positions of the Group as at 31st March, 2010 is as follows:

	As at 31.3.2010 (Originally stated) *HK$'000*	Adjustments *HK$'000*	As at 31.3.2010 (Restated) *HK$'000*
Property, plant and equipment	31,253	188,250	219,503
Prepaid lease payments	57,892	(57,892)	–
Deferred tax liabilities	(7,706)	(22,164)	(29,870)
	81,439	108,194	189,633
Accumulated profits	803,257	(3,967)	799,290
Property revaluation reserve	30,630	112,161	142,791
	833,887	108,194	942,081

The effect of changes in accounting policies on the adoption of amendment to HKAS 17 on the financial positions of the Group as at 1st April, 2009 is as follows:

	As at 1.4.2009 (Originally stated) *HK$'000*	Adjustments *HK$'000*	As at 1.4.2009 (Restated) *HK$'000*
Property, plant and equipment	68,484	101,920	170,404
Prepaid lease payments	59,436	(59,436)	–
Deferred tax liabilities	(8,104)	(7,482)	(15,586)
	119,816	35,002	154,818
Accumulated profits	773,443	(2,863)	770,580
Property revaluation reserve	44,588	37,865	82,453
	818,031	35,002	853,033

The effect of changes in accounting policies on the adoption of amendment to HKAS 17 on the basic and diluted loss per share for the current and prior year is negligible.

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interest in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HK(IFRIC) Int 14 (Amendments)	Prepayments of a Minimum Funding Requirements[6]
HK(IFRIC) Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate.
2 Effective for annual periods beginning on or after 1st July, 2010.
3 Effective for annual periods beginning on or after 1st July, 2011.
4 Effective for annual periods beginning on or after 1st January, 2013.
5 Effective for annual periods beginning on or after 1st January, 2012.
6 Effective for annual periods beginning on or after 1st January, 2011.

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in October 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

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

HKFRS 9 is effective for annual periods beginning on or after 1st April, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31st March, 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Group's financial assets. At 31st March, 2011, no financial liability has been designated as at fair value through profit and loss, the application of HKFRS 9 will affect the measurement of such financial liability if designation is made in the future.

The amendments to HKAS 12 titled "Deferred Tax: Recovery of Underlying Assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 may have an impact on deferred tax recognised for investment properties that are measured using the fair value model.

Other than as stated above, the directors of the Company are in the process of assessing the impact of the new and revised HKFRSs.

3. TURNOVER, GROSS PROCEEDS, REVENUE AND SEGMENT INFORMATION

Revenue represents the amount received and receivable from outside customers for the year and included gain on disposal of investments held for trading.

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 focuses on each type of investments held by the Group, provision of finance and other business (which included various activities and reported in aggregate). The principal types of investments held by the Group are long-term investment and other investment. The Group's operating segments under HKFRS 8 are as follows:

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

Information regarding the above segments is reported below.

Gross proceeds included in turnover represents the amounts received and receivables from outside customers for the year together with gross proceeds from disposal of financial instruments which arise incidental to the main revenue generating activities of the Group.

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

For the year ended 31st March, 2011

	Finance *HK$'000*	Long-term investment *HK$'000*	Other investment *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
TURNOVER							
– gross proceeds	**13,442**	**22,911**	**18,521**	**12,095**	**66,969**	**(12,514)**	**54,455**
SEGMENT REVENUE							
External sales	**3,948**	**22,911**	**168**	**9,075**	**36,102**	**–**	**36,102**
Inter-segment sales	**9,494**	**–**	**–**	**3,020**	**12,514**	**(12,514)**	**–**
Total	**13,442**	**22,911**	**168**	**12,095**	**48,616**	**(12,514)**	**36,102**
RESULT							
Segment result	**(23,867)**	**29,589**	**(9,568)**	**17,124**	**13,278**	**–**	**13,278**
Central administration costs							**(16,882)**
Finance costs							**(22,558)**
Net loss on deemed disposal of partial interests in associates							**(49,853)**
Share of results of associates							
– share of results							**86,497**
– gain on acquisitions of additional interests in associates							**228,836**
Profit before taxation and impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate							**239,318**
Impairment loss on an associate upon and after classification as held for distribution to shareholders and gain on derecognition of the associate							**(829,897)**
Loss before taxation							**(590,579)**

For the year ended 31st March, 2010 (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*
TURNOVER							
– gross proceeds	18,302	33,077	24,575	12,285	88,239	(12,963)	75,276
SEGMENT REVENUE							
External sales	8,971	33,077	8,313	8,653	59,014	–	59,014
Inter-segment sales	9,331	–	–	3,632	12,963	(12,963)	–
Total	18,302	33,077	8,313	12,285	71,977	(12,963)	59,014
RESULT							
Segment result	(28,245)	31,323	39,485	33,391	75,954	–	75,954
Central administration costs							(12,095)
Finance costs							(18,247)
Net loss on deemed disposal of partial interests in associates							(136,815)
Share of results of associates							
– share of results							87,161
– gain on acquisitions of additional interests in associates							2,850
Loss before taxation							(1,192)

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

Geographical information

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

The Group's revenue from external customers or counterparties based on their locations of transactions by geographical locations are detailed below:

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**30,775**	54,245
Canada	**5,327**	4,769
	36,102	59,014

4. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

	2011	2010
	HK$'000	*HK$'000*
Dividend income on available-for-sale investments	**168**	1,887
Dividend income on investments held for trading	**–**	50
Gain on repurchase of convertible notes	**2,331**	–
Net gain (loss) on:		
– Convertible notes	**6,859**	–
– Conversion options embedded in convertible notes	**(76)**	(1,672)
– Derivative financial instruments	**–**	7,773
– Investments held for trading	**(1,800)**	4,149
Gain on disposal of available-for-sale investments	**–**	25,705
	7,482	37,892

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

In July 2010, Hanny Holdings Limited ("Hanny"), a then associate of the Group proposed a repurchase offer to repurchase the 2% convertible notes issued by Hanny at their face value to be satisfied by the issue of new shares in Hanny of HK$0.5 each (the "Hanny Repurchase Offer"). The Group proposed an acceptance of the Hanny Repurchase Offer (the "Acceptance") and a distribution of the Group's contributed surplus on the basis of 9.3 ordinary shares in Hanny for every 10 ordinary shares in the Company (the "Distribution"). The Distribution has been approved by the shareholders of the Company on 21st September, 2010. On the date of approval of the Distribution, the Group held 42.77% equity interest in Hanny, representing 240,146,821 shares in Hanny. Together with 462,958,590 new shares in Hanny obtained through the Acceptance, the total number of Hanny shares distributed was 700,936,289. The remaining 2,169,122 shares were retained as investments held for trading. The Group disposed of the majority of these Hanny shares classified as held for trading and held certain Hanny shares with negligible value as at 31st March, 2011 (Details of the Distribution are set out in the announcement of the Company dated 21st October, 2010).

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

	2011	2010
	HK$'000	*HK$'000*
Impairment loss on an associate upon and after classification as held for distribution to shareholders *(note (i))*	**(934,204)**	–
Gain on derecognition of the associate *(note (ii))*	**104,307**	–
	(829,897)	–

Notes:

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

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

6. LOSS BEFORE TAXATION

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**12,371**	11,744

7. TAXATION

Taxation represents the deferred tax recognised by the Group.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong.

8. DISTRIBUTIONS

	2011	2010
	HK$'000	*HK$'000*
Dividends recognised as distributions to owners of the Company during the year:		
– Final dividend for 2010 – HK1.0 cent (2010: Nil for 2009) per ordinary share	**7,537**	–
– Interim dividend for 2011 – HK1.0 cent (2010: Nil for 2009) per ordinary share	**7,770**	–
	15,307	–
Dividends proposed in respect of the current year		
– Final dividend for 2011 – HK1.0 cent (2010: HK1.0 cent) per ordinary share	**7,770**	7,537

In addition, as detailed in note 5, the total number of Hanny shares distributed was 700,936,289. The amount of the Distribution recognised in the consolidated financial statements was HK$350,468,000 which was determined with reference to the market price of Hanny shares on 11th November, 2010, being the date of the Distribution.

The directors of the Company have resolved to recommend the payment of a final dividend of HK1.0 cent per ordinary share for the year ended 31st March, 2011, which will be payable in cash (2010: HK1.0 cent).

9. LOSS PER SHARE

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

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share	**(592,715)**	(5,874)
	Number of shares	*Number of shares*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**760,005,845**	710,506,572

The weighted average number of ordinary shares for the year ended 31st March, 2010 had been adjusted for the capital reorgnisation of the Company in April 2009 and the bonus element in the issue of four rights shares for every reorganised share of the Company in May 2009.

The potential ordinary shares attributable to the Company's outstanding convertible notes payable has anti-dilutive effect for both years as the conversion would result in a decrease in loss per share.

For the years ended 31st March, 2011 and 2010, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of the options were higher than the average market price of shares.

The computation of diluted loss per share did not assume the exercise of the Company's outstanding warrants because the exercise prices of the warrants were higher than the average market price of share for 2010.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$3,547,000 (2010: HK$1,797,000). Aged analysis of trade debtors presented based on the invoice date at the end of the reporting period is as follows:

	2011	2010
	HK$'000	*HK$'000*
Trade debtors		
0-30 days	**2,200**	1,785
31-60 days	**16**	5
61-90 days	**5**	3
Over 90 days	**1,326**	4
	3,547	1,797

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

11. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade creditors of HK$3,972,000 (2010: HK$4,688,000) and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	2011	2010
	HK$'000	*HK$'000*
Trade creditors		
0-30 days	**472**	559
31-60 days	**3,500**	4,127
Over 90 days	**–**	2
	3,972	4,688

FINAL DIVIDEND

Notwithstanding the Group's loss of HK$593 million for the year ended 31st March, 2011, the Board has resolved to recommend the payment of a final dividend of HK1.0 cent per ordinary share (2010: HK1.0 cent) as the Board considered that the loss was mainly due to the non-cash loss of HK$830 million from the distribution of shares of Hanny to the shareholders of the Company during the year (details of which are discussed in the section "Business Review"). Without such non-cash loss, the Group would have achieved a profit of HK$237 million for the year.

The Board has resolved to recommend the payment of a final dividend of HK1.0 cent per ordinary share for the year ended 31st March, 2011 (2010: 1.0 cent) to shareholders of the Company whose names appear on the register of members of the Company as at the close of business on Tuesday, 30th August, 2011. The proposed final dividend is expected to be paid to shareholders of the Company by post on or about Tuesday, 11th October, 2011 following approval at the forthcoming annual general meeting. The proposed final dividend is conditional upon the passing at the forthcoming annual general meeting of the Company of an ordinary resolution to approve the final dividend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 26th August, 2011 to Tuesday, 30th August, 2011, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Thursday, 25th August, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

"The Distribution of Hanny Shares Represents a Significant Return to Our Shareholders."

BUSINESS REVIEW

For the year ended 31st March, 2011, the Group reported a loss of HK$593 million attributable to owners (2010: loss HK$6 million). The current year's loss was mainly due to a non-cash loss of HK$830 million arising from the distribution of Hanny shares to the shareholders. Without such non-cash loss, the Group would have achieved a profit of HK$237 million for the year. Such improvement was due to the increase in profit attributable to the Group's strategic investments.

Analysis of the Group's performance is as follows:

	2011	2010
	HK$'M	*HK$'M*
Profit (loss) attributable to strategic investments:		
Hanny	**(19)**	(21)
ITC Properties	**140**	8
PYI	**54**	40
Rosedale	**101**	(84)
Burcon	**(10)**	11
	266	(46)
Net (loss) gain from other investments and operations	**(29)**	40
Profit (loss) before distribution	**237**	(6)
Loss on distribution of Hanny shares to shareholders	**(830)**	–
Loss attributable to owners	**(593)**	(6)

Distribution of Hanny Shares to Shareholders

In order to reward the shareholders, the Board recommended the distribution of 9.3 Hanny shares to them for their holding of every 10 shares of the Company. The Distribution was approved by the shareholders in September 2010 and was completed in November 2010. The value of the Group's Hanny shares distributed was HK$1,161 million and was being equity-accounted at its net asset value prior to the Distribution. As the accounting rules require the Distribution to be recognised in accordance with the market price of Hanny shares as at the date of Distribution and Hanny shares were trading at a deep discount to the underlying asset value at that time, the aforementioned non-cash loss of HK$830 million was recorded.

The Distribution has transformed the underlying value of the Group's strategic investments into shareholder value and successfully unlocked value for the shareholders by allowing them to directly participate in Hanny's growth prospects, adding liquidity to their interests as well as providing them with the flexibility to gain direct control over their interests in Hanny.

The Distribution included those Hanny shares received by the Group in November 2010 as a result of the Group's acceptance of Hanny's offer to repurchase its 2% convertible notes due in June 2011 (the "Hanny Notes") satisfied by the issuance of Hanny shares at HK$0.50 per share. The Group accepted the Hanny Repurchase Offer for its entire holding of Hanny Notes in an aggregate principal amount of HK$231 million, out of which Hanny Notes in an aggregate principal amount of HK$42 million was acquired by the Group at a discounted consideration of HK$31 million in April 2010.

The Group ceased to share the results of Hanny on the date of approval of the Distribution in September 2010. Accordingly, the HK$19 million loss from Hanny represented the Group's share of Hanny's loss from the beginning of the financial year up to September 2010. Following the completion of the Distribution in November 2010, the Group's interest in Hanny dropped to 0.1%.

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, golf resort and leisure operations in Mainland China, securities investment and loan financing services.

In November 2010, the Group acquired from Hanny group the entire holding of about 76 million shares of ITC Properties at a consideration of HK$176 million pursuant to an agreement made in September 2010. Such acquisition represented 13.5% shareholding interest of ITC Properties as at the date of the aforesaid agreement, after which the Group further acquired an aggregate of about 21 million shares of ITC Properties on the open market at an aggregate consideration of HK$46 million. Due to the aforesaid acquisitions and placement by ITC Properties of its 94 million new shares in June 2010, the Group's interest in ITC Properties increased from 7.8% to 24.7% during the year.

In March 2011, the Group accepted the convertible note repurchase offer of ITC Properties in the aggregate principal amount of HK$64 million held by the Group. As a result, the Group received a new convertible note issued by ITC Properties in the principal amount of HK$70.4 million as the consideration for the repurchase offer.

ITC Properties recorded a profit of HK$80 million attributable to its owners for the year ended 31st March, 2011, compared with a profit of HK$103 million last year. Current year's profit mainly comprised the increase in fair value of its investment properties in Hong Kong attributable to the robust performance of property market and the compensation from cancellation of land acquisition at Hengqin, Zhuhai of Mainland China. During the year, since the Group acquired shares of ITC Properties from Hanny and on the open market, the Group recorded a gain of HK$155 million. Such gain was offset by a loss of HK$15 million on the dilutive effects from the 94 million new share placement of ITC Properties in June 2010.

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

Paul Y. Engineering is an international engineering and property services group with three core business functions: management contracting, property development management and property investment in Hong Kong, Macau and Mainland China. It serves a wide spectrum of distinguished clients, including the government and major enterprises.

PYI Corporation Limited ("PYI")

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

During the year under review, the Group's interests in PYI remained unchanged at 26.7%. PYI recorded a profit attributable to its owners of HK$200 million for the year ended 31st March, 2011 compared with HK$149 million last year. The improved result was mainly attributable to the contribution from Jiangyin Sunan International Container Terminal of HK$90 million (2010: Nil) resulting from the bargain purchase by PYI for its additional 15% interest from 25% to 40% and continuous cost control measures during the year. As a result, the profit contributed by PYI increased from HK$40 million to HK$54 million.

Rosedale Hotel Holdings Limited ("Rosedale")

Rosedale is principally engaged in the business of hotel operation in Hong Kong and Mainland China and trading of securities. Rosedale is managing a 4-star rated business hotel chain in Mainland China and Hong Kong, namely Rosedale on the Park, Rosedale Hotel & Suites, Beijing, Rosedale Hotel & Suites, Guangzhou, Times Plaza Hotel, Shenyang and Luoyang Golden Gulf Hotel. In addition, Rosedale is running a budget hotel chain under the brand name "Square Inn" in Mainland China.

During the period from May to July 2010, the Group acquired an aggregate of 26 million shares of Rosedale on the open market at a total consideration of HK$16 million with an aim to take advantage of the potential up-side from Rosedale's plans to expand its business in Mainland China's flourishing hospitality industry. In September 2010, Rosedale completed its repurchase offer in respect of all the outstanding 2% convertible exchangeable notes due in June 2011 (the "Rosedale Notes"). The Group, as a result, received HK$100 million by electing the cash option for all its holding of the Rosedale Notes in an aggregate principal amount of HK$114 million. These Rosedale Notes were originally acquired by the Group at an aggregate discounted consideration of HK$90 million over a number of transactions in 2009 and have been "out-of-the-money" since the first date of acquisition by the Group.

The effects from the open market purchases mentioned above were reduced by the dilutive effects from the issuance of about 112 million new Rosedale shares to holders of Rosedale Notes whom elected the shares option pursuant to Rosedale's repurchase offer. As a result, the Group's effective interest in Rosedale increased from 15.4% to 15.8% during the year.

For the year ended 31st December, 2010, Rosedale recorded a profit of HK$468 million attributable to its owners, compared with a loss of HK$358 million for the last corresponding year. The significant improvement was mainly resulted from the substantial gain on disposal of its 90% equity interest in its travel business. Accordingly, the Group shared a profit of HK$66 million for the year compared with last year's loss of HK$55 million. On the acquisition of 26 million shares of Rosedale on the open market, the Group recorded a gain of HK$74 million. However, as a result of the aforesaid issuance of new Rosedale shares, the Group recorded a loss of HK$39 million on the dilutive effects.

Burcon NutraScience Corporation ("Burcon")

Burcon is a leader in nutrition, health and wellness in the field of functional, renewable plant proteins. Since 1999, Burcon has developed a portfolio of composition, application, and process patents originating from its core protein extraction and purification technology. Burcon has licensed its CLARISOY® soy protein technology to Archer Daniels Midland Company ("ADM"), a leader in the global food ingredient industry listed in the U.S., on an exclusive, worldwide basis for the production, marketing and sale of CLARISOY® soy proteins. CLARISOY® is a revolutionary soy protein which is 100% soluble and completely transparent in acidic solutions. Burcon is also developing Supertein™ and Puratein® canola protein isolates with unique functional and nutritional attributes. Supertein™ and Puratein® are the first canola protein isolates to have attained *self-affirmed Generally Recognised as Safe ("GRAS")* status in the U.S. In August 2010, Burcon received a no objection letter from the U.S. Food and Drug Administration indicating that these canola protein isolates are GRAS under the intended conditions of use as an ingredient across a variety of food and beverage applications.

The Group's interest in Burcon decreased from 21.6% to 21.1% due to exercise of share options by other parties during the year.

Burcon continues to be a development-stage company and reported a loss of 8.4 million Canadian dollars for the year ended 31st March, 2011 as compared to a loss of 6.7 million Canadian dollars in last year. The increase in the loss amount was mainly due to the recognition of non-cash stock-based compensation costs of 3.7 million Canadian dollars (2010: 2.7 million Canadian dollars). The loss shared by the Group was HK$14 million for the year.

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

Name of investee company	Place of listing	Stock code	Effective interest As at 31.3.2011	Effective interest As at the date of this announcement
ITC Properties	Hong Kong Stock Exchange	199	25.0%	25.0%
Paul Y. Engineering	Hong Kong Stock Exchange	577	16.5% *(Note)*	16.5% *(Note)*
PYI	Hong Kong Stock Exchange	498	26.7%	26.7%
Rosedale	Hong Kong Stock Exchange	1189	15.8%	15.8%
Burcon	Toronto Stock Exchange and Frankfurt Stock Exchange	BU WKN 157793	21.1%	21.1%

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2011, the Group's total assets and equity attributable to owners decreased by 26% and 30% to HK$2,479 million and HK$2,130 million respectively, as compared to last year. The decrease was mainly due to the Distribution during the year, which arose because the market value of the Hanny shares distributed was significantly below its carrying value when previously recorded as an interest in associates on the Group's financial statements.

With respect to liquidity, the Group adopts a prudent funding and treasury policy with regard to its overall business operations such that adequate funding is maintained to match with cash flows required for working capital and seizing investment opportunities.

As at 31st March, 2011, current assets and current liabilities of the Group was HK$99 million and HK$268 million respectively. The current liabilities included the Company's convertible notes which was reclassified from non-current liabilities as these notes will mature within one year from the year end date. Accordingly, the Group's current ratio was 0.4 as at the year end date.

GEARING

As at 31st March, 2011, bank deposits, bank balances and cash was HK$9 million and the total bank loan facilities drawn by the Group was HK$90 million of which HK$48 million is repayable within one year or on demand. All of these bank loan facilities were at floating interest rates. Loan from a director of HK$46 million is repayable within one year and at floating interest rates. In addition, the Group recognised HK$162 million as the liability component of its convertible notes which were issued in November 2009 with a 2-year maturity and a 5% annual interest. The conversion price was HK$0.5 per share as at 1st April, 2010, and was subsequently adjusted to HK$0.3 per share on 22nd October, 2010 due to the Distribution.

Accordingly, the Group's gearing ratio was 13.6% as at 31st March, 2011 (2010: 4.2%), calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balances and cash, of HK$289 million over the equity attributable to owners of HK$2,130 million.

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 31st March, 2011, properties with an aggregate carrying value of HK$313 million were pledged to a bank to secure general facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31st March, 2011, the Group had no contingent liabilities, except that on disposal of an associate, the Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and the affairs and business of the associate up to the date of disposal.

EMPLOYEE AND REMUNERATION POLICY

As at 31st March, 2011, the Group had a total of 67 employees. It is the Group's remuneration policy that the employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme is established for the eligible participants (including employees) but no share options were granted during the year. There were 29,447,750 outstanding share options granted by the Company as at 1st April, 2010. Due to lapse of share options during the year, there were no outstanding share options of the Company as at 31st March, 2011 and as at the date of this announcement.

MAJOR EVENTS AFTER THE YEAR ENDED 31ST MARCH 2011

Approval of Mandate for Disposal of Burcon Shares

In order to allow flexibility in effecting future disposal(s) of Burcon shares expeditiously when market conditions are favourable, the Board, in March 2011, proposed to obtain advance shareholders' approval for the possible disposal of a maximum of all 6.3 million shares of Burcon held by the Group at the minimum disposal price of C$9.0 (subject to adjustments in the event of a share consolidation or share subdivision by Burcon) within twelve months from the date of the approval. The proposal was approved by the shareholders of the Company in May 2011 and the Group has not disposed of any Burcon shares since the approval.

OUTLOOK

The Mainland China and Asian markets continue to prosper in the first half of 2011 though there are still many uncertainties in the global economy. The recovery of the U.S. and certain European countries remains uncertain and challenging with an increasing risk of inflation caused by excess global liquidity after the U.S. quantitative easing measures. The Board believes Hong Kong will continue to benefit due to its close ties and proximity with Mainland China and the Group's strategic investments, ITC Properties, PYI, Paul Y. Engineering and Rosedale, will be standing on a vantage point due to their exposure and presence in Mainland China.

One of the Group's strategic investments, Burcon, achieved promising milestones in the past few months. In March 2011, Burcon announced that it entered into a license agreement with ADM for exclusive, worldwide production, marketing and sale of CLARISOY®. In order to take advantage of Burcon's continual growing prospect and to allow flexibility in effecting future disposal of Burcon shares expeditiously in case of favourable market terms and conditions, the Board has obtained a disposal mandate from the shareholders for the possible disposals of Burcon shares. There is no assurance that the Board will eventually proceed with the aforesaid disposals. The Board will act in the interest of the shareholders when opportunities arise.

Based on the aforementioned, the Board is cautiously optimistic on the business outlook and will continue to pursue its long term strategy of exploring potential investments in an aggressive, yet cautious, manner in the interest of the Group.

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

During the year ended 31st March, 2011, the Company repurchased its convertible notes in the principal amount of HK$25 million at a consideration of HK$24 million from a noteholder in December 2010 and such convertible notes were cancelled. Save as disclosed herein, during the year ended 31st March, 2011, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

SECURITIES IN ISSUE

As a result of the issue of shares arising from conversion of the Company's convertible notes during the year, the total number of issued shares with par value of HK$0.01 each is 777,028,676 as at 31st March, 2011 and as at the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31st March, 2011, complied with the code provisions of the Code on Corporate Governance Practices 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 set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company (the "Model Code"). 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, 2011.

REVIEW OF ACCOUNTS

The Group's results for the year ended 31st March, 2011 has been reviewed by the Audit Committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended 31st March, 2011 included in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

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

ANNUAL GENERAL MEETING

The 2011 Annual General Meeting of the Company will be held on 19th August, 2011. Notice of the 2011 Annual General Meeting will be published and issued to shareholders of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the year.

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

Hong Kong, 24th June, 2011

As at the date of this announcement, the Board comprises:

Executive Directors:
Dr. Chan Kwok Keung, Charles *(Chairman)*
Ms. Chau Mei Wah, Rosanna
(Deputy Chairman and Managing Director)
Mr. Chan Kwok Chuen, Augustine
Mr. Chan Fut Yan
Mr. Cheung Hon Kit
Mr. Chan Yiu Lun, Alan

Independent non-executive Directors:
Mr. Chuck, Winston Calptor
Mr. Lee Kit Wah
Hon. Shek Lai Him, Abraham, *SBS, JP*