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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 SIX MONTHS ENDED 30TH SEPTEMBER, 2014

FINANCIAL HIGHLIGHTS			
	30.9.2014	30.9.2013	Change
Profit (loss) attributable to shareholders	\$193 million	\$(98) million	N/A
EPS	15.2 cents	(9.4) cents	N/A
Dividend per share			
– Interim	1 cent	1 cent	–
– Special	3 cents	–	N/A
– Total	4 cents	1 cent	300%
	30.9.2014	31.3.2014	Change
NAV	\$3,017 million	\$3,005 million	1%
NAV per share	\$2.4	\$2.4	–

* For identification purpose only

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, 2014.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September, 2014

		(Unaudited)	
		Six months ended	
		30.9.2014	30.9.2013
		\$'000	\$'000
	Notes		
Revenue	3	<u>2,551</u>	<u>4,194</u>
Management and other related service income		1,826	2,224
Property rental income		539	542
Interest income		29	1,271
Other income		723	282
Administrative expenses		(19,573)	(19,431)
Finance costs		(301)	(5,103)
Net loss on net decrease in interest in an associate	4	–	(116,186)
Share of results of associates			
– share of results		201,527	12,246
– gain on acquisitions of additional interest in an associate		8,258	26,427
Profit (loss) for the period	6	<u>193,028</u>	<u>(97,728)</u>
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(213)	(424)
Share of other comprehensive (expenses) income of associates		(105,247)	5,524
Reclassification adjustment on reserves released on net decrease in interest in an associate		–	(2,191)
Other comprehensive (expenses) income for the period		<u>(105,460)</u>	<u>2,909</u>
Total comprehensive income (expenses) for the period		<u>87,568</u>	<u>(94,819)</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings (loss) per share	8		
Basic		<u>15.20</u>	<u>(9.40)</u>
Diluted		<u>N/A</u>	<u>(9.40)</u>

Condensed Consolidated Statement of Financial Position

At 30th September, 2014

	<i>Notes</i>	(Unaudited) 30.9.2014 \$'000	(Audited) 31.3.2014 \$'000
Non-current assets			
Property, plant and equipment		5,641	4,650
Investment property		20,981	21,150
Intangible assets		1,247	1,641
Interests in associates		3,151,877	3,045,256
		<u>3,179,746</u>	<u>3,072,697</u>
Current assets			
Debtors, deposits and prepayments	9	2,081	9,355
Amounts due from associates		1,742	1,857
Short-term bank deposits, bank balances and cash		78,368	31,726
		<u>82,191</u>	<u>42,938</u>
Current liabilities			
Creditors and accrued expenses	10	5,036	27,018
Deposit received from disposal of an associate	11	100,000	–
Margin account payable		–	19,596
Dividends payable		76,214	–
Bank overdrafts		62,422	62,653
		<u>243,672</u>	<u>109,267</u>
Net current liabilities		<u>(161,481)</u>	<u>(66,329)</u>
Total assets less current liabilities		<u>3,018,265</u>	<u>3,006,368</u>
Non-current liability			
Deferred tax liabilities		1,187	1,187
Net assets		<u><u>3,017,078</u></u>	<u><u>3,005,181</u></u>
Capital and reserves			
Share capital		12,702	12,702
Share premium and reserves		3,004,376	2,992,479
Total equity		<u><u>3,017,078</u></u>	<u><u>3,005,181</u></u>

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th September, 2014

	(Unaudited)	
	Six months ended	
	30.9.2014	30.9.2013
	\$'000	\$'000
Net cash (used in) from operating activities	(24,241)	42,498
Net cash from (used in) investing activities	91,029	(47,497)
Net cash (used in) from financing activities	(19,897)	14,645
	<hr/>	<hr/>
Net increase in cash and cash equivalents	46,891	9,646
Cash and cash equivalents at beginning of the period	(30,927)	(12,920)
Effect of foreign exchange rate changes	(18)	(19)
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	15,946	(3,293)
	<hr/> <hr/>	<hr/> <hr/>
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits, bank balances and cash	78,368	49,117
Bank overdrafts	(62,422)	(52,410)
	<hr/>	<hr/>
	15,946	(3,293)
	<hr/> <hr/>	<hr/> <hr/>

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 Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity and going concern of the Group in light of the Group’s current liabilities exceed its current assets by approximately \$161 million as at 30th September, 2014. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration that there are available borrowing facilities, the future plan of the Group and that there are assets available to pledge for obtaining further banking facilities.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2014.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

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

3. REVENUE AND SEGMENT INFORMATION

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

Segment information

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

Finance	–	loan financing services
Long-term investment	–	investment in investments such as convertible notes issued by the associates
Other investment	–	investment in available-for-sale investments 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 period under review:

Six months ended 30th September, 2014

	Finance \$'000	Long-term investment \$'000	Others \$'000	Segment total \$'000	Eliminations \$'000	Consolidated \$'000
SEGMENT REVENUE						
External sales	–	–	2,551	2,551	–	2,551
Inter-segment sales	1,834	–	–	1,834	(1,834)	–
Total	<u>1,834</u>	<u>–</u>	<u>2,551</u>	<u>4,385</u>	<u>(1,834)</u>	<u>2,551</u>
RESULT						
Segment result	<u>1,767</u>	<u>(47)</u>	<u>61</u>	<u>1,781</u>	<u>–</u>	<u>1,781</u>
Central administration costs						(18,237)
Finance costs						(301)
Share of results of associates						201,527
– share of results						
– gain on acquisitions of additional interest in an associate						8,258
Profit for the period						<u>193,028</u>

Six months ended 30th September, 2013

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

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

Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, finance costs and items related to interests in associates. There was no activity in other investment segment during the six months ended 30th September, 2014 and 2013.

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

The net loss comprises of the following:

	Notes	Six months ended 30.9.2014 \$'000	30.9.2013 \$'000
Loss on deemed disposals of partial interest in an associate	(a)	–	29,769
Net loss on acquisitions and deemed disposals of interest in an associate resulted on the conversion of convertible notes by the Group and outside parties concurrently	(b)	–	86,417
		<u>–</u>	<u>116,186</u>

Notes:

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

The loss for the six months ended 30th September, 2013 was mainly resulted from the deemed disposals of partial interest in an associate which was resulted from the dilution effect of exercise of share options and conversion of convertible notes issued by the associate by parties other than the Group and Ms. Ng Yuen Lan, Macy (“Ms. Ng”), spouse of Dr. Chan Kwok Keung, Charles, the Chairman and an Executive Director of the Company, and the issuance of scrip dividends by that associate.

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

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

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

5. TAXATION

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

6. PROFIT (LOSS) FOR THE PERIOD

	Six months ended	
	30.9.2014	30.9.2013
	\$'000	\$'000
Profit (loss) for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	549	1,047
Amortisation of intangible assets	88	92
Loss on disposals of intangible assets	306	–
Minimum lease payments under operating leases in respect of rented premises	1,629	1,665
and after crediting:		
Gain on disposals of property, plant and equipment	268	3

7. DISTRIBUTIONS

During the current period, a final dividend of HK3.0 cents per share (six months ended 30th September, 2013: a final dividend of HK3.0 cents per share) and a special dividend of HK3.0 cents per share (six months ended 30th September, 2013: nil), each with an option to elect scrip dividend of shares in respect of the year ended 31st March, 2014 was declared and approved for distribution to shareholders of the Company. The aggregate amount of the final and special dividends declared and approved in the current interim period amounted to \$76,214,000, representing cash dividend of \$21,319,000 and scrip dividend of \$54,895,000 (six months ended 30th September, 2013: cash dividend of \$31,130,000 and scrip dividend of \$6,398,000). The dividends were paid subsequent to the end of the reporting period.

Subsequent to the end of the interim period, the directors have determined that an interim dividend of HK1.0 cent per share and a special dividend of HK3.0 cents per share, being \$54,683,000 in total with reference to the issued shares as at the date of this announcement which will be payable in cash, with an option to elect scrip dividend of shares, in respect of part or all of such dividends (six months ended 30th September, 2013: interim dividend of HK1.0 cent per share, total being \$12,702,000 payable in cash), to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 17th December, 2014.

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended	
	30.9.2014	30.9.2013
	<i>\$'000</i>	<i>\$'000</i>
Earnings (loss) for the period attributable to the owners of the Company for the purpose of basic and diluted earnings (loss) per share	<u>193,028</u>	<u>(97,728)</u>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of shares for the purpose of basic and diluted earnings (loss) per share	<u>1,270,229,989</u>	<u>1,039,403,374</u>

The potential ordinary shares attributable to the Company's outstanding convertible notes payable during the period ended 30th September, 2013 had anti-dilutive effect as assumed conversion would result in a decrease in loss per share.

No diluted earnings per share has been presented for the period ended 30th September, 2014 as the Company did not have any dilutive potential ordinary shares outstanding during the period.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of \$320,000 (31.3.2014: \$604,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	(Unaudited)	(Audited)
	30.9.2014	31.3.2014
	<i>\$'000</i>	<i>\$'000</i>
Trade debtors		
0 – 30 days	320	603
31 – 60 days	–	1
	<u>320</u>	<u>604</u>

Trade debtors arising from leasing of investment property business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. For interest receivable, there are no credit terms granted by the Group.

10. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses are trade payables of \$256,000 (31.3.2014: \$495,000) and their aged analysis based on the invoice date at the end of the reporting period is as follows:

	(Unaudited) 30.9.2014 \$'000	(Audited) 31.3.2014 \$'000
Trade creditors		
0 – 30 days	246	485
31 – 60 days	10	10
	<u>256</u>	<u>495</u>

11. DEPOSIT RECEIVED FROM DISPOSAL OF AN ASSOCIATE

On 11th April, 2014, the Group entered into a sale and purchase agreement with a subsidiary of Hanny Holdings Limited in which the Group conditionally agreed to dispose of its entire interest in a wholly-owned subsidiary, which indirectly own approximately 195.7 million shares of Rosedale Hotel Holdings Limited, an associate of the Group, at a consideration of \$575,000,000. A deposit of \$100,000,000 was received upon signing of the aforesaid sale and purchase agreement. As at the date of this announcement, such disposal has not yet been completed.

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to pay an interim dividend of HK1.0 cent per share (six months ended 30th September, 2013: HK1.0 cent per share) and a special dividend of HK3.0 cents per share (six months ended 30th September, 2013: Nil) for the six months ended 30th September, 2014 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, 17th December, 2014 and such dividends are expected to be paid to shareholders of the Company by post on or about Monday, 26th January, 2015. The Board has also proposed that the interim dividend and the special dividend should be satisfied in cash, with an option to elect scrip dividend of shares, in respect of part or all of such dividends. 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 Wednesday, 17th December, 2014 less a discount of five percent of such average price or the 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. 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, 16th December, 2014 to Wednesday, 17th December, 2014, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend and the special 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, 15th December, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

The Group reported a profit of \$193 million attributable to shareholders (2013: loss of \$98 million) and basic earnings per share of HK15.20 cents (2013: loss per share of HK9.40 cents) for the six months ended 30th September, 2014. The significant improvement in results compared with last corresponding period in 2013 was mainly attributable to the increase in contribution from ITC Properties Group Limited (“ITC Properties”), and the absence of loss on net decrease in the Group’s interest in ITC Properties of \$116 million for the corresponding period in 2013.

Analysis of the Group’s performance is as follows:

	Six months ended	
	30.9.2014	30.9.2013
	\$’M	\$’M
Share of results of associates:		
ITC Properties	196	42
PYI	19	18
Rosedale	–	(48)
Burcon	(13)	–
	202	12
Loss on net decrease in interest in an associate	–	(116)
Gain on acquisitions of additional interest in an associate	8	26
Net loss on other investments and operations	(17)	(20)
	193	(98)

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 the development and investments of hotel and leisure operations, 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 and special dividends of ITC Properties for the year ended 31st March, 2014. Therefore the Group’s interest in ITC Properties increased from 30.6% as at 31st March, 2014 to 31.2% as at 30th September, 2014. As a result, the Group recorded a gain on the above increase in interest in ITC Properties of approximately \$8 million.

ITC Properties recorded a profit of \$629 million attributable to its shareholders for the six months ended 30th September, 2014. The increase in profit as compared with \$97 million for corresponding period in 2013 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 \$196 million from ITC Properties for the interim period.

PYI Corporation Limited (“PYI”)

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

The Group’s interest in PYI remained at 26.8% throughout the period under review. PYI recorded a profit attributable to shareholders of \$71 million for the six months ended 30th September, 2014, as compared with \$69 million for the corresponding period in 2013. As a result, the profit contributed by PYI increased from \$18 million to \$19 million.

Rosedale Hotel Holdings Limited (“Rosedale”)

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

The Group’s interest in Rosedale remained at 29.7% throughout the period under review. In April 2014, the Group entered into a sale and purchase agreement whereby the Group conditionally agreed to sell its subsidiaries, owning approximately 195.7 million Rosedale shares to a subsidiary of Hanny Holdings Limited, at a consideration of \$575 million. As part and parcel of the disposal, the said 195.7 million Rosedale shares shall be reduced by the Group’s placement and/or donation of 47.2 million Rosedale shares before completion and the net proceeds of the placement will be paid to the Group. The completion of the agreement is subject to, *inter alia*, the approval by the shareholders of the Company on 2nd December, 2014.

For the six months ended 30th June, 2014, Rosedale recorded a profit of \$413 million attributable to shareholders as compared with the loss of \$162 million for the corresponding period in 2013. The profit was mainly attributable to \$459 million gain on disposal of 60% interest in Rosedale Hotel Kowloon at Tai Kok Tsui, Hong Kong completed in March 2014. The aforementioned gain was recognised by the Group in its results for the year ended 31st March, 2014.

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 2014, ADM launched a new CLARISOY™ variant, CLARISOY™ 170, at the 2014 Institute of Food Technologist Annual Meeting & Food Expo. Also, in April 2014, Burcon was granted a key patent for a CLARISOY™ composition of matter patent applications which provides protection over the commercially valuable attributes of CLARISOY™.

In April 2014, Burcon completed its rights offering for 1.86 million common shares at C\$2.82 per share and the Group subscribed for approximately 0.4 million common shares under this rights offering to maintain its proportional interest in Burcon. As compensation to the Group’s commitment to subscribe, the Group received non-transferable warrants entitling the Group to acquire up to approximately 0.1 million common shares of Burcon at an exercise price of C\$2.82 per share.

The Group’s interest in Burcon remained at 20.8% during the period under review. For the six months ended 30th September, 2014, Burcon recorded a loss of \$23 million as compared with \$24 million for the corresponding period in 2013. As a result, together with recognising previous unrecognised loss, the Group shared a loss of \$13 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	Effective interest	
			As at 30.9.2014	As at the date of this announcement
ITC Properties	Hong Kong Stock Exchange	199	31.5%	31.3%
PYI	Hong Kong Stock Exchange	498	26.8%	26.8%
Rosedale	Hong Kong Stock Exchange	1189	29.7%	29.7%
Burcon	Toronto Stock Exchange NASDAQ Global Market Frankfurt Stock Exchange	BU BUR WKN 157793	20.8%	20.8%
Louis XIII	Hong Kong Stock Exchange	577	5.4% (Note)	5.4% (Note)

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2014, the Group's total assets and equity attributable to shareholders were \$3,262 million and \$3,017 million respectively, representing a respective increase of 5% and increase of 1% as compared with the last audited date.

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, 2014, current assets and current liabilities of the Group were \$82 million and \$244 million respectively. The current liabilities included the deposit of \$100 million for disposal of the Group's Rosedale shares and the Company's dividend payable of \$76 million. Accordingly, the Group's current ratio was 0.3 as at the interim period end date (31st March, 2014: 0.4).

GEARING

As at 30th September, 2014, the Group had bank deposits, bank balances and cash of \$78 million and bank borrowings of \$62 million. All bank borrowings were either repayable within one year or on demand and at floating interest rates.

As a result of the repayment of borrowings, the Group's gearing ratio was zero as at 30th September, 2014, as compared with 1.7% as at 31st March, 2014. The gearing ratio was 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 the aggregate of borrowings and margin account payable.

EXCHANGE RATE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars, hence the Group's exposure to fluctuations in foreign exchange rates is minimal and no foreign exchange hedging instruments are used.

PLEDGE OF ASSETS

At 30th September, 2014, properties with an aggregate carrying value of \$24 million were pledged to a bank to secure a general facility granted to the Group.

CONTINGENT LIABILITIES

As at 30th September, 2014, 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, 2014, the Group had a total of 63 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) but no share options were granted during the period and there is no outstanding share option as at 30th September, 2014 and as at the date of this announcement.

OUTLOOK

While the global economy remains uncertain, there are signs of recovery, yet at a slow pace. The end of US quantitative easing has caused a strengthening of the US dollars which could have ramifications to the global economy. The economy of Mainland China stays moderate with the Central Government's policies aiming for a healthy and sustainable growth in the long term. In Hong Kong, the economy may be boosted by the recent launch of Shanghai-Hong Kong Stock Connect, which demonstrated the continual importance of Hong Kong as a bridge between Mainland China and international investors, and further consolidated Hong Kong's role as an international financial center. However, in the short term, its performance may be hinging on how the "Occupy Movement" would affect economic sentiment and domestic demand.

Looking ahead, the Group's strategic framework will continue to keep the Group well-poised for opportunities as well as meeting the challenges ahead. The diversified business activities of the Group's strategic investments would help to reduce the Group's reliance on a particular sector. The Board remains prudently optimistic about the business outlook, and the Group will continue to pursue its long term strategy of exploring investment opportunities in a prudent but proactive approach in order to bring long-term value to its shareholders.

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

During the six months ended 30th September, 2014, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

SECURITIES IN ISSUE

With approximately 72% of the shareholders of the Company elected to receive scrip shares for the final and special dividends for the year ended 31st March, 2014, there were 96,849,608 scrip shares issued subsequent to the interim period. Such response reflects the shareholders' recognition of the Group's strategic direction and their confidence in the future prospect of the Group. The number of issued shares of the Company of \$0.01 each is 1,367,079,597 as at the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended 30th September, 2014, 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, 2014.

REVIEW OF INTERIM RESULTS

The interim results for the six months ended 30th September, 2014 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 HKICPA, and the Audit Committee of the Company.

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, 2014

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*