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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **ITC Corporation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the stockbroker, registered dealer in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

VERY SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF THE ENTIRE INTEREST IN ROSEDALE SHARES HELD THROUGH LEAPTOP GROUP

Financial Adviser to ITC Corporation Limited



All capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 5 to 13 of this circular. A notice convening the SGM to be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 2nd December, 2014 at 11:00 a.m. is set out on pages 55 and 56 of this circular. A form of proxy for use at the SGM or any adjournment thereof (as the case may be) is enclosed with this circular. Whether or not you intend to attend such meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) if you so wish.

* For identification purpose only

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DEFINITIONS

In this circular and appendices to it, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the same meaning ascribed thereto in the Takeovers Code
“Agreement”	the conditional agreement dated 11th April, 2014 entered into between the Vendor, the Purchaser, the Company and Hanny in relation to the sale and purchase of the Sale Share and the Sale Loan
“Announcements”	the announcements of the Company dated 23rd April, 2014 and 9th May, 2014
“applicable percentage ratio(s)”	has the same meaning ascribed thereto in the Listing Rules
“Arrangement”	the placement and/or donation of the Arrangement Shares to independent third party(ies) and/or such Charitable Body and/or a combination of both on such terms and conditions as the Vendor may decide before Completion, such that immediately after Completion, the Purchaser and parties acting in concert with it will not hold in aggregate 30% or more of the voting rights of Rosedale
“Arrangement Shares”	47,200,000 (or such other number as may be agreed between the parties) Rosedale Shares
“Asia Will”	Asia Will Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Leaptop
“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday, public holidays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Charitable Body”	charitable body(ies) exempt under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)
“close associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Company”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the issued Shares (Stock Code: 372) of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration for the Sale Share and the Sale Loan in the sum of HK\$575 million pursuant to the terms and conditions of the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the entering into of the Agreement and the performance of the transactions contemplated thereunder by the Vendor (including the Arrangement)

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“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the controlling shareholder (as defined in the Listing Rules), the chairman and an executive director of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hanny”	Hanny Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares (Stock Code: 275) of which are listed on the Main Board of the Stock Exchange
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“ITCP”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the issued shares (Stock Code: 199) of which are listed on the Main Board of the Stock Exchange
“Latest Practicable Date”	6th November, 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Leaptop”	Leaptop Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Vendor prior to Completion
“Leaptop Group”	Leaptop and Asia Will
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29th December, 2014, or such other date as the parties to the Agreement may agree in writing, as extended under the Supplemental Agreement
“Macau”	the Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Promissory Note”	the promissory note in the principal amount of HK\$300 million to be issued by Hanny to the Company or any of its wholly-owned subsidiaries in partial settlement of the Consideration
“Purchaser”	Hanny Investment Group Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Hanny
“Remaining Group”	the Group immediately after Completion
“Rosedale”	Rosedale Hotel Holdings Limited (Stock Code: 1189), a company incorporated in Bermuda with limited liability whose Rosedale Shares are listed on the Main Board of the Stock Exchange
“Rosedale Disposal Agreements”	collectively: (a) the agreement dated 11th April, 2014 made among Rosedale Hotel Group Limited (“RHGL”) (as vendor), Silver Infinite Limited (“SIL”) (as purchaser), Rosedale (as RHGL’s guarantor) and ITCP (as SIL’s guarantor) pursuant to which RHGL conditionally agreed to sell and assign, and SIL conditionally agreed to purchase and accept the assignment of, the entire issued share capital of and corresponding shareholder’s loan due by Makerston Limited; and

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	(b) the agreement dated 11th April, 2014 made among Easy Vision Holdings Limited (“EVHL”) (as vendor), SIL (as purchaser), Rosedale (as EVHL’s guarantor) and ITCP (as SIL’s guarantor) pursuant to which EVHL conditionally agreed to sell and assign, and SIL conditionally agreed to purchase and accept the assignment of, the entire issued share capital of and corresponding shareholder’s loan due by Eagle Spirit Holdings Limited
“Rosedale Shares”	ordinary share(s) of HK\$0.01 each in the share capital of Rosedale
“Sale Loan”	the entire amount of the unsecured and interest free loan owing from Leaptop to the Vendor as at Completion, the amount of which as at 28th February, 2014 is HK\$226,959,522. For the avoidance of doubt, the net proceeds (if any) from the Arrangement may be utilised to reduce such loan prior to Completion
“Sale Share”	the one (1) issued share of US\$1 in the share capital of Leaptop, representing the entire issued share capital of Leaptop as at the Completion Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 2nd December, 2014 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Special Dividend”	special dividend of HK\$0.1 per Rosedale Share declared by the board of directors of Rosedale, subject to completion of any one of the Rosedale Disposal Agreements, to the shareholders of Rosedale whose names appear on the register of members of Rosedale on a date before the earlier completion date of any one of the Rosedale Disposal Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Rosedale Shares”	148,506,000 Rosedale Shares owned by Asia Will
“subsidiaries”	has the same meaning ascribed thereto in the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 23rd September, 2014 entered into between the Purchaser, the Vendor, Hanny and the Company in relation to the Agreement to extend the Long Stop Date from 10th October, 2014 to 29th December, 2014 or such other date as the parties to the Agreement may agree in writing
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Vendor”	ITC Investment Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

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“US\$” or “US dollars” United States dollars, the lawful currency of the United States of America

“%” per cent

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

Unless indicated otherwise, in this circular, conversion of amounts from US\$ into HK\$ has been made at the rate of US\$1=HK\$7.8 for illustration purpose only. No representation is made that any such amount could have been or could be converted at such rate or at all.

LETTER FROM THE BOARD



ITC CORPORATION LIMITED

德祥企業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

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*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

10th November, 2014

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF THE ENTIRE INTEREST IN ROSEDALE SHARES HELD THROUGH LEAPTOP GROUP

I. INTRODUCTION

References are made to the joint announcement of Hanny, Rosedale, ITCP and the Company dated 19th March, 2014, as well as the Announcements. After trading hours of the Stock Exchange on 11th April, 2014, the Vendor, the Purchaser, the Company and Hanny entered into the Agreement, whereby the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share and the Sale Loan, for an aggregate consideration of HK\$575 million, which is subject to the terms and conditions of the Agreement.

The purpose of this circular is to provide you with, among other things, (1) further details of the Disposal; (2) details of the terms of the Agreement; (3) the financial information of the Group and the Leaptop Group; (4) unaudited pro forma financial information of the Remaining Group; (5) the notice convening the SGM together with the form of proxy in respect of the SGM; and (6) other information as required under the Listing Rules.

II. THE AGREEMENT

The terms of the Agreement have been negotiated on an arm's length basis and the principal terms of the Agreement are summarised below:

(1) **Date:**

11th April, 2014 (signed after trading hours of the Stock Exchange)

(2) **Parties:**

Vendor:

ITC Investment Holdings Limited, a wholly-owned subsidiary of the Company whose principal activity is investment holding

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Purchaser:	Hanny Investment Group Limited, a wholly-owned subsidiary of Hanny whose principal activity is investment holding
Vendor's guarantor:	The Company, guaranteeing the Vendor's performance of its obligations under the Agreement
Purchaser's guarantor:	Hanny, guaranteeing the Purchaser's performance of its obligations under the Agreement

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, Hanny and its substantial shareholders are third parties independent of the Company and connected persons of the Company. Hanny and its subsidiaries are principally engaged in trading of securities, industrial water supply business, property development and trading and other strategic investments.

(3) Assets to be disposed of and the Arrangement:

Pursuant to the Agreement, the assets to be disposed of by the Vendor to the Purchaser comprise the Sale Share and the Sale Loan. The Sale Share represents the entire issued share capital of Leaptop, which in turn owns the entire issued share capital of Asia Will, being the owner of 195,706,000 Rosedale Shares, representing approximately 29.76% of the issued share capital of Rosedale as at the Latest Practicable Date as disclosed on the official website of the Stock Exchange. The said 195,706,000 Rosedale Shares will be reduced by the Arrangement mentioned below.

As part and parcel of the transactions contemplated in the Agreement, the Vendor shall procure Asia Will to place and/or donate the Arrangement Shares to independent third party(ies) and/or such Charitable Body and/or a combination of both on such terms and conditions as the Vendor may decide before Completion, such that immediately after Completion, the Purchaser and parties acting in concert with it will not hold in aggregate 30% or more of the voting rights of Rosedale. Any net proceeds (the "**Placement Proceeds**") arising from the Arrangement shall be paid to the Vendor and/or any wholly-owned subsidiary of the Company. As at the Latest Practicable Date, Asia Will has not yet identified any independent third party(ies) and/or Charitable Body for the placement and/or donation purposes.

The Sale Loan shall represent the entire amount of the shareholder's loan owing by Leaptop to the Vendor as at the Completion Date. The shareholder's loan owed by Leaptop to the Vendor amounted to approximately HK\$227 million as at 28th February, 2014.

On a separate note and not forming part of the Agreement, Dr. Chan has indicated that, before Completion, he intends to sell on-market, place to independent third party(ies), and/or donate to Charitable Body (and/or a combination of the aforesaid) all the 1,132,450 Rosedale Shares owned by him on such terms and conditions as Dr. Chan may decide. As at the Latest Practicable Date, Dr. Chan has not yet identified any independent third party(ies) and/or Charitable Body for the sale, placement and/or donation purposes.

Upon Completion, the Leaptop Group will cease to be wholly-owned subsidiaries of the Company, and the Company will no longer have any interest in the Leaptop Group.

(4) Consideration and payment terms:

The Consideration and payment terms were determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the unaudited consolidated net assets of the Leaptop Group of approximately HK\$361 million as at 28th February, 2014; and (ii) the shareholder's loan owing by Leaptop to the Vendor of approximately HK\$227 million as at 28th February, 2014.

The Consideration for the Sale Share and the Sale Loan is HK\$575 million and has been/shall be paid by the Purchaser to the Vendor in the following manner:

- (i) a deposit of HK\$100 million (the "**Deposit**") has been paid in cash on the signing of the Agreement;
- (ii) a sum of HK\$175 million shall be paid upon Completion; and

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- (iii) the remaining balance of the Consideration in the sum of HK\$300 million (the “**Balance**”) shall be settled by delivery of the Promissory Note by Hanny on Completion with the following principal terms:

Issuer:	Hanny
Issue date:	Completion Date
Interest:	5% per annum, payable semi-annually in arrears
Maturity date:	the date falling on the first anniversary of the issue date of the Promissory Note
Prepayment:	Hanny may prepay all or part of the outstanding principal amount of the Promissory Note at any time prior to the maturity date of the Promissory Note without any penalty, prepayment or other fees by giving the holder of the Promissory Note not less than seven days’ prior written notice
Default interest:	if Hanny fails to pay any sum payable under the Promissory Note when due, Hanny shall pay interest on such sum from and including the due date to the date of actual payment (before as well as after judgment) at the rate of 8% per annum and so long as the failure continues the relevant rate of interest shall be re-calculated on the same basis thereafter and shall be compounded at quarterly intervals

The Consideration is agreed between the Vendor and the Purchaser on the following bases:

- (i) on the Completion Date, the sole asset owned by Leaptop is its investment in Asia Will free from all encumbrances and Leaptop shall have no liability except the Sale Loan;
- (ii) on the Completion Date, the sole asset owned by Asia Will is the Subject Rosedale Shares free from all encumbrances and Asia Will shall have no liability except the inter-company loan owing to Leaptop; and
- (iii) at any time before Completion, the Vendor shall implement the Arrangement and related matters. No adjustment will be made to the Consideration due to the implementation of the Arrangement.

The interest rate of 5% per annum for the Promissory Note was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to the then prevailing market rates of the Group’s overdraft facilities, which ranged from approximately 4% to 5.75% per annum for the Group while the penalty interest rate at 3% over the interest rate of 5% will be imposed if the Purchaser fails to pay any sum payable under the Promissory Note when due. The said penalty interest rate was determined after arm’s length negotiations between the Vendor and the Purchaser, and the Company considered that such amount of penalty provision is reasonably adequate after taking into account the additional risk and time value of money on delayed payment schedule.

(5) Conditions precedent:

Completion is conditional upon the following conditions being fulfilled or waived (as applicable) by the Purchaser:

- (i) the compliance by the Company with all applicable requirements under the Listing Rules, including the approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) of the Disposal at the SGM in compliance with the requirements of the Listing Rules;
- (ii) the compliance by Hanny with all applicable requirements under the Listing Rules, including the approval by the shareholders of Hanny of the Disposal at the special general meeting of Hanny in compliance with the requirements of the Listing Rules;
- (iii) completion of the Rosedale Disposal Agreements as disclosed in the announcement of Rosedale dated 23rd April, 2014;

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- (iv) implementation and completion of the Arrangement;
- (v) the Rosedale Shares remaining listed on the Main Board of the Stock Exchange and the current listing of the Rosedale Shares not having been withdrawn;
- (vi) each of the Vendor's warranties in the Agreement being true and accurate in all material respects;
- (vii) all necessary consents and approvals (or waivers) having been obtained by the Vendor, the Purchaser, the Company and Hanny for Completion;
- (viii) the Subject Rosedale Shares together with the Rosedale Shares held by the Purchaser and parties presumed to be, or upon Completion will be presumed to be, acting in concert with it will not in aggregate represent 30% or more of the voting rights of Rosedale; and
- (ix) no indication from the SFC having been received by the Purchaser that the Purchaser is obliged to make a mandatory general offer under Rule 26 of the Takeovers Code.

The Purchaser may in its absolute discretion at any time before the Completion waive conditions (iii) and (vi) above by notice in writing to the Vendor or by proceeding with Completion. If any of the above conditions has not been fulfilled or waived (as the case may be) on or before the Long Stop Date, the Vendor shall refund the Deposit (without interest) to the Purchaser and the provisions of the Agreement shall have no further force and effect (save for any antecedent breach in respect thereof). As at the Latest Practicable Date, none of the above conditions precedent has been fulfilled.

The Supplemental Agreement was subsequently entered into between the Purchaser, the Vendor, Hanny and the Company to extend the Long Stop Date from 10th October, 2014 to 29th December, 2014 or such other date as the parties to the Agreement may agree in writing. Save and except for the above change in the Long Stop Date, all other terms and provisions of the Agreement remain the same and unchanged and the Agreement remains in full force and effect.

As at the Latest Practicable Date, no indication from the SFC has been received by the Purchaser that the Purchaser is obliged to make a mandatory general offer under Rule 26 of the Takeovers Code.

(6) Dividend entitlement of Subject Rosedale Shares and the Arrangement Shares:

The Vendor shall be entitled to all dividends in respect of the Subject Rosedale Shares and the Arrangement Shares declared, announced or proposed by Rosedale, or whereby the record date of which falls, on or before the Completion Date and the Purchaser undertakes to pay to the Vendor the said dividends in respect of the Subject Rosedale Shares and the Arrangement Shares within five Business Days upon receipt by it. The Vendor is entitled to seek legal recourse against the Purchaser if the Purchaser is unable to pay to the Vendor the said dividends within five Business Days upon receipt by it.

(7) Completion:

Completion shall take place on the seventh Business Day after fulfilment or waiver (as applicable) of the last of the conditions precedent set out above (save for the conditions precedent set out in paragraph (5) (iv) to (vi), (viii) and (ix) above which shall be fulfilled immediately before Completion, unless waived by the Purchaser), or such other date as the parties to the Agreement may agree in writing.

If, after fulfilment or waiver (as the case may be) of all the conditions precedent, Completion does not take place due to the default of the Purchaser, the Vendor shall be entitled to forfeit the Deposit (with all interest accrued thereon) as liquidated damages but without prejudice to any other rights or remedies which the Vendor may have in respect of such breach. If the defaulting party is the Vendor, the Vendor shall refund to the Purchaser the Deposit but without prejudice to any other rights or remedies which the Purchaser may have in respect of such breach.

(8) Undertaking by the Purchaser:

The Purchaser and Hanny warrant and undertake to the Vendor that:

- (i) the Purchaser, Hanny and their respective associates and parties acting in concert together own 48,660,424 Rosedale Shares at the date of the Agreement; and

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- (ii) after signing of the Agreement and until the Balance is paid in full, each of the Purchaser, Hanny and their respective associates and parties acting in concert will not acquire further Rosedale Shares (other than the Subject Rosedale Shares for the purpose of Completion) so that the Purchaser, Hanny and their respective associates and parties acting in concert will not hold in aggregate 30% or more of the voting rights of Rosedale.

III. INFORMATION ON THE LEAPTOP GROUP AND ROSEDALE

(1) The Leaptop Group:

Leaptop is an investment holding company, the principal asset of which is the entire equity interest in Asia Will, being the owner of 195,706,000 Rosedale Shares, representing approximately 29.76% of the total issued Rosedale Shares as at the Latest Practicable Date as disclosed on the official website of the Stock Exchange.

Set out below is the consolidated financial information of the Leaptop Group as at 30th September, 2014 and for the two years ended 31st March, 2014 and 31st March, 2013 and the six months ended 30th September, 2014 respectively prepared in accordance with the Hong Kong Financial Reporting Standards:

	Six months ended 30th September, 2014 HK\$'000 (audited)	Year ended 31st March, 2014 HK\$'000 (audited)	2013 HK\$'000 (audited)
Revenue	–	–	–
(Loss)/profit before and after taxation	(18,087)	60,003	(42,615)
			As at 30th September, 2014 HK\$'000 (audited)
Total assets			510,354
Net assets			283,394

(2) Rosedale:

Rosedale is an investment holding company and its subsidiaries are principally engaged in hotel operations and trading of securities.

According to the 2014 interim report and the 2013 annual report of Rosedale, the unaudited consolidated profit before taxation and profit after taxation of Rosedale amounted to approximately HK\$411.0 million and HK\$409.1 million respectively for the period ended 30th June, 2014; the audited consolidated profit before taxation and profit after taxation of Rosedale amounted to approximately HK\$502.2 million and HK\$443.1 million respectively for the year ended 31st December, 2013; and the audited consolidated loss before taxation and loss after taxation of Rosedale amounted to approximately HK\$148.1 million and HK\$149.0 million respectively for the year ended 31st December, 2012.

IV. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company which directly and indirectly holds strategic investments in a number of listed companies. The principal activities of the Group comprise investment holding, the provision of finance, property investment and treasury investment.

Assuming all the Arrangement Shares are placed at the closing price of HK\$0.590 per Rosedale Share as quoted on the Stock Exchange on 11th April, 2014, being the date of the Agreement, the Consideration together with the Placement Proceeds, net of estimated expenses, is estimated to be approximately HK\$599.8 million. The Company intends to apply such net proceeds for the Group's general working capital, repayment of borrowings and, where appropriate, future suitable investment opportunities (if any). Approximately HK\$57.3 million has been allocated towards the repayment of borrowings. Such amount has been applied by the Group for repayment of borrowings out of the Deposit paid upon the signing of the Agreement. The Group has no current intention, negotiation or entered into any agreement, arrangement or understanding regarding any

LETTER FROM THE BOARD

potential acquisition(s) and/or potential further disposal as of the Latest Practicable Date. Hence, the allocation of the remaining net proceeds towards future investment opportunities cannot be currently determined and may all be applied towards general working capital if no suitable investment opportunities are identified.

For illustrative purpose, assuming that the aforesaid amount of approximately HK\$599.8 million is divided by the entire 195,706,000 Rosedale Shares owned by Asia Will, inclusive of the Arrangement Shares, the consideration per Rosedale Share under the Disposal is approximately HK\$3.065, which represents:

- (i) a premium of approximately 419.5% to the closing price of HK\$0.590 per Rosedale Share as quoted on the Stock Exchange on 11th April, 2014;
- (ii) a premium of approximately 371.5% to the closing price of HK\$0.650 per Rosedale Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iii) a premium of approximately 372.3% to the average of the closing prices of approximately HK\$0.649 per Rosedale Share for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Latest Practicable Date;
- (iv) a premium of approximately 367.9% to the average of the closing prices of approximately HK\$0.655 per Rosedale Share for the last thirty consecutive trading days as quoted on the Stock Exchange up to and including the Latest Practicable Date;
- (v) a premium of approximately 359.5% to the average of the closing prices of approximately HK\$0.667 per Rosedale Share for the last sixty consecutive trading days as quoted on the Stock Exchange up to and including the Latest Practicable Date;
- (vi) a premium of approximately 584.2% to the average of the closing prices of approximately HK\$0.448 per Rosedale Share for the last thirty consecutive trading days as quoted on the Stock Exchange up to and including 3rd December, 2013, being the last trading day before the day of the Company's first announcement in relation to a possible Disposal; and
- (vii) a premium of approximately 2.0% to the net asset value per Rosedale Share of approximately HK\$3.005 (being the net asset value of Rosedale of approximately HK\$1,976 million as at 31st December, 2013 divided by 657,675,872 Rosedale Shares in issue as at the Latest Practicable Date as disclosed on the official website of the Stock Exchange).

One of the conditions precedent to the Agreement is the completion of the Rosedale Disposal Agreements which is a Purchaser's condition and is also waivable by the Purchaser. Shareholders should note that the expected impact on the net asset value of Rosedale as a result of the Rosedale Disposal Agreements is not significant. For further information on the financial impact on Rosedale, please refer to its circular dated 10th November, 2014. Since the interests in the Rosedale Shares are equity accounted for in the accounts of Leaptop, the Company considers the fulfillment or waiver of the aforesaid condition precedent will not have a significant effect on the net asset value of the Leaptop Group.

Based on the published audited financial statements of Rosedale for the year ended 31st December, 2013 and the gain by Rosedale in relation to its disposal of 60% interest in and the fair value gain of remaining 40% interest in Rosedale Hotel Kowloon completed in March 2014, the Group will share a gain of approximately HK\$141 million. Taking into account of the adjustment in the carrying value of the Group's interest in Rosedale primarily as a result of the aforementioned gain from Rosedale Hotel Kowloon, a loss of approximately HK\$126 million arose due to the Disposal based on the net proceeds from the Disposal and the Special Dividend. This loss was recognised by the Group as an impairment loss on its interest in Rosedale for the year ended 31st March, 2014, with no further significant gain or loss expected to be recognised upon Completion. The amount of the actual gain or loss on the Disposal will be determined with reference to, amongst others, the carrying value of the Group's interest in Rosedale as at the Completion Date.

Taking into account the consideration per Rosedale Share under the Disposal as compared to the closing prices of Rosedale Shares as described above, the Disposal provides the Group with a good opportunity to realise the investment on the said 195,706,000 Rosedale Shares at a significant premium to its market value with reference to the trading prices of the Rosedale Shares prevailing at the time prior to the Company's first announcement in relation to the possible Disposal, and to receive significant cash inflow to strengthen the liquidity position of the Group and increase the cash resources for any future potential investment opportunities that may arise from time to time. Immediately after Completion, the Company will cease to hold any Rosedale Shares and Rosedale will cease to be an associated company of the Company. Furthermore, as discussed in the section headed "II. The Agreement – (4) Consideration and payment terms", the Consideration was determined

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after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (a) the unaudited consolidated net assets of the Leaptop Group of approximately HK\$361 million as at 28th February, 2014; and (b) the shareholder's loan owing by Leaptop to the Vendor of approximately HK\$227 million as at 28th February, 2014.

Based on the above, the Board considers that the terms of the Agreement including the Consideration are normal commercial terms and are fair and reasonable, and the entering into of the Agreement by the Vendor and the Company is in the interests of the Company and the Shareholders as a whole.

As at the date of the Agreement, the Purchaser and parties acting in concert with it held 48,660,424 Rosedale Shares, representing approximately 7.40% of the voting rights of Rosedale as at the Latest Practicable Date as disclosed on the official website of the Stock Exchange. If the Purchaser were to acquire the Leaptop Group without the Arrangement, its holdings taken together with the said 195,706,000 Rosedale Shares held by Asia Will would in aggregate represent approximately 37.16% of the voting rights of Rosedale triggering an obligation to make a general offer for all the Rosedale Shares not held by it or parties acting in concert with it under Rule 26 of the Takeovers Code. Hence, completion of the Agreement is conditional upon, amongst others, the implementation and completion of the Arrangement whereby the Arrangement Shares will be placed and/or donated by Asia Will before Completion such that the Purchaser and parties acting in concert with it will hold less than 30% of the voting rights of Rosedale immediately after Completion. It is the current intention of Asia Will to arrange for placement of the Arrangement Shares after fulfilment or waiver of the other conditions precedent to the Agreement. All of the Arrangement Shares will be placed to independent third party(ies) and/or donated to Charitable Body such that all conditions precedent can be fulfilled or waived before the Long Stop Date. The net proceeds from the Arrangement, if any, will be for the benefit of the Vendor and/or any wholly-owned subsidiary of the Company. Given the aforesaid and that the consideration per Rosedale Share under the Disposal is at a significant premium to the market price of the said 195,706,000 Rosedale Shares even if all the Arrangement Shares are donated, the Board considers that the Arrangement is also in the interests of the Company and the Shareholders as a whole.

Further to the above, due to the issue of the Promissory Note to the Group as part of the Consideration, following Completion the Company may be presumed to be acting in concert with the Purchaser under the Class 9 definition as prescribed by the Takeovers Code. Although the definition of "acting in concert" (including Class 9) does not encircle Dr. Chan as a presumed concert party of the Purchaser, he has decided to dispose of and/or donate his personal interests in Rosedale Shares to remove any doubt due to his position as the controlling shareholder of the Company.

V. FINANCIAL EFFECTS OF THE DISPOSAL AND THE USE OF PROCEEDS

(1) Financial effects of the Disposal

As at the Latest Practicable Date, Leaptop and Asia Will are indirect wholly-owned subsidiaries of the Company. Upon Completion, the Company will no longer hold any interest in the Leaptop Group, and thus the Leaptop Group will cease to be subsidiaries of the Company and their respective financial results will cease to be consolidated with the Group's results.

Set out below is a summary of the consolidated statements of profit or loss of the Leaptop Group for the years ended 31st March, 2012, 2013 and 2014 and six months ended 30th September, 2013 and 2014:

	Year ended 31st March,			Six months ended 30th September,	
	2012	2013	2014	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Revenue	–	–	–	–	–
Profit/(loss) before and after taxation	183,229	(42,615)	60,003	(48,102)	(18,087)

The consolidated net assets of the Leaptop Group were approximately HK\$283 million as at 30th September, 2014 according to the Leaptop Group's latest consolidated financial statements. Set out in Appendix III to this circular is the unaudited pro forma financial information of the Remaining Group which illustrates the financial effect of the Disposal on the results and cash flows of the Group assuming Completion had taken place on 1st April, 2013; and on the assets and liabilities of the Group assuming Completion had taken place on 31st March, 2014.

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Based on the unaudited pro forma consolidated statements of profit or loss and other comprehensive income, and financial position of the Remaining Group as set out in Appendix III to this circular:

- (i) the Group would realise a gain of approximately HK\$109 million on the Disposal assuming the Disposal was completed on 1st April, 2013;
- (ii) the profit per Share for the year ended 31st March, 2014 would be HK\$0.09 assuming that the Disposal was completed on 1st April, 2013;
- (iii) the total assets of the Remaining Group would decrease from approximately HK\$3,116 million to approximately HK\$3,113 million assuming that the Disposal was completed on 31st March, 2014; and
- (iv) the net assets of the Remaining Group would decrease from approximately HK\$3,005 million to approximately HK\$3,002 million assuming that the Disposal was completed on 31st March, 2014.

(2) The use of proceeds

The Consideration together with the Placement Proceeds, net of estimated expenses, is estimated to be approximately HK\$599.8 million. The Company intends to apply such net proceeds for the Group's general working capital, repayment of borrowings and, where appropriate, future suitable investment opportunities (if any).

VI. THE SGM

As some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Hence, the Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. An SGM will be convened and held by the Company for the Shareholders to consider and, if thought fit, approve the Agreement, the Supplemental Agreement and the transactions contemplated thereunder subject to the terms and conditions of the Agreement and the Supplemental Agreement.

A notice convening the SGM is set out on pages 55 and 56 of this circular at which a resolution will be proposed to approve, among other things, the Agreement, the Supplemental Agreement and the transactions contemplated thereunder subject to the terms and conditions of the Agreement and the Supplemental Agreement.

Dr. Chan and his close associates, which directly and indirectly held 514,365,682 Shares (representing approximately 37.63% of the issued share capital of the Company) as at the Latest Practicable Date, will abstain from voting in respect of the resolution approving the Agreement, the Supplemental Agreement and the transactions contemplated thereunder at the SGM.

If any Shareholder is materially interested in the Agreement, such Shareholder and his or its close associates will be required to abstain from voting on the resolution approving the transactions contemplated under the Agreement and the Supplemental Agreement.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the SGM will therefore put the resolution to be proposed at the SGM to be voted by way of a poll pursuant to bye-law 79 of the Company's bye-laws.

Whether or not you intend to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Such form of proxy for use at the SGM is also published on the respective website of the Stock Exchange (www.hkexnews.hk) and the Company (www.itc.com.hk). Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or at any adjournment thereof (as the case may be) in person should you so wish.

LETTER FROM THE BOARD

VII. RECOMMENDATIONS

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement and the Supplemental Agreement are fair and reasonable so far as the Shareholders are concerned and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be put forward to the Shareholders at the SGM to consider and, if thought fit, approve the Agreement, the Supplemental Agreement and the transactions contemplated thereunder.

VIII. GENERAL

The Shareholders and potential investors of the Company should note that Completion is subject to a number of conditions. There is no assurance that the Disposal will be completed. The Shareholders and potential investors of the Company should, accordingly, exercise caution when dealing in the Shares.

IX. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of SGM.

Yours faithfully,
For and on behalf of the board of directors of
ITC Corporation Limited
Dr. Chan Kwok Keung, Charles
Chairman

I. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 March, 2012, 2013 and 2014 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.itc.com.hk), and which can be accessed by the direct hyperlinks below:

- (1) annual report of the Company for the year ended 31st March, 2012 published on 6th July, 2012 (pages 45 to 138):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0706/LTN20120706418.pdf>
- (2) annual report of the Company for the year ended 31st March, 2013 published on 9th July, 2013 (pages 47 to 138):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0709/LTN20130709160.pdf>
- (3) annual report of the Company for the year ended 31st March, 2014 published on 4th July, 2014 (pages 43 to 134):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0704/LTN20140704381.pdf>

II. STATEMENT OF INDEBTEDNESS**(1) Borrowings**

As at 30th September, 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding unsecured bank borrowings of approximately HK\$62.4 million.

The carrying value of pledged assets as at 30th September, 2014 is set out in the paragraph headed "Pledge of assets" below.

(2) Debt securities

As at 30th September, 2014, the Company did not have outstanding debt securities.

(3) 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.

(4) Pledge of assets

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

(5) Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at 30th September, 2014, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

III. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the effect of the Disposal, the available banking facilities and the Group's internally generated funds, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular.

IV. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st March, 2014, the date to which the latest audited consolidated financial statements of the Company were made up.

V. FINANCIAL AND TRADING PROSPECTS

In view of the precarious state of the global economy, the outlook is expected to remain uncertain. The Group's strategic framework will continue to keep the Group well-poised for opportunities as well as meeting the challenges ahead. The diversified business activities of the Group's strategic investments would help to reduce the Group's reliance on a particular sector.

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

The following is the text of an accountant's report in respect of the Leaptop Group received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation into this circular.



10th November, 2014
The Directors
Leaptop Investments Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") regarding Leaptop Investments Limited ("Leaptop") and its subsidiary (hereinafter collectively referred to as the "Leaptop Group") for each of the three years ended 31st March, 2012, 2013 and 2014 and the six months ended 30th September, 2014 (the "Relevant Periods"), for inclusion in the circular issued by ITC Corporation Limited ("ITC" or the "Company") dated 10th November, 2014 (the "Circular") in connection with the proposed disposal of the entire interest in, and the shareholder's loan to, Leaptop to Hanny Investment Group Limited (the "Purchaser"), a wholly-owned subsidiary of Hanny Holdings Limited ("Hanny") (the "Disposal").

Leaptop is a private limited company incorporated in the British Virgin Islands and engages in the business of investment holding. At the end of each reporting period and as at the date of this report, Leaptop has the following subsidiary:

Name of subsidiary	Place of incorporation	Issued and fully paid share capital	Percentage of issued share capital and voting rights held by Leaptop				Principal activity	
			At 31st March,		At 30th September,			
			2012	2013	2014	2014		
<i>Directly owned</i>								
Asia Will Limited ("Asia Will")	Hong Kong	HK\$1 ordinary share	100%	100%	100%	100%	100%	Investment holding

Each of Leaptop and Asia Will has adopted 31st March as their financial year end date.

No audited financial statements have been prepared for Leaptop since its incorporation as it is not subject to statutory audit requirements. The statutory financial statements of Asia Will for each of the three years ended 31st March, 2012, 2013 and 2014 were prepared in accordance with accounting policies which are in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and were audited by Deloitte Touche Tohmatsu in Hong Kong.

For the purpose of this report, the directors of Leaptop have prepared the consolidated financial statements of the Leaptop Group for the Relevant Periods in accordance with HKFRSs (the "Underlying Financial Statements"). We have undertaken an independent audit of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We have also examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Leaptop Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements on the basis set out in note 3 of Section E below. No adjustment was considered necessary to the Underlying Financial Statements in preparing our report for inclusion in the Circular.

The Underlying Financial Statements are the responsibility of the directors of Leaptop who approved their issue. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Leaptop Group as at 31st March, 2012, 2013 and 2014 and 30th September, 2014 and of the Leaptop Group's results and cash flows for the Relevant Periods.

The comparative consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Leaptop Group for the six months ended 30th September, 2013, together with the notes thereon (the "September 2013 Financial Information") have been extracted from the Leaptop Group's unaudited consolidated financial information for the same period, which was prepared by the directors of Leaptop solely for the purpose of this report. We have reviewed the September 2013 Financial Information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the September 2013 Financial Information consisted of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the September 2013 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the September 2013 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs.

(A) Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31st March,			Six months ended 30th September	
		2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000 (unaudited)	2014 HK\$'000
Revenue		-	-	-	-	-
Other income		5	4	4	-	-
Administrative expenses		(12)	(10)	(9)	-	(1)
Share of results of an associate						
– share of results		(38,085)	(42,609)	254,669	(48,102)	(18,086)
– gain on acquisition of additional interest in an associate	8(c)	221,321	-	-	-	-
Profit (loss) for the year/period before impairment loss on an associate		183,229	(42,615)	254,664	(48,102)	(18,087)
Impairment loss on an associate	8(d)	-	-	(194,661)	-	-
Profit (loss) for the year/period, attributable to owners of Leaptop	5	183,229	(42,615)	60,003	(48,102)	(18,087)
Other comprehensive income (expenses) <i>Item that may be subsequently reclassified to profit or loss:</i>						
Share of other comprehensive income (expenses) of an associate		9,351	1,732	(30,173)	2,422	(5,955)
Total comprehensive income (expenses) for the year/period, attributable to owners of Leaptop		<u>192,580</u>	<u>(40,883)</u>	<u>29,830</u>	<u>(45,680)</u>	<u>(24,042)</u>

(B) Consolidated Statements of Financial Position

		2012	As at 31st March,		As at 30th
	Notes	HK\$'000	2013	2014	September,
			HK\$'000	HK\$'000	2014
					HK\$'000
Non-current asset					
Interest in an associate	8	551,985	507,357	534,394	510,353
Current asset					
Other receivable		–	1	1	1
Current liabilities					
Creditors and accrued expenses		4	4	4	–
Amount due to immediate holding company	9	–	–	226,955	226,960
Amount due to a fellow subsidiary	9	226,943	226,950	–	–
		226,947	226,954	226,959	226,960
Net current liabilities		(226,947)	(226,953)	(226,958)	(226,959)
Net assets		<u>325,038</u>	<u>280,404</u>	<u>307,436</u>	<u>283,394</u>
Capital and reserves					
Share capital	10	1	1	1	1
Reserves		325,037	280,403	307,435	283,393
Total equity		<u>325,038</u>	<u>280,404</u>	<u>307,436</u>	<u>283,394</u>

(C) Consolidated Statements of Change in Equity

	Share capital HK\$'000	Other reserve HK\$'000 (Note)	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1st April, 2011	1	(7,491)	200	15,909	112,713	121,332
Profit for the year	-	-	-	-	183,229	183,229
Share of other comprehensive (expenses) income of an associate	-	-	(370)	9,721	-	9,351
Total comprehensive (expenses) income for the year	-	-	(370)	9,721	183,229	192,580
Change in an associate's equity attributable to the Leaptop Group's interest arising on equity transaction of the associate	-	526	-	-	10,600	11,126
At 31st March, 2012	1	(6,965)	(170)	25,630	306,542	325,038
Loss for the year	-	-	-	-	(42,615)	(42,615)
Share of other comprehensive income of an associate	-	-	-	1,732	-	1,732
Total comprehensive income (expenses) for the year	-	-	-	1,732	(42,615)	(40,883)
Change in an associate's equity attributable to the Leaptop Group's interest arising on equity transaction of the associate	-	(3,751)	-	-	-	(3,751)
At 31st March, 2013	1	(10,716)	(170)	27,362	263,927	280,404
Profit for the year	-	-	-	-	60,003	60,003
Share of other comprehensive expenses of an associate	-	-	-	(30,173)	-	(30,173)
Total comprehensive (expenses) income for the year	-	-	-	(30,173)	60,003	29,830
Change in an associate's equity attributable to the Leaptop Group's interest arising on equity transaction of the associate	-	(2,798)	-	-	-	(2,798)
At 31st March, 2014	1	(13,514)	(170)	(2,811)	323,930	307,436
Loss for the period	-	-	-	-	(18,087)	(18,087)
Share of other comprehensive income of associate	-	-	-	(5,955)	-	(5,955)
Total comprehensive expenses for the period	-	-	-	(5,955)	(18,087)	(24,042)
At 30th September, 2014	<u>1</u>	<u>(13,514)</u>	<u>(170)</u>	<u>(8,766)</u>	<u>305,843</u>	<u>283,394</u>
At 1st April, 2013	1	(10,716)	(170)	27,362	263,927	280,404
Loss for the period	-	-	-	-	(48,102)	(48,102)
Share of other comprehensive income of associate	-	-	-	2,422	-	2,422
Total comprehensive income (expense) for the period	-	-	-	2,422	(48,102)	(45,680)
Change in an associate's equity attributable to the Leaptop Group's interest arising on equity transaction of the associate	-	(2,798)	-	-	-	(2,798)
At 30th September, 2013 (unaudited)	<u>1</u>	<u>(13,514)</u>	<u>(170)</u>	<u>29,784</u>	<u>215,825</u>	<u>231,926</u>

Note:

The balance represents the share of the deficit of a reserve arising from increase in interest in subsidiaries that are already controlled by Rosedale Hotel Holdings Limited (“Rosedale”), an associate of the Leaptop Group.

When Rosedale increases its interest in an entity that has already been controlled by it, it is accounted for as equity transaction by Rosedale. The carrying amounts of the equity attributable to the owners of Rosedale and its non-controlling interests are adjusted to reflect the changes in their relative interests in that entity. The difference between the amount by which the relevant non-controlling interests are adjusted and the fair value of the consideration paid by Rosedale is recognised directly in the equity of Rosedale.

(D) Consolidated Statements of Cash Flows

	Year ended 31st March,			Six months ended 30th September,	
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000 (unaudited)	2014 HK\$'000
OPERATING ACTIVITIES					
Profit (loss) for the year/period	183,229	(42,615)	60,003	(48,102)	(18,087)
Adjustments for:					
Share of results of an associate	(183,236)	42,609	(254,669)	48,102	18,086
Impairment loss on an associate	—	—	194,661	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating cash flows before movements in working capital	(7)	(6)	(5)	—	(1)
Increase in other receivable	—	(1)	—	—	—
Decrease in creditors and accrued expenses	—	—	—	—	(4)
Increase in amount due to immediate holding company/a fellow subsidiary	7	7	5	—	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash from operating activities and net change in cash and cash equivalents	—	—	—	—	—
Cash and cash equivalents brought forward	—	—	—	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and Cash equivalents carried forward	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(E) Notes to the Financial Information**1. GENERAL AND BASIS OF PREPARATION**

Leaptop is a private limited company incorporated in the British Virgin Islands. Its immediate holding company is ITC Investment Holdings Limited (“ITCIH”), a company also incorporated in the British Virgin Islands. Its ultimate holding company is ITC a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of Leaptop are P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands and 30/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, respectively.

The Financial Information regarding the Leaptop Group for each of the Relevant Periods are presented in Hong Kong dollars, which is also the functional currency of each of Leaptop and its subsidiary.

On 11th April, 2014, ITCIH entered into a conditional sale and purchase agreement (the “Agreement”) for the disposal of the entire interest in, and the shareholder’s loan to, Leaptop.

As of the date of the Agreement, Asia Will owned 195,706,000 shares of Rosedale, representing approximately 29.76% of the issued share capital of Rosedale. Pursuant to the terms of the Agreement, the consideration for the Disposal paid and payable by the purchaser is HK\$575,000,000. As part and parcel of the Disposal, ITCIH is required to procure Asia Will to place and/or donate certain number of shares of Rosedale to independent third party(ies) and/or charitable organisation(s) before the completion of the Disposal such that upon completion of the Disposal (i) the purchaser and parties acting in concert (as defined under the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong) will not hold in aggregate 30% or more of the voting rights of Rosedale and (ii) ITC and its subsidiaries will cease to hold any shares of Rosedale. Other conditions precedent and further details of the Disposal are set out in the announcements of ITC dated 23rd April, 2014 and 9th May, 2014.

The Financial Information of the Leaptop Group have been prepared on a going concern basis because a fellow subsidiary of Leaptop, being a subsidiary of ITC, has agreed to continuously to provide adequate funds for the Leaptop Group to meet in full its financial obligations as they fall due for the foreseeable future and for and up to the date of the completion of the Disposal. Moreover, upon completion of the Disposal, Hanny has agreed to provide financial support to the Leaptop Group to meet in full its financial obligations as they fall due in the foreseeable future.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Leaptop Group has adopted all relevant Hong Kong Accounting Standards (“HKAS”), amendments and interpretations (“HK(IFRIC) – Int”), which are effective for the accounting period beginning on 1st April, 2014 consistently throughout the Relevant Periods.

The Leaptop Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ²
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to HKAS 27	Equity Method in Separate Financial Statements ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ⁵
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²

¹ Effective for annual periods beginning on or after 1st January, 2018

² Effective for annual periods beginning on or after 1st January, 2016

³ Effective for annual periods beginning on or after 1st January, 2017

⁴ Effective for annual periods beginning on or after 1st July, 2014

⁵ Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions

The directors of Leaptop anticipate the application of these new and revised HKFRSs will have no material impact on the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs. The Financial Information has been prepared on the historical cost basis as explained in the accounting policies set out below.

Basis of consolidation

The Financial Information incorporate the Financial Information of Leaptop and its subsidiary. Control is achieved when Leaptop:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Leaptop Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each item of other comprehensive income are attributed to the owners of Leaptop. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Leaptop Group’s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Leaptop Group are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Service income is recognised when services are rendered.

Investment in associate

An associate is an entity over which the Leaptop Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these Financial Information using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Leaptop Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Leaptop Group's share of the profit or loss and other comprehensive income of the associate. When the Leaptop Group's share of losses of an associate exceeds the Leaptop Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Leaptop Group's net investment in the associate), the Leaptop Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Leaptop Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Leaptop Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Leaptop Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Leaptop Group's investment in associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Leaptop Group reduces its ownership interest in an associate but the Leaptop Group continues to use the equity method, the Leaptop Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Leaptop Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Leaptop Group's Financial Information only to the extent of interests in the associate that are not related to the Leaptop Group.

Acquisition of additional interests in an associate

On acquisition of additional interests in an associate, any excess of the cost of acquisition over the Leaptop Group's share of the net fair value of the identifiable assets and liabilities of that associate attributable to the additional interests obtained is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Leaptop Group's share of the net fair value of the identifiable assets and liabilities attributable to the additional interests obtained over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Leaptop Group's financial assets are classified into the loans and receivables category. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables, representing other receivable, is carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by Leaptop are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities, representing amounts due to immediate holding company and a fellow subsidiary, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Leaptop Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Leaptop Group derecognises financial liabilities when and only when, the Leaptop Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the Financial Information, the assets and liabilities of the foreign operations of the Leaptop Group's associate are translated into the presentation currency of the Leaptop Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

On the disposal of a foreign operation (i.e. a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owner of Leaptop is reclassified to profit or loss.

For partial disposals of associate that do not result in the Leaptop Group losing significant influence, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Leaptop Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in a subsidiary and an associate, except where the Leaptop Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Leaptop Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Leaptop Group's accounting policies, which are described in note 3, the directors of Leaptop are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Interest in an associate

The Leaptop Group's interest in an associate is carried at the Leaptop Group's share of net assets of the associate. As at 31st March, 2012, 2013 and 2014 and 30th September, 2014, the carrying value of the Leaptop Group's interest in the listed associate in Hong Kong exceeded the market value of the Leaptop Group's holding therein by the amounts of approximately HK\$470 million, HK\$422 million, HK\$407 million and HK\$383 million, respectively. Management has assessed the recoverable amounts of the Leaptop Group's interest in the associate in view of the fact that the fair value of the shares of the associate held by the Leaptop Group were significantly below the carrying amounts of the interest in Rosedale. This assessment involves significant assumptions about future events and market conditions that the amount can be realised may be different as projected if the Leaptop Group is to dispose of this interest.

The recoverable amount of the Leaptop Group's interest in an associate as at 31st March, 2012 and 2013 were estimated using value in use calculation. As at 31st March, 2014 and 30th September, 2014, the carrying amount of the portion of interest in an associate required to be placed and/or donated before the completion of the Disposal was fully written off while the recoverable amount of portion that will continue to be held by the Leaptop Group was determined based on its fair value less cost of disposal.

For acquisition of additional interests in an associate during the year ended 31st March, 2012, any excess of the Leaptop Group's share of the net fair value of the identified assets and liabilities attributable to the additional interests obtained over the cost of acquisition is calculated using fair value information of the net identifiable assets and liabilities at the dates the additional interests are acquired, and is recognised, after assessment, in profit or loss. The fair value of the net identifiable assets and liabilities involves significant assumptions about fair value of the underlying assets and liabilities of the associate as set out above.

5. PROFIT (LOSS) FOR THE YEAR/PERIOD

	Year ended 31st March,			Six months ended 30th September,	
	2012	2013	2014	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(unaudited)	
Profit (loss) for the year/period has been arrived at after charging:					
Auditor's remuneration	4	4	4	-	-
Staff costs, including directors' emoluments:					
Salaries and other benefits	-	-	-	-	-
Retirement benefit scheme contributions	-	-	-	-	-
	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>

6. TAXATION

No provision for Hong Kong Profits Tax has been made as the Leaptop Group had no assessable profits arising in Hong Kong for any of the years ended 31st March, 2012, 2013 and 2014, or any of the six months ended 30th September, 2013 and 2014.

The taxation for the year/period can be reconciled to the profit (loss) before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31st March,			Six months ended 30th September,	
	2012	2013	2014	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(unaudited)	
Profit (loss) before taxation	<u>183,229</u>	<u>(42,615)</u>	<u>60,003</u>	<u>(48,102)</u>	<u>(18,087)</u>
Tax at Hong Kong Profits Tax rate of 16.5%	30,233	(7,031)	9,900	(7,937)	(2,984)
Tax effect of expenses not deductible for tax purposes	1	1	32,120	-	1
Tax effect of income not taxable for tax purposes	(36,518)	-	-	-	-
Tax effect of share of results of an associate	<u>6,284</u>	<u>7,030</u>	<u>(42,020)</u>	<u>7,937</u>	<u>2,983</u>
Taxation for the year/period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 31st March, 2012, 2013 and 2014 and 30th September, 2013 and 2014, the Leaptop Group has unused tax losses of HK\$1,404,000, HK\$1,405,000, HK\$1,405,000, HK\$1,405,000 and HK\$1,405,000, respectively, available for offset against future profits. No deferred tax assets in respect of tax losses has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

7. DISTRIBUTIONS

	Year ended 31st March,			Six months ended 30th September,	
	2012	2013	2014	2013	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Dividends recognised as distributions to owners of the Leaptop during the year/period	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

8. INTEREST IN AN ASSOCIATE

(a) Investment in an associate

	As at 31st March,			As at 30th September,
	2012	2013	2014	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Share of consolidated net assets of an associate, less impairment loss recognised:				
Listed in Hong Kong	551,985	507,357	534,394	510,353
	<u>551,985</u>	<u>507,357</u>	<u>534,394</u>	<u>510,353</u>

(b) Particulars of the Leaptop Group's associate as at 31st March, 2012, 2013 and 2014 and 30th September, 2014:

Name of associate	Place of listing	Place of incorporation	Principal place of operations	Percentage of issued share capital and voting rights held indirectly by the Leaptop				Principal activities
				As at 31st March,			As at 30th September,	
				2012	2013	2014	2014	
				%	%	%	%	
Rosedale Hotel Holdings Limited	Hong Kong	Bermuda	Hong Kong	29.76	29.76	29.76	29.76	Investment holding in companies engaged in hotel operation in the People's Republic of China and Hong Kong and trading of securities

	As at 31st March,			As at 30th September,
	2012	2013	2014	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Reconciliation to the carrying amount of interest in Rosedale:</i>				
Net assets of Rosedale	2,094,246	1,889,758	2,688,593	2,604,814
Less: non-controlling interests	(239,287)	(184,771)	(242,439)	(235,591)
Net asset attributable to the owners of Rosedale	<u>1,854,959</u>	<u>1,704,987</u>	<u>2,446,154</u>	<u>2,369,223</u>
Net assets attributable to the Leaptop Group	551,985	507,357	729,055	705,014
Impairment loss on the Leaptop Group's interest in Rosedale	-	-	(194,661)	-
Accumulated impairment loss on the Leaptop Group's interest in Rosedale	-	-	-	(194,661)
Carrying amount of the Leaptop Group's interest in Rosedale	<u>551,985</u>	<u>507,357</u>	<u>534,394</u>	<u>510,353</u>
Fair value of the investment in Rosedale, based on the quoted prices in active market for the identical asset directly, and categorised as level 1 of the fair value hierarchy	<u>82,197</u>	<u>85,132</u>	<u>127,209</u>	<u>127,209</u>

During the year ended 31st March, 2012, the Leaptop Group acquired from the open market an aggregate of approximately 91.6 million shares of Rosedale, representing approximately 13.94% equity interest in Rosedale, for an aggregate consideration of HK\$40,986,000. As a result of the acquisition, the equity interest held by the Leaptop Group in Rosedale increased to 29.76% and gain on acquisition of additional interests in Rosedale of HK\$221,321,000, determined by comparing the fair value of the identifiable assets and liabilities of Rosedale on the dates of acquisition attributable to the additional interests acquired by the Leaptop Group with the cost of acquisition of the additional interests, was recognised in the profit or loss for the year.

Rosedale is a company listed on the Stock Exchange and its financial year end is 31st December. As such, the Leaptop Group has equity accounted for this associate using published financial information of Rosedale. For the Leaptop Group's financial years ended 31st March, 2012, 2013 and 2014 and the six months ended 30th September, 2013 and 2014, the Leaptop Group has used the financial information of Rosedale for the financial years ended 31st December, 2011, 2012 and 2013 and the six months ended 30th June, 2013 and 2014, respectively, in applying the equity method of accounting in respect of the interests in the equity shares of Rosedale held by the Leaptop Group. Adjustments are made for the effects of the significant transactions or events that occurred between 1st January, 2012 and 31st March, 2012, 1st January, 2013 and 31st March, 2013, 1st January, 2014 and 31st March, 2014, 1st July, 2013 and 30th September, 2013 and 1st July, 2014 and 30th September, 2014, respectively, when applying the equity method for each of the Relevant Periods.

There were no significant transactions occurred between 1st January, 2012 and 31st March, 2012, between 1st January, 2013 and 31st March, 2013, between 1st July, 2013 and 30th September, 2013 or between 1st July, 2014 and 30th September, 2014.

The Leaptop Group's share of net assets and results of Rosedale at 31st March, 2014 is calculated based on the consolidated net assets of Rosedale at 31st December, 2013 and the results up to 31st December, 2013, respectively, as stated in Rosedale's financial information for the year ended 31st December, 2013, and adjusted for the effects of a significant transaction that occurred between 1st January, 2014 and 31st March, 2014, being the disposal of 60% equity interest in and corresponding shareholder's loan due by More Star Limited, a then wholly-owned subsidiary of Rosedale, whose principal asset is the ownership of a hotel property in Hong Kong. The financial effects of the above transaction attributable to the Leaptop Group include an increase in both the carrying amount of the Leaptop Group's interest in Rosedale and the Leaptop Group's share of results of Rosedale for the year ended 31st March, 2014 by approximately HK\$141 million. Further details are set out in Rosedale's announcements dated 10th November, 2013 and 14th March, 2014, and circular dated 18th February, 2014. Such amount has specifically been excluded from the Group's share of results of Rosedale for the six months ended 30th September, 2014.

(d) Assessment for impairment of an associate

During the years ended 31st March, 2012 and 2013, the directors of Leaptop have estimated the recoverable amounts of interest in Rosedale in view of the fact that the fair value of the shares of associate held by the Leaptop Group were significantly below the carrying amounts of the interest in Rosedale. The recoverable amounts as at 31st March, 2012 and 2013 were estimated using value in use calculation for assessment of impairment on interest in Rosedale as the carrying value of the interest in Rosedale is higher than the market value of the listed securities, and hence no impairment loss was recognised for the years ended 31st March, 2012 and 2013. In determining the value in use of the investment in Rosedale, the directors of Leaptop estimated the Leaptop Group's share of the present value of the estimated future cash flows expected to be generated by Rosedale, including its cash flows from the operations and the proceeds from the ultimate disposal of Rosedale by the Leaptop Group. The key assumptions for the value in use calculation were the estimated fair values of the underlying assets and liabilities of Rosedale at the time of ultimate disposal.

For the year ended 31st March, 2014 and for the six months ended 30th September, 2014, for the purpose of impairment assessment of the interest in Rosedale, the directors of Leaptop considered that, as set out in note 1, ITCIH is required, pursuant to the Agreement, to procure Asia Will to place and/or donate certain number of shares of Rosedale before the completion of the Disposal. Any net proceeds from the placement will, according to the Agreement, be attributable to ITCIH or any wholly-owned subsidiary of ITC and not the Leaptop Group. The attributable carrying amount of the Leaptop Group's interests in Rosedale that is required to be placed and/or donated before the completion of the Disposal amounting to HK\$179,810,000 has therefore been fully impaired and such amount is included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31st March, 2014. In addition, since the entire amount of the special dividend of HK\$0.1 per share of Leaptop Group's interests in Rosedale declared by the board of directors of Rosedale (which is subject to the completion of any one of the transactions announced by Rosedale on 23rd April, 2014) is attributable to ITCIH or any wholly-owned subsidiary of ITC and not the Leaptop Group, the estimated amount of the special dividend attributable to the Leaptop Group's interests in Rosedale that will continue to be held by the Leaptop Group upon completion of the Disposal of HK\$14,851,000 is also fully impaired against the Leaptop Group's net interest in Rosedale. The total impairment of the Leaptop Group's interest in Rosedale included in the consolidated statement of profit or loss and other comprehensive income of the Leaptop Group for the year ended 31st March, 2014 is HK\$194,661,000. No impairment loss is recognised for the six months ended 30th September, 2014.

The attributable carrying amounts of the Leaptop Group's interests in Rosedale that will remain to be held by the Leaptop Group upon completion of the Disposal amounting to HK\$534,394,000 and HK\$510,353,000, respectively, as at 31st March, 2014 and 30th September, 2014, respectively, not exceed the respective recoverable amount, which are determined using fair value less cost of disposal, estimated by reference to the consideration for the Disposal of HK\$575,000,000, and hence no impairment loss is recognised for this portion for the year ended 31st March, 2014 and the six months ended 30th September, 2014.

9. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY/A FELLOW SUBSIDIARY

The amounts due to the immediate holding company and a fellow subsidiary are unsecured, non-interest bearing and repayable on demand.

10. SHARE CAPITAL OF LEAPTOP

	Number of shares	Value HK\$'000
Ordinary shares of US\$1.00 each:		
Authorised:		
At 1st April, 2011, 31st March, 2012, 2013 and 2014 and 30th September, 2014	50,000	388
Issued and fully paid:		
At 1st April, 2011, 31st March, 2012, 2013 and 2014 and 30th September, 2014	1	1

11. CAPITAL RISK MANAGEMENT

The Leaptop Group manages its capital to ensure that entities in the Leaptop Group will be able to continue as a going concern while maximising the return to owners of Leaptop through the optimisation of the debt and equity balance. The Leaptop Group's overall strategy remains unchanged from prior periods.

The capital structure of the Leaptop Group consists of debts, including amounts due to immediate holding company and a fellow subsidiary, and equity attributable to owners of Leaptop, comprising issued share capital, accumulated profits and other reserves.

The directors of Leaptop review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Leaptop Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

12. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2012 HK\$'000	As at 31st March,		As at 30th September, 2014 HK\$'000
		2013 HK\$'000	2014 HK\$'000	
Financial asset				
Loans and receivables	–	1	1	1
Financial liability				
Amortised cost	226,943	226,950	226,955	226,960

(b) Financial risk management objectives and policies

The Leaptop Group's financial instruments include other receivable, amounts due to immediate holding company and a fellow subsidiary. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. There has been no significant change to the Leaptop Group's exposure to market risks or the manner in which it manages and measures the risk.

Liquidity risk

In the management of the liquidity risk, the Leaptop Group monitors and maintains a level of financial resources deemed adequate by management to finance the Leaptop Group's operations and mitigate the effects of fluctuations in cash flows.

In preparing the Financial Information, the directors of Leaptop have given careful consideration to the future liquidity and going concern of the Leaptop Group in light of the Leaptop Group's current liabilities exceed its current assets by HK\$226,947,000, HK\$226,953,000, HK\$226,958,000 and HK\$226,959,000 as at 31st March, 2012, 2013 and 2014 and 30th September, 2014, respectively. The directors of Leaptop are satisfied that the Leaptop Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future, after taking into consideration, the future plan of the Leaptop Group. In addition, as set out in note 1, a fellow subsidiary of the Leaptop Group, being a subsidiary of ITC; or Hanny, as appropriate, agreed to provide adequate funds to enable the Leaptop Group to maintain its liquidity position, and, accordingly, the directors of Leaptop believe that the Leaptop Group's liquidity risk is significantly reduced.

The contractual maturity of the Leaptop Group's financial liabilities is required to be repaid on demand. The undiscounted cash flows of the Leaptop Group's financial liabilities based on the earliest date on which the Leaptop Group can be required to pay approximates its carrying amount as at 31st March, 2012, 2013 and 2014 and 30th September, 2014.

(c) **Fair value of financial instruments that are recorded at amortised cost**

The directors of Leaptop consider that the carrying amounts of financial asset and financial liabilities recorded at amortised cost in the Financial Information approximate their fair values at the end of the reporting period. There were no significant changes in the business or economic circumstances that affect the fair value of the Leaptop Group's financial instruments in the Relevant Periods.

13. RELATED PARTY DISCLOSURES

(a) **Related party transaction**

During the years ended 31st March, 2012, 2013 and 2014, the Leaptop Group received service fee income of HK\$5,000, HK\$4,000 and HK\$4,000, respectively, from a fellow subsidiary. During the period ended 30th September, 2014, the directors are not aware of any related party transactions.

(b) **Balances**

Details of the balances with related parties are set out in the statements of financial position and in note 9.

14. PARTICULARS OF A SUBSIDIARY

Details of Leaptop's subsidiary at 31st March, 2012, 2013 and 2014 and 30th September, 2014 are as follows:

Name of subsidiary	Place of incorporation	Issued and fully paid share capital	Percentage of issued share capital and voting rights held by Leaptop				Principal activity
			As at 31st March,		As at 30th September,		
			2012	2013	2014	2014	
			%	%	%	%	
<i>Directly owned</i>							
Asia Will	Hong Kong	HK\$1 ordinary share	100	100	100	100	Investment holding

Asia Will had not issued any debt securities at 31st March, 2012, 2013 and 2014 and 30th September, 2014.

(F) **Subsequent Financial Statements**

No audited financial statements of Leaptop or Asia Will have been prepared in respect of any period subsequent to 30th September, 2014.

Yours faithfully,

Deloitte Touche Tohmatsu
 Certified Public Accountants
 Hong Kong

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared to illustrate the effect of the Disposal as if it had been completed on 31st March, 2014 for the unaudited pro forma consolidated statement of financial position and on 1st April, 2013 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on the consolidated statement of financial position of the Group as at 31st March, 2014, which has been extracted from the published annual report of the Group for the year ended 31st March, 2014. The preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31st March, 2014 is based on the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31st March, 2014, respectively, which have been extracted from the published annual report of the Group for the year ended 31st March, 2014. Narrative descriptions of the unaudited pro forma adjustments are directly attributable to the Disposal and are factually supportable and are summarised in the accompanying notes.

As the unaudited pro forma financial information is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position, financial results or cash flows of the Remaining Group had the Disposal been completed on 1st April, 2013 or 31st March, 2014 or any future dates.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

Unaudited pro forma consolidated statement of financial position of the Remaining Group

	The Group as at 31st March, 2014 <i>HK\$'000</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (b)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Pro forma adjustments Total <i>HK\$'000</i>	Pro forma Remaining Group <i>HK\$'000</i>
Non-current assets						
Property, plant and equipment	4,650	–	–	–	–	4,650
Investment property	21,150	–	–	–	–	21,150
Intangible assets	1,641	–	–	–	–	1,641
Interests in associates	3,045,256	(534,394)	–	(68,530)	(602,924)	2,442,332
	<u>3,072,697</u>	<u>(534,394)</u>	<u>–</u>	<u>(68,530)</u>	<u>(602,924)</u>	<u>2,469,773</u>
Current assets						
Debtors, deposits and prepayments	9,355	(1)	–	–	(1)	9,354
Amounts due from associates	1,857	–	–	–	–	1,857
Consideration receivable	–	–	300,000	–	300,000	300,000
Short-term bank deposits, bank balances and cash	31,726	–	299,848	–	299,848	331,574
	<u>42,938</u>	<u>(1)</u>	<u>599,848</u>	<u>–</u>	<u>599,847</u>	<u>642,785</u>
Current liabilities						
Creditors and accrued expenses	27,018	(4)	–	–	(4)	27,014
Margin account payable	19,596	–	–	–	–	19,596
Bank overdrafts	62,653	–	–	–	–	62,653
	<u>109,267</u>	<u>(4)</u>	<u>–</u>	<u>–</u>	<u>(4)</u>	<u>109,263</u>
Net current (liabilities) assets	<u>(66,329)</u>	<u>3</u>	<u>599,848</u>	<u>–</u>	<u>599,851</u>	<u>533,522</u>
Total assets less current liabilities	<u>3,006,368</u>	<u>(534,391)</u>	<u>599,848</u>	<u>(68,530)</u>	<u>(3,073)</u>	<u>3,003,295</u>
Non-current liability						
Deferred tax liabilities	1,187	–	–	–	–	1,187
Net assets	<u>3,005,181</u>	<u>(534,391)</u>	<u>599,848</u>	<u>(68,530)</u>	<u>(3,073)</u>	<u>3,002,108</u>
Capital and reserves						
Share capital	12,702	–	–	–	–	12,702
Share premium and reserves	2,992,479	(534,391)	599,848	(68,530)	(3,073)	2,989,406
Total equity	<u>3,005,181</u>	<u>(534,391)</u>	<u>599,848</u>	<u>(68,530)</u>	<u>(3,073)</u>	<u>3,002,108</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group

	The Group for the year ended 31st March, 2014 HK\$'000	Pro forma adjustment HK\$'000 Note (c)	Pro forma adjustment HK\$'000 Note (d)	Pro forma adjustment HK\$'000 Note (e)	Pro forma adjustment HK\$'000 Note (f)	Pro forma adjustment HK\$'000 Note (g)	Pro forma adjustments Total HK\$'000	Pro forma Remaining Group HK\$'000
Revenue	7,121	-	-	-	-	-	-	7,121
Management and other related service income	4,217	-	-	-	-	-	-	4,217
Interest income	1,527	-	-	-	15,000	-	15,000	16,527
Property rental income	1,063	-	-	-	-	-	-	1,063
Other income	1,098	-	(4)	-	-	4	-	1,098
Gain on change in fair value of investment property	975	-	-	-	-	-	-	975
Administrative expenses	(50,071)	-	9	-	-	(4)	5	(50,066)
Finance costs	(7,280)	-	-	-	-	-	-	(7,280)
Gain on disposal of an associate through disposal of subsidiaries	-	-	-	108,970	-	-	108,970	108,970
Net loss on net decrease in interest in an associate	(153,204)	-	-	-	-	-	-	(153,204)
Share of results of associates								
– share of results	411,089	-	(254,669)	-	-	-	(254,669)	156,420
– gain on acquisitions of additional interest in an associate	26,427	-	-	-	-	-	-	26,427
Profit before taxation and impairment loss on interest in an associate	235,841	-	(254,664)	108,970	15,000	-	(130,694)	105,147
Impairment loss on interest in an associate	(126,131)	(68,530)	194,661	-	-	-	126,131	-
Profit before taxation	109,710	(68,530)	(60,003)	108,970	15,000	-	(4,563)	105,147
Taxation	(122)	-	-	-	-	-	-	(122)
Profit for the year	109,588	(68,530)	(60,003)	108,970	15,000	-	(4,563)	105,025
Other comprehensive (expenses) income:								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(2,199)	-	-	-	-	-	-	(2,199)
Share of other comprehensive (expenses) income of associates	(6,380)	-	30,173	-	-	-	30,173	23,793
Reclassification adjustment on reserves released on net decrease in interest in an associate	(2,528)	-	-	(27,192)	-	-	(27,192)	(29,720)
Items that will not be reclassified subsequently to profit or loss:								
Gain on revaluation of land and buildings	240	-	-	-	-	-	-	240
Deferred tax arising on revaluation of land and buildings	(30)	-	-	-	-	-	-	(30)
Other comprehensive (expenses) income for the year	(10,897)	-	30,173	(27,192)	-	-	2,981	(7,916)
Total comprehensive income for the year	98,691	(68,530)	(29,830)	81,778	15,000	-	(1,582)	97,109

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

Unaudited pro forma consolidated statement of cash flows of the Remaining Group

	The Group for the year ended 31st March, 2014 <i>HK\$'000</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (d)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (e)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (f)</i>	Pro forma adjustments Total <i>HK\$'000</i>	Pro forma Remaining Group <i>HK\$'000</i>
OPERATING ACTIVITIES							
Profit before taxation	109,710	(68,530)	(60,003)	108,970	15,000	(4,563)	105,147
Adjustments for:							
Amortisation of intangible assets	184	-	-	-	-	-	184
Depreciation of property, plant and equipment	1,903	-	-	-	-	-	1,903
Gain on disposal of property, plant and equipment	(659)	-	-	-	-	-	(659)
Interest income	(1,527)	-	-	-	(15,000)	(15,000)	(16,527)
Interest expenses	7,280	-	-	-	-	-	7,280
Gain on change in fair value of investment property	(975)	-	-	-	-	-	(975)
Net loss on net decrease in interest in an associate	153,204	-	-	-	-	-	153,204
Share of results of associates	(437,516)	-	254,669	-	-	254,669	(182,847)
Impairment loss on interest in an associate	126,131	68,530	(194,661)	-	-	(126,131)	-
Gain on disposal of an associate through disposal of subsidiaries	-	-	-	(108,970)	-	(108,970)	(108,970)
Operating cash flows before movements in working capital	(42,265)	-	5	-	-	5	(42,260)
Decrease in inventories	29	-	-	-	-	-	29
Increase in debtors, deposits and prepayments	(7,158)	-	-	-	-	-	(7,158)
Decrease in amounts due from associates	2,387	-	-	-	-	-	2,387
Decrease in loans receivable	28,000	-	-	-	-	-	28,000
Increase in creditors and accrued expenses	19,255	-	(5)	-	-	(5)	19,250
Cash from operations	248	-	-	-	-	-	248
Dividends received from associates	56,591	-	-	-	-	-	56,591
Interest received	2,727	-	-	-	15,000	15,000	17,727
Net cash from operating activities	59,566	-	-	-	15,000	15,000	74,566

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group for the year ended 31st March, 2014 <i>HK\$'000</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (c)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (d)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (e)</i>	Pro forma adjustment <i>HK\$'000</i> <i>Note (f)</i>	Pro forma adjustments Total <i>HK\$'000</i>	Pro forma Remaining Group <i>HK\$'000</i>
INVESTING ACTIVITIES							
Acquisition of convertible notes	(55,152)	-	-	-	-	-	(55,152)
Acquisition of additional interest in an associate	(41,862)	-	-	-	-	-	(41,862)
Additions to property, plant and equipment	(412)	-	-	-	-	-	(412)
Transaction costs on conversion of associate's convertible notes	(300)	-	-	-	-	-	(300)
Repayment of note receivable from an associate	50,000	-	-	-	-	-	50,000
Proceeds from disposal of property, plant and equipment	2,125	-	-	-	-	-	2,125
Proceeds from disposal of an associate through disposal of subsidiaries	-	-	-	299,848	-	299,848	299,848
Net cash (used in) from investing activities	(45,601)	-	-	299,848	-	299,848	254,247
FINANCING ACTIVITIES							
Dividends paid	(43,832)	-	-	-	-	-	(43,832)
Interest paid	(7,017)	-	-	-	-	-	(7,017)
Repayment of margin account payable	(937)	-	-	-	-	-	(937)
Transaction costs on issue of shares	(26)	-	-	-	-	-	(26)
Increase in margin account payable	20,000	-	-	-	-	-	20,000
Net cash used in financing activities	(31,812)	-	-	-	-	-	(31,812)
Net (decrease) increase in cash and cash equivalents	(17,847)	-	-	299,848	15,000	314,848	297,001
Cash and cash equivalents brought forward	(12,920)	-	-	-	-	-	(12,920)
Effect of foreign exchange rate changes	(160)	-	-	-	-	-	(160)
Cash and cash equivalents carried forward	(30,927)	-	-	299,848	15,000	314,848	283,921
Analysis of the balances of cash and cash equivalents							
Short-term bank deposits, bank balances and cash	31,726	-	-	299,848	15,000	314,848	346,574
Bank overdrafts	(62,653)	-	-	-	-	-	(62,653)
	(30,927)	-	-	299,848	15,000	314,848	283,921

Notes:

- (a) The adjustment represents the exclusion of the assets and liabilities of the Leaptop Group based on their carrying amounts in the consolidated statement of financial position of the Leaptop Group as at 31st March, 2014, excluding the amount owed to a subsidiary of the Company (which was subsequently transferred to the Vendor prior to the date of the Agreement and became the Sale Loan) of approximately HK\$226,955,000 as at the same date, as extracted from Appendix II of this circular, as if the Disposal had been completed on 31st March, 2014.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

- (b) The adjustment represents the assumed net proceeds from the Disposal of approximately HK\$599,848,000 as if the Disposal had been completed on 31st March, 2014, being (i) the Consideration for the Sale Share and the Sale Loan of HK\$575,000,000 (comprised of aggregate cash consideration received/to be received by the Remaining Group upon completion of the Disposal of HK\$275,000,000 and delivery of the Promissory Note of HK\$300,000,000 issued by Hanny maturing on the first anniversary of the Completion Date) and (ii) assumed proceeds of HK\$27,848,000 arising from the assumed placement of the Arrangement Shares to independent third party(ies) at HK\$0.59 per share (being the closing share price as quoted on the website of the Stock Exchange at the date of the Agreement) less (iii) the estimated cost directly attributable to the Disposal of approximately of HK\$3,000,000, which is subject to change on the Completion Date.

The Promissory Note is initially recognised at fair value and subsequently measured at amortised cost. The principal amount of the Promissory Note is assumed to approximate its fair value at initial recognition as of 31st March, 2014. The fair value is subject to change on the Completion Date.

For the purposes of calculating the estimated proceeds arising from the placement of the Arrangement Shares as set out above, it has been assumed that the Arrangement Shares were placed to independent third party(ies) in their entirety and that no Arrangement Share was donated. Both of the actual number of the Arrangement Shares to be placed to any independent third party(ies) and the share price(s) at which the Arrangement Shares will be placed are subject to change on the Completion Date.

The estimated pro forma gain arising from the Disposal of approximately HK\$48,962,000 is calculated based on (i) the assumed net proceeds from the Disposal of approximately HK\$599,848,000 less (ii) the assets and liabilities of the Leaptop Group derecognised as at 31st March, 2014 of approximately HK\$534,391,000 (excluding the amount owing to a subsidiary of the Company (which was subsequently transferred to the Vendor prior to the date of the Agreement and became the Sale Loan) of approximately HK\$226,955,000) and less (iii) the net effects of reclassification adjustments on reserves released on the Disposal as at 31st March, 2014 of approximately HK\$16,495,000, comprising (a) deficit of investment revaluation reserve of approximately HK\$170,000; (b) deficit of other reserve of approximately HK\$13,514,000; and (c) deficit of translation reserve of approximately HK\$2,811,000, assuming the Disposal had been completed on 31st March, 2014.

- (c) The adjustment represents the excess of impairment loss on Rosedale made in the consolidated financial statements of the Leaptop Group as at 31st March, 2014 of approximately HK\$194,661,000 over that made in the consolidated financial statements of the Group as at and for the year ended 31st March, 2014 of approximately HK\$126,131,000.

As set out in the "Letter from the Board" section of this circular, the Vendor is required, pursuant to the Agreement, to procure Asia Will to place and/or donate certain number of Rosedale Shares before the completion of the Disposal. Any net proceeds from the placement will, according to the Agreement, be attributable to the Vendor or any wholly-owned subsidiary of the Company and not the Leaptop Group. Accordingly, when estimating the recoverable amount of the interest in Rosedale in the consolidated financial statements of the Leaptop Group, the recoverable amount of this portion of the Leaptop Group's interests in Rosedale that is required to be placed and/or donated before the completion of the Disposal (whose attributable carrying amount amounted to HK\$179,810,000) is assessed to be nil, and accordingly, the full carrying amount has been fully written off and such amount is included in the consolidated statement of profit or loss and other comprehensive income of the Leaptop Group for the year ended 31st March, 2014.

The carrying amount of the Leaptop Group's interests in Rosedale that will continue to be held by the Leaptop Group upon completion of the Disposal, amounting to HK\$534,394,000, does not exceed its recoverable amount as at 31st March, 2014, which is its fair value less cost of disposal, determined by reference to the consideration for the Disposal of HK\$575,000,000, and hence no impairment loss is recognised for this remaining portion for the year ended 31st March, 2014. In addition, since the special dividend of HK\$0.1 per Rosedale Share declared by the board of directors of Rosedale (which is subject to the completion of any one of the transactions announced by Rosedale on 23rd April, 2014) is attributable to the Vendor or any wholly-owned subsidiary of the Company and not the Leaptop Group, the estimated amount of the special dividend attributable to the Leaptop Group's interests in Rosedale that will continue to be held by the Leaptop Group upon completion of the Disposal of HK\$14,851,000 is also written off against the Leaptop Group's interest in Rosedale. Accordingly, the total impairment of the Leaptop Group's interest in Rosedale included in the consolidated statement of profit or loss and other comprehensive income of the Leaptop Group for the year ended 31st March, 2014 is HK\$194,661,000.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

On the other hand, for the purposes of estimating the recoverable amount of the entire interest in Rosedale (and not separately for each of the portion that is required to be placed and/or donated before the completion of the Disposal and the portion that will remain to be held by the Leaptop Group upon completion of the Disposal) in the consolidated financial statements of the Group, the directors of the Company has taken into account (i) the assumed net proceeds from the Disposal of approximately HK\$599,848,000 (see note (b) above, assuming the principal amount of the Promissory Note approximates its fair value on 31st March, 2014 (as the Promissory Note is short term in nature) and the Arrangement Shares were placed to independent third party(ies) in their entirety at HK\$0.59 per share (being the closing share price as quoted on the website of the Stock Exchange at the date of the Agreement) and that no Arrangement Share was donated) and (ii) special dividend of HK\$0.1 per share of Rosedale declared by the board of directors of Rosedale of approximately HK\$19,571,000 (which is subject to completion of any one of the transactions announced by Rosedale on 23rd April, 2014) and compared to the carrying amount of the Group's entire interest in Rosedale as at 31st March, 2014 (and not separately for each of the portion that is required to be placed and/or donated before the completion of the Disposal and the portion that will continue to be held by the Leaptop Group upon completion of the Disposal). Accordingly, an impairment loss amounting to HK\$126,131,000, has been included in the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31st March, 2014.

- (d) The adjustment reflects the exclusion of the consolidated results and cash flows of the Leaptop Group for the year ended 31st March, 2014, which are extracted from the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows, respectively, of the Leaptop Group for the year ended 31st March, 2014 as set out in Appendix II of this circular, as if the Disposal had been completed on 1st April, 2013.
- (e) The adjustment represents the pro forma estimated gain arising from the Disposal of approximately HK\$108,970,000 as if the Disposal had been completed on 1st April, 2013, which is calculated based on (i) the assumed net proceeds from the Disposal of approximately HK\$599,848,000 (see note (b) above, assuming the principal amount of the Promissory Note approximates its fair value on 1st April, 2013 and the Arrangement Shares were placed to independent third party(ies) in their entirety at HK\$0.59 per share (being the closing share price as quoted on the website of the Stock Exchange at the date of the Agreement) and that no Arrangement Share was donated) less (ii) the assets and liabilities of the Leaptop Group derecognised as at 1st April, 2013, as set out in Appendix II of this circular, of approximately HK\$507,354,000 (excluding the amount owing to a subsidiary of the Company (which was subsequently transferred to the Vendor prior to the date of the Agreement and became the Sale Loan) of approximately HK\$226,950,000) and add (iii) net effects of reclassification adjustments on reserves released on the Disposal as at 1st April, 2013 of approximately HK\$16,476,000, comprising the release of (a) deficit of investment revaluation reserve of approximately HK\$170,000; (b) deficit of other reserve of approximately HK\$10,716,000; and (c) translation reserve standing to the credit of approximately HK\$27,362,000, assuming the Disposal had been completed on 1st April, 2013.

The adjustment on cash flows of HK\$299,848,000 represents (i) the aggregate cash consideration received/ to be received by the Remaining Group upon Completion of HK\$275,000,000 and (ii) assumed proceeds of HK\$27,848,000 arising from the placement of the Arrangement Shares to independent third party(ies) (see note (b) above) less (iii) the estimated cost directly attributable to the Disposal of approximately of HK\$3,000,000 which is subject to change at the Completion Date.

For the purposes of calculating the estimated proceeds arising from the placement of the Arrangement Shares as set out above, it has been assumed that the Arrangement Shares were placed to independent third party(ies) in their entirety and that no Arrangement Share was donated. Both of the actual number of the Arrangement Shares to be placed to any independent third party(ies) and the share price(s) at which the Arrangement Shares will be placed are subject to change at the Completion Date.

- (f) The adjustment reflects the recognition of the interest income to be received by the Remaining Group for the year ended 31st March, 2014 from the Promissory Note of HK\$15,000,000 based on the effective interest rate of 5% per annum, assuming the Disposal had been completed on 1st April, 2013. Please refer to page 7 of this circular for the principal terms of the Promissory Note.
- (g) The adjustment represents the effect of inter-company transaction of service fee income recognised by the Leaptop Group and service fee expense paid by the Group of HK\$4,000 during the year ended 31st March, 2014.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

II. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



TO THE DIRECTORS OF ITC CORPORATION LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of ITC Corporation Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consisted of the pro forma consolidated statement of financial position as at 31st March, 2014, the pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31st March, 2014, the pro forma consolidated statement of cash flows for the year ended 31st March, 2014 and related notes as set out on pages 34 to 40 of the circular issued by the Company dated 10th November, 2014 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages 34 to 40 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of the entire equity interest in Leaptop Investments Limited on the Group's financial position as at 31st March, 2014 and its financial performance and cash flows for the year ended 31st March, 2014 as if the disposal had taken place at 31st March, 2014 and 1st April, 2013, respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31st March, 2014, on which an audit report has been published and information about the Group's financial performance and cash flows has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31st March, 2014, on which an independent auditor's report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31st March, 2014 or 1st April, 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

10th November, 2014

The following discussion should be read in conjunction with the financial information of the Group and the historical financial information and operating data included in this circular. The financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards.

The management's discussion and analysis of the Remaining Group is set out below, in which the Leaptop Group will cease to be subsidiaries of the Company, and the Company will no longer have any interest in Rosedale.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

(1) For the year ended 31st March, 2014

Liquidity, financial resources and capital structure

Bank deposits, bank balances and cash as at 31st March, 2014 amounted to approximately HK\$32 million.

As at 31st March, 2014, the total bank loan facilities and margin account payable that had been drawn by the Remaining Group amounted to approximately HK\$63 million and approximately HK\$20 million respectively. All of these bank loan facilities and margin account payable were at floating interest rates.

Review on the performance of investment held

For the year ended 31st March, 2014, the Remaining Group recorded consolidated revenue of approximately HK\$7 million. Loss attributable to shareholders was approximately HK\$19 million and basic loss per share was HK\$0.02 for the year ended 31st March, 2014. Such loss was mainly attributable to net loss of approximately HK\$127 million on the net decrease in the Remaining Group's interest in ITCP.

ITCP recorded a profit of approximately HK\$387 million attributable to its shareholders for the year ended 31st March, 2014. The decrease in profit for this year as compared with approximately HK\$580 million for last year was mainly attributable to the absence of last year's (i) profit from discontinued operation of approximately HK\$442 million resulted from disposal of its partial interest in Sanya golf and hotel project; (ii) revaluation gain from its investment properties; and (iii) share of profit from associates upon recognition of gain on disposal of a parcel of land; coupling with this year's recognition of gain on disposal of partial interest in Sanya golf and hotel project and remeasurement of fair value of its remaining interest of approximately HK\$414 million; and gain on disposal of the Nathan Road investment property. As a result, the Remaining Group shared a profit of approximately HK\$134 million from ITCP for the year under review as compared to a profit of approximately HK\$234 million of last year.

PYI Corporation Limited ("PYI") recorded a profit attributable to shareholders of approximately HK\$86 million for the year ended 31st March, 2014 as compared to approximately HK\$262 million last year. The decrease was mainly attributable to the absence of any substantial gain on disposal of investment for the year ended 31st March, 2014 as compared to a non-recurring substantial gain on deemed disposal of Louis XIII Holdings Limited earned for the year ended 31st March, 2013. As a result, the profit contributed by PYI decreased from approximately HK\$70 million to approximately HK\$23 million.

Comments on segment information

The reportable segments of the Remaining Group are finance, long-term investments, other investment and others. Finance segment represents the provision of loan financing services. For the year ended 31st March, 2014, the Remaining Group recorded a profit on finance segment of approximately HK\$2 million.

Long-term investment segment represents investments in investments such as convertible notes issued by associates. The profit on the result of long-term investment was approximately HK\$1 million for the year ended 31st March, 2014.

Other investment segment includes the activities of investments in available-for-sale investments and trading of securities. During the year ended 31st March, 2014, there was no activity in other investment segment.

Other segment includes the activities of leasing of investment property, leasing of motor vehicles and management services. For the year ended 31st March, 2014, the Remaining Group recorded profit on other segment of approximately HK\$2 million.

Employee and remuneration policy

As at 31st March, 2014, the Remaining Group had a total of 64 employees. The Remaining Group's remuneration policy is to ensure that the Remaining Group's remuneration structure is appropriate and aligns with the Remaining Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Remaining Group's affairs and is determined by reference to the Remaining Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The Remaining Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme was established for the eligible participants (including employees) but no share options were granted during the year ended 31st March, 2014 and there were no outstanding share option as at the Latest Practicable Date.

The total staff cost including the emolument of the Directors was approximately HK\$32 million for the year ended 31st March, 2014.

Gearing ratio

The Remaining Group's gearing ratio was 2.1% as at 31st March, 2014, calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balances and cash, of approximately HK\$51 million over the equity attributable to owners of approximately HK\$2,402 million.

Exchange rate exposure

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

Pledge of assets

As at 31st March, 2014, certain assets of the Remaining Group with carrying value of approximately HK\$612 million were pledged to financial institutions for credit facilities granted to the Remaining Group.

Contingent liabilities

As at 31st March, 2014, the Remaining Group had no contingent liabilities, except that upon disposal of subsidiaries in 2011, the Remaining 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.

Material acquisitions and disposals

Conversion of ITCP Notes and acquisition of ITCP shares and ITCP Notes

In April 2013, the Remaining Group and Ms. Ng Yuen Lan, Macy (the spouse of Dr. Chan) converted the convertible notes of ITCP (the "ITCP Notes") in the principal amounts of HK\$54.4 million and HK\$297 million at the conversion price of HK\$2.102 per ITCP share, respectively. In order to benefit from the continual return from ITCP, the Remaining Group invested approximately HK\$42 million in acquiring approximately 12.7 million ITCP shares on the open market and approximately HK\$55 million in acquiring the ITCP Notes in an aggregate principal amount of HK\$43.85 million in April 2013. Such HK\$43.85 million ITCP Notes was also converted by the Remaining Group into ITCP shares at the conversion price of HK\$2.102 per ITCP share in August 2013. Coupling with others' conversion of their ITCP Notes and exercise of share options and the issuance of scrip dividends by ITCP, the Remaining Group's interest in ITCP decreased from 37.3% as at 31st March, 2013 to 32.8% as at 30th September, 2013. As a result, the Remaining Group recorded a net loss on the above net change in interest in ITCP of approximately HK\$90 million.

(2) For the year ended 31st March, 2013**Liquidity, financial resources and capital structure**

Bank deposits, bank balances and cash as at 31st March, 2013 amounted to approximately HK\$40 million.

As at 31st March, 2013, the total bank loan facilities that had been drawn by the Remaining Group amounted to approximately HK\$53 million which would be repayable within one year or on demand. All of these bank loan facilities were at floating interest rates. In addition, the Remaining Group recognised approximately HK\$96 million as the liability component of the convertible notes of the Company (“ITC Notes”) as at 31st March, 2013. These ITC Notes were issued in November 2009 with a 2-year maturity but was subsequently extended to 2nd November, 2013 with a 5% annual interest.

Review on the performance of investment held

For the year ended 31st March, 2013, the Remaining Group recorded consolidated revenue of approximately HK\$18 million. Profit attributable to shareholders was approximately HK\$257 million and basic earnings per Share was HK\$0.33 for the year ended 31st March, 2013. The Remaining Group continued to benefit from its strategic investments in listed companies. Contribution from associates enjoyed a year-on-year increase of 95% to approximately HK\$300 million over last year’s approximately HK\$154 million mainly attributable to the improved results of ITCP. The effect of the increase in contribution from the associates has been offset by the absence of last year’s non-recurring gain of approximately HK\$97 million mainly from the increase in interests in ITCP.

ITCP recorded a profit of approximately HK\$580 million attributable to its shareholders for the year ended 31st March, 2013 which represents an increase of 258% as compared with approximately HK\$162 million last year. Such increase was mainly attributable to substantial gain recognised on disposal of its partial interest in Sun Valley Golf Resort in Sanya, the PRC and share of gain on disposal of a parcel of land in Macau by one of its associates. As a result, the Remaining Group shared a profit of approximately HK\$234 million from ITCP for the year under review. The Remaining Group’s interest in ITCP decreased slightly from 37.9% to 37.3% as at 31st March, 2013 as a result of which a net loss of approximately HK\$10 million was recognised for the year ended 31st March, 2013.

PYI recorded a profit attributable to its shareholders of approximately HK\$262 million for the year ended 31st March, 2013. The decrease in profit for the year as compared to approximately HK\$334 million last year was mainly attributable to the decrease in net gain from deemed disposal/disposal of subsidiaries. As a result, the profit contributed by PYI decreased from approximately HK\$84 million to approximately HK\$70 million.

Comments on segment information

The reportable segments of the Remaining Group are finance, long-term investments and others. Finance segment represents the provision of loan financing services. For the year ended 31st March, 2013, the Remaining Group recorded a profit on finance segment of approximately HK\$7 million.

Long-term investment segment represents investments in investments such as convertible notes issued by associates. The profit on the result of long-term investment was approximately HK\$17 million for the year ended 31st March, 2013.

Other segment includes the activities of leasing of investment property, leasing of motor vehicles and management services. For the year ended 31st March, 2013, the Remaining Group recorded profit on other segment of approximately HK\$0.1 million.

Employee and remuneration policy

As at 31st March 2013, the Remaining Group had a total of 64 employees. It is the Remaining Group’s remuneration policy that the employees’ remuneration is based on the employees’ skill, knowledge and involvement in the Remaining Group’s affairs and is determined by reference to the Remaining Group’s performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The Remaining Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme was established for the eligible participants (including employees) but no share options were granted during the year ended 31st March, 2013 and there were no outstanding share options as at the Latest Practicable Date.

The total staff cost including the emolument of the Directors was approximately HK\$30 million for the year ended 31st March, 2013.

Gearing ratio

The Remaining Group's gearing ratio was 4.6% as at 31st March, 2013, calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balances and cash, of approximately HK\$109 million over the equity attributable to owners of approximately HK\$2,347 million.

Exchange rate exposure

Most of the assets and liabilities of the Remaining Group are denominated in Hong Kong dollars, hence the Remaining 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, 2013, a property with carrying value of approximately HK\$25 million was pledged to bank to secure general banking facilities granted to the Remaining Group.

Contingent liabilities

As at 31st March, 2013, the Remaining Group had no contingent liabilities, except that upon the disposal of subsidiaries in 2011, the Remaining 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.

Material acquisitions and disposals*Conversion and acquisition of ITCP Notes*

During the year ended 31st March, 2013, the Remaining Group converted the ITCP Notes with a principal amount of HK\$26.5 million into approximately 12 million ITCP shares at the conversion price of HK\$2.20 per share and also acquired certain ITCP Notes in a principal amount of HK\$10.5 million. The total principal amount of the ITCP Notes held by the Remaining Group as at 31st March, 2013 was HK\$54.4 million.

Acquisition of PYI shares

During the year ended 31st March, 2013, the Remaining Group acquired approximately 13 million PYI shares at the total consideration of approximately HK\$2.3 million on the open market, therefore the Remaining Group's interests in PYI increased slightly from 26.6% to 26.8%.

(3) For the year ended 31st March, 2012**Liquidity, financial resources and capital structure**

Bank deposits, bank balances and cash as at 31st March, 2012 amounted to approximately HK\$48 million.

As at 31st March, 2012, the total bank loan facilities that had been drawn by the Remaining Group amounted to approximately HK\$37 million which would be repayable within one year or on demand. All of these bank loan facilities were at floating interest rates. In addition, the Remaining Group recognised approximately HK\$131 million as the liability component of the ITC Notes as at 31st March, 2012. These ITC Notes were issued in November 2009 with a 2-year maturity but was subsequently extended to 2nd November, 2013 with a 5% annual interest.

Review on the performance of investment held

For the year ended 31st March, 2012, the Remaining Group recorded consolidated revenue of approximately HK\$20 million. Profit attributable to shareholders was approximately HK\$251 million and basic earnings per Share was HK\$0.32 for the year ended 31 March, 2012. The turnaround from loss to profit during the year ended 31st March, 2012 was mainly due to the following:

- (1) A net gain of approximately HK\$97 million arising from changes in interests in ITCP.
- (2) A gain of approximately HK\$28 million was recognised mainly on the disposal of a Remaining Group's subsidiary in November 2011 which owned the office on the 30th floor and four car parking spaces at the Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (3) The absence of last year's non-cash loss of approximately HK\$830 million arising from the distribution of shares in Hanny to the Shareholders in November 2010.

ITCP recorded a profit of approximately HK\$162 million attributable to its shareholders for the year ended 31st March, 2012 compared with approximately HK\$80 million last year, mainly attributable to the recognition of a gain on disposal of subsidiaries amounted to approximately HK\$346 million as a result of the disposal of 50% interest in a residential development project in Causeway Bay, Hong Kong. Accordingly, the Remaining Group shared a profit of approximately HK\$77 million from ITCP for the year under review. The Remaining Group's interest in ITCP increased from 24.7% to 37.9% immediately after completion of a conditional voluntary offer by ITCP to repurchase up to 260 million ITCP shares at HK\$2.60 per ITCP share in February 2012 (the "ITCP Offer") which led to a gain of approximately HK\$101 million to the Remaining Group.

PYI recorded a profit attributable to its shareholders of approximately HK\$334 million for the year ended 31st March, 2012 compared with approximately HK\$200 million last year. The increase in profit for the year was mainly attributable to the gain on disposal of 50.1% interest in Jiangsu Yangkou Port Development and Investment Co., Ltd. As a result, the profit contributed by PYI increased from approximately HK\$54 million to approximately HK\$84 million.

Comments on segment information

The reportable segments of the Remaining Group are finance, long-term investments, other investment and others. Finance segment represents the provision of loan financing services. For the year ended 31st March, 2012, the Remaining Group recorded a profit on finance segment of approximately HK\$5 million.

Long-term investment segment represents investments in investments such as convertible notes issued by associates. The profit on the result of long-term investment was approximately HK\$18 million for the year ended 31st March, 2012.

Other investment segment includes the activities of investments in available-for-sale investments and trading of securities. For the year ended 31st March, 2012, the Remaining Group recorded profit on other investment segment of approximately HK\$0.6 million.

Other segment includes the activities of leasing of investment property, leasing of motor vehicles and management services. For the year ended 31st March, 2012, the Remaining Group recorded profit on other segment of approximately HK\$14 million.

Employee and remuneration policy

As at 31st March 2012, the Remaining Group had a total of 62 employees. It is the Remaining Group's remuneration policy that the employees' remuneration is based on the employees' skill, knowledge and involvement in the Remaining Group's affairs and is determined by reference to the Remaining Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The Remaining Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme was established for the eligible participants (including employees) but no share options were granted during the year ended 31st March, 2012 and there were no outstanding share options as at the Latest Practicable Date.

The total staff cost including the emolument of the Directors was approximately HK\$28 million for the year ended 31st March, 2012.

Gearing ratio

The Remaining Group's gearing ratio was 5.8% as at 31st March, 2012, calculated on the basis of net borrowings, being the excess of borrowings over bank deposits, bank balances and cash, of approximately HK\$120 million over the equity attributable to owners of approximately HK\$2,061 million.

Exchange rate exposure

Most of the assets and liabilities of the Remaining Group are denominated in Hong Kong dollars, hence the Remaining 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, 2012, a property with carrying value of approximately HK\$26 million was pledged to bank to secure general banking facilities granted to the Remaining Group.

Contingent liabilities

As at 31st March, 2012, the Remaining Group had no contingent liabilities, except that upon the disposal of an associate in previous years and subsidiaries in 2011, the Remaining Group had given an indemnity relating to unrecorded taxation liabilities, if any, and the affairs and business of the respective associate and subsidiaries up to the date of disposal to the respective purchasers.

Material acquisitions and disposals*ITCP Offer*

The Remaining Group's interest in ITCP increased from 24.7% to 37.9% following the completion of ITCP Offer in February 2012 in respect of which the Remaining Group has given several undertakings, among others, not to accept the ITCP Offer.

Disposal of a subsidiary

The Remaining Group disposed of a subsidiary in November 2011 which owned the office on the 30th floor and four car parking spaces at the Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. The aforesaid property interests were acquired by the Remaining Group at approximately HK\$107 million in 2004. The Remaining Group was able to realize capital value of the property interests with a disposal price of HK\$313 million.

Acceptance of the offer made by ITCP to repurchase its previous convertible notes

In May 2011, the Remaining Group received new convertible notes of ITCP in the principal amount of HK\$70.4 million as the consideration for the Remaining Group's acceptance of the offer made by ITCP to repurchase its previous convertible notes held by the Remaining Group in an aggregate principal amount of HK\$64 million. The new convertible notes are redeemable at 105% of the outstanding principal amount in November 2013 and the initial conversion price (subject to adjustments) is HK\$2.20 per share.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(a) Interests and short positions in Shares, underlying Shares and debentures of the Company

Name of Director	Capacity	Long position/ Short position	Number of Shares held	Approximate percentage of the existing issued share capital of the Company
Dr. Chan	Beneficial owner	Long position	290,228,800	21.23%
Dr. Chan	Interest of controlled corporation (Note)	Long position	224,136,882 (Note)	16.40%

Note: Galaxyway Investments Limited was a wholly-owned subsidiary of Chinaview International Limited which was, in turn, wholly-owned by Dr. Chan. Dr. Chan was also the sole director of Chinaview International Limited and Galaxyway Investments Limited. Dr. Chan was deemed to be interested in 224,136,882 Shares held by Galaxyway Investments Limited.

(b) Interests and short positions in shares, underlying shares and debentures of the following associated corporations

(i) ITCP

Name of Director	Capacity	Long position/ Short position	Number of ITCP shares held	Number of underlying ITCP shares held	Approximate percentage of the existing issued share capital of ITCP
Dr. Chan	Beneficial owner	Long position	6,818,284	–	0.89%
Dr. Chan	Interest of controlled corporation (Note 1)	Long position	237,210,438	–	31.12%

Name of Director	Capacity	Long position/ Short position	Number of ITCP shares held	Number of underlying ITCP shares held	Approximate percentage of the existing issued share capital of ITCP
Dr. Chan	Interest of spouse (Note 2)	Long position	158,806,329	–	20.84%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	11,714,244	–	1.54%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	550,000 (Note 3)	0.07%
Chan Fut Yan	Beneficial owner	Long position	2,650,000	–	0.35%
Chan Fut Yan	Beneficial owner	Long position	–	1,050,000 (Note 3)	0.14%
Chan Yiu Lun, Alan	Beneficial owner	Long position	1,685,913	–	0.22%
Chan Yiu Lun, Alan	Beneficial owner	Long position	–	1,500,000 (Note 3)	0.20%
Shek Lai Him, Abraham	Beneficial owner	Long position	–	370,000 (Note 3)	0.05%

Notes:

1. An indirect wholly-owned subsidiary of the Company held 237,210,438 ITCP shares. By virtue of his direct and deemed interests in approximately 37.63% of the issued share capital of the Company, Dr. Chan is deemed to be interested in these ITCP shares held by the indirect wholly-owned subsidiary of the Company.
2. Fortune Crystal Holdings Limited, a company indirectly wholly-owned by Ms. Ng Yuen Lan, Macy (the spouse of Dr. Chan), held 158,806,329 ITCP shares. Dr. Chan is deemed to be interested in these ITCP shares held by Fortune Crystal Holdings Limited.
3. Details of outstanding share options (unlisted equity derivatives) granted to the Directors by ITCP as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Exercisable period*	Number of share options	Exercise price per ITCP share (subject to adjustments) HK\$
Chau Mei Wah, Rosanna	17.10.2013	17.10.2014 to 16.10.2017	550,000	3.00
Chan Fut Yan	17.10.2013	17.10.2014 to 16.10.2017	1,050,000	3.00
Chan Yiu Lun, Alan	17.10.2013	17.10.2014 to 16.10.2017	1,500,000	3.00
Shek Lai Him, Abraham	17.10.2013	17.10.2014 to 16.10.2017	370,000	3.00

* According to the terms of grant of options, the above share options shall be exercisable at any time during the option period provided that up to a maximum of 50% of the share options granted shall be exercisable during the period commencing from 17th October, 2014 to 16th October, 2015 and the balance of the share options granted but not yet exercised may be exercised during the period commencing from 17th October, 2015 to 16th October, 2017.

(ii) PYI

Name of Director	Capacity	Long position/ Short position	Number of PYI shares held	Approximate percentage of the existing issued share capital of PYI
Dr. Chan	Interest of controlled corporation (Note)	Long position	1,226,971,695 (Note)	26.81%
Dr. Chan	Beneficial owner	Long position	35,936,031	0.79%
Shek Lai Him, Abraham	Beneficial owner	Long position	6,000	0.00%

Note: An indirect wholly-owned subsidiary of the Company held 1,226,971,695 PYI shares. By virtue of his direct and deemed interests in approximately 37.63% of the issued share capital of the Company, Dr. Chan is deemed to be interested in these PYI shares held by the indirect wholly-owned subsidiary of the Company.

(iii) Rosedale

Name of Director	Capacity	Long position/ Short position	Number of Rosedale Shares held	Approximate percentage of the existing issued share capital of Rosedale
Dr. Chan	Interest of controlled corporation (Note)	Long position	195,706,000 (Note)	29.76%
Dr. Chan	Beneficial owner	Long position	1,132,450	0.17%

Note: Pursuant to the Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the entire issued share capital of Leaptop and the entire amount of the shareholder's loan owing by Leaptop to the Vendor at the Completion Date at a total consideration of HK\$575 million. Leaptop owns the entire issued share capital of Asia Will, being the owner of 195,706,000 Rosedale Shares.

As part and parcel of the transactions contemplated in the Agreement, the Vendor shall procure Asia Will to place and/or donate 47,200,000 (or such other number as may be agreed between the parties) Rosedale Shares to independent third party(ies) and/or such Charitable Body and/or a combination of both on such terms and conditions as the Vendor may decide before Completion, such that immediately after Completion, the Purchaser and parties acting in concert with it will not hold in aggregate 30% or more of the voting rights of Rosedale.

Subject to fulfillment of the conditions precedent contained in the Agreement (including without limitation, implementation and completion of the aforesaid placement and/or donation), the Vendor will cease to hold any Rosedale Shares after Completion.

By virtue of his direct and deemed interests in approximately 37.63% of the issued share capital of the Company, Dr. Chan is deemed to be interested in these Rosedale Shares held by Asia Will.

(iv) *Burcon NutraScience Corporation (“Burcon”)*

Name of Director	Capacity	Long position/ Short position	Number of Burcon shares held	Number of underlying Burcon shares (in respect of the share options (unlisted equity derivatives)) held	Approximate percentage of the existing issued share capital of Burcon
Chau Mei Wah, Rosanna	Beneficial owner	Long position	429,174	–	1.28%
Chau Mei Wah, Rosanna	Beneficial owner	Long position	–	80,000	0.24%
Chan Yiu Lun, Alan	Beneficial owner	Long position	–	125,000	0.37%

As at the Latest Practicable Date, ITCP, PYI, Rosedale and Burcon were associated corporations of the Company within the meaning of Part XV of the SFO.

Dr. Chan is, by virtue of his direct and deemed interests in approximately 37.63% of the issued share capital of the Company, deemed to be interested in the shares and underlying shares (in respect of equity derivatives), if any, of the associated corporations (within the meaning of Part XV of the SFO) of the Company held by the Group under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND COMPETING BUSINESSES

- (i) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 31st March, 2014, the date to which the latest published audited financial statements of the Group were made up.
- (ii) There was no contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.
- (iii) As at the Latest Practicable Date, none of the Directors and their respective close associates were interested in any business apart from the Group's businesses which competed or was likely to compete, either directly or indirectly, with the Group's businesses as required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu (“DTT”)	Certified Public Accountants

As at the Latest Practicable Date, DTT did not have direct or indirect shareholdings in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to the Company or any of its subsidiaries, respectively, since 31st March, 2014, the date to which the latest published audited financial statements of the Group were made up.

DTT has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its report or letter and references to its name in the form and context in which it appears.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other members of the Group, save for contracts which would expire or might be terminated by the Company or such other members of the Group within a year without payment of any compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, there was no litigation or claims of material importance pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and which are or may be material:

- (i) a letter dated 28th February, 2013 from Selective Choice Investments Limited (“Selective Choice”), an indirect wholly-owned subsidiary of the Company, and Ms. Ng Yuen Lan, Macy (“Ms. Ng”), the spouse of Dr. Chan, to ITCP under which Selective Choice and Ms. Ng intended to exercise their respective rights to convert the ITCP Notes in the principal amounts of HK\$54.4 million and HK\$297 million respectively at the then conversion price of HK\$2.102 per ITCP share and the two forms of conversion notices both dated 11th April, 2013 signed by Selective Choice in respect of conversion of the ITCP Notes in an aggregate principal amount of HK\$54.4 million into 25,880,113 ITCP shares at the aforesaid conversion price;
- (ii) the contract note dated 12th April, 2013 in relation to acquisition by Selective Choice of a total of 11,082,000 ITCP shares for an aggregate consideration of approximately HK\$36.4 million on 12th April, 2013;
- (iii) the bought and sold notes dated 19th April, 2013 executed between Selective Choice as transferee and Success Securities Limited as transferor for the acquisition of the ITCP Notes in an aggregate principal amount of HK\$43.85 million at the total consideration of HK\$55.07 million;
- (iv) the Agreement; and
- (v) the Supplemental Agreement.

8. GENERAL

- (i) The secretary of the Company is Ms. Kam Suet Fan, *ACIS, ACS*.
- (ii) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company in Hong Kong is at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (iii) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited of The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda and the branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iv) The English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts for the purpose of interpretation.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except Saturday and public holidays) at the office of Iu, Lai & Li at Rooms 2201, 2201A & 2202, 22nd Floor, Tower I, Admiralty Centre, No.18 Harcourt Road, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the amended and restated bye-laws of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31st March, 2012, 31st March, 2013 and 31st March, 2014;
- (c) the material contracts disclosed in the paragraph headed "Material Contracts" in this Appendix;
- (d) the accountant's report of the Leaptop Group, the text of which is set out in Appendix II to this circular;
- (e) the independent reporting accountant's assurance report on the compilation of pro forma financial information of the Remaining Group as set out in Appendix III to this circular;
- (f) the letter of consent from DTT referred to in the paragraph headed "Expert and Consent" in this Appendix; and
- (g) this circular.

NOTICE OF SGM



ITC CORPORATION LIMITED

德祥企業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 372)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of ITC Corporation Limited (the “**Company**”) will be held at B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Tuesday, 2nd December, 2014 at 11:00 a.m., for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- I. the entering into of the conditional sale and purchase agreement dated 11th April, 2014 (the “**Agreement**”) and the supplemental agreement dated 23rd September, 2014 (the “**Supplemental Agreement**”) by ITC Investment Holdings Limited (the “**Vendor**”), a wholly-owned subsidiary of the Company, as vendor with, among others, Hanny Investment Group Limited as purchaser (a copy of each of the Agreement and the Supplemental Agreement has been produced to the meeting marked “A” and “B” respectively and initialed by the chairman of the meeting for the purpose of identification) in relation to the sale and purchase of the entire issued share capital of Leaptop Investments Limited (“**Leaptop**”) and the entire amount of the unsecured and interest free loan owing from Leaptop to the Vendor at the aggregate consideration of HK\$575,000,000 upon the terms and subject to the conditions therein be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder by the Vendor be and is hereby approved; and
- II. the directors of the Company and the Vendor be and are hereby generally and unconditionally authorised to do all such acts and things and execute all such documents as they consider necessary or expedient or desirable in connection with or to give effect to the Agreement and the Supplemental Agreement, and to implement the transactions contemplated thereunder pursuant to the terms of the Agreement and the Supplemental Agreement (including without limitation to the execution, amendment, supplement, delivery, submission and implementation of any documents or agreements) and to agree to such variation, amendments or waivers of matters relating thereto as are, in the opinion of the directors of the Company, in the interests of the Company.”

By order of the board of directors of
ITC Corporation Limited
Kam Suet Fan
Company Secretary

Hong Kong, 10th November, 2014

Head office and principal place of business in Hong Kong:
30th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

* For identification purpose only

NOTICE OF SGM

Notes:

- (1) The above resolution will be put to vote at the meeting by way of poll. On voting by poll, each member of the Company shall have one vote for each share of the Company held.
- (2) Any member of the Company entitled to attend and vote at the meeting of the Company (and any adjournment thereof) shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting (and any adjournment thereof). A proxy needs not be a member of the Company.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary is proved, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts. The board of directors of the Company may, nevertheless, require such evidence as it shall deem necessary as to the due execution of the instrument of proxy and the due authorisation of the same.
- (4) A form of proxy for use at the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, together with such evidence as the board of directors of the Company may require under the bye-laws of the Company shall be delivered to the Company's principal place of business in Hong Kong at 30th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong, as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be) at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
- (5) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting (or any adjournment thereof) or upon the poll concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) Where there are joint holders of any shares, any one of such joint holders may vote, either personally or by proxy, in respect of such shares as if he was solely entitled thereto; but if more than one of such joint holders are present at the meeting (and any adjournment thereof), personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (7) The Chinese version of the resolution as set out in the notice is for reference only. In the event of any inconsistency, the English version shall prevail.

As at the date of this notice, the board of directors of the Company are as follows:

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*