Hong Kong Economic Times Holdings Limited

Annual Report 2008/2009

Stock Code 00423

Printed Media

Financial News Agency, Information and Solutions

Recruitment Advertising and Training

Lifestyle Portals

The mission of the Group

is

to become one of the pre-eminent
financial and **business**
information and **service providers**

in

Greater China

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Corporate Information and Key Dates

Board of Directors

Executive Directors
Mr. Fung Siu Por, Lawrence *(Chairman)*
Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung)
Mr. Chan Cho Biu
Mr. Shek Kang Chuen
Ms. See Sau Mei Salome
Mr. Chan Wa Pong

Non-executive Director
Mr. Chu Yu Lun

Independent Non-executive Directors
Mr. Chan Mo Po, Paul
Mr. Chow On Kiu
Mr. Lo Foo Cheung

Company Secretary
Mr. Chan Wa Pong *CPA, FCCA*

Qualified Accountant
Ms. Chan Kit Man Fanny *FCPA*

Authorised Representatives
Mr. Fung Siu Por, Lawrence
Mr. Chan Wa Pong

Independent Auditor
PricewaterhouseCoopers

Audit Committee
Mr. Chan Mo Po, Paul *(Chairman)*
Mr. Chow On Kiu
Mr. Lo Foo Cheung

Nomination Committee
Mr. Chow On Kiu *(Chairman)*
Mr. Chan Mo Po, Paul
Mr. Chu Yu Lun

Remuneration Committee
Mr. Lo Foo Cheung *(Chairman)*
Mr. Chow On Kiu
Mr. Chu Yu Lun

Registered Office
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business
6th Floor, Kodak House II
321 Java Road
North Point
Hong Kong

Corporate Website
www.hketgroup.com

Email
groupinfo@hket.com

Stock Code
00423 HK

Principal Share Registrar and Transfer Office in Cayman Islands
Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705, George Town
Grand Cayman, Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong
Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong

Key Dates

Closure of Registers of Members
30 July 2009 to 4 August 2009

Annual General Meeting
4 August 2009

Proposed Payment of Final Dividend
6 August 2009

Vision for Sustainable Growth

There is no single way to achieve success. What we do is to diversify our businesses. In face of the stringent global economic conditions, we keep ourselves fully alert of risks and proactive to grasp opportunities.

5 Business Domains

Success is not just the measure of achieved financial results, but how results were accomplished. Central to this is our 5 business domains:

New businesses on the domain of "Lifestyle"

TravelUSB.com, a travel portal for travel enthusiasts, was officially launched in October 2008. Featured with the latest tourist spots, hottest amusement news, around the world travelogues and travel blogs, and forum for like-minded travelers, TravelUSB.com is where travel begins.

UFood.com.hk, a Web 2.0 dining info-site, was launched in November 2008. It features a comprehensive restaurant directory, as well as various dining privileges, news and reviews from restaurant owners and web-users, complete with interactive features such as ranking charts, forum, and voting zones.

Our Group

Hong Kong Economic Times Holdings Limited ("HKET Holdings" / "the Group") is a diversified media company. Its core business — publication of the *Hong Kong Economic Times* ("*HKET*") — was established in 1988. It is now the leading financial newspaper in Hong Kong. Apart from newspaper publishing, the Group also operates other businesses such as magazines and book publishing, recruitment advertising & executive training and lifestyle portals. In addition, the Group runs a financial news agency, information and solution business. ET Net, the leading financial news agency serving Hong Kong professional market, has also expanded to the Greater China market. HKET Holdings was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 August 2005 (Stock code: 00423).

Business Organization Chart

Printed Media

Hong Kong Economic Times newspaper publishing

Take me Home community newspaper publishing

e-zone magazine publishing

U Magazine magazine publishing

iMoney magazine publishing

ET Press and WHY book publishing

Financial News Agency, Information and Solutions

Finance

ET Net

ET Wealth

ET Trade

Property

EPRC

Recruitment Advertising and Training

Recruitment Advertising

Career Times

Training

ET Business College

Lifestyle Portals

Health Smart

TravelUSB

UFood

Quest for Leadership and Quality

"Strive for leadership" and **"Quest for quality"** are our guiding principles to stand out in the competitive market. High-quality products and services are our way out for building partnerships and trust among shareholders, customers and employees.

Our 8 Leading Positions

Take me Home
the community newspaper

e-zone
the PC and digital product magazine

Hong Kong Economic Times
the financial newspaper

U Magazine
the award-winning travel and leisure magazine

ET Wealth
the electronic funds database and wealth management system provider

ET Net
the financial news agency

ET Trade
the securities & futures trading solution provider

EPRC
the electronic property database provider

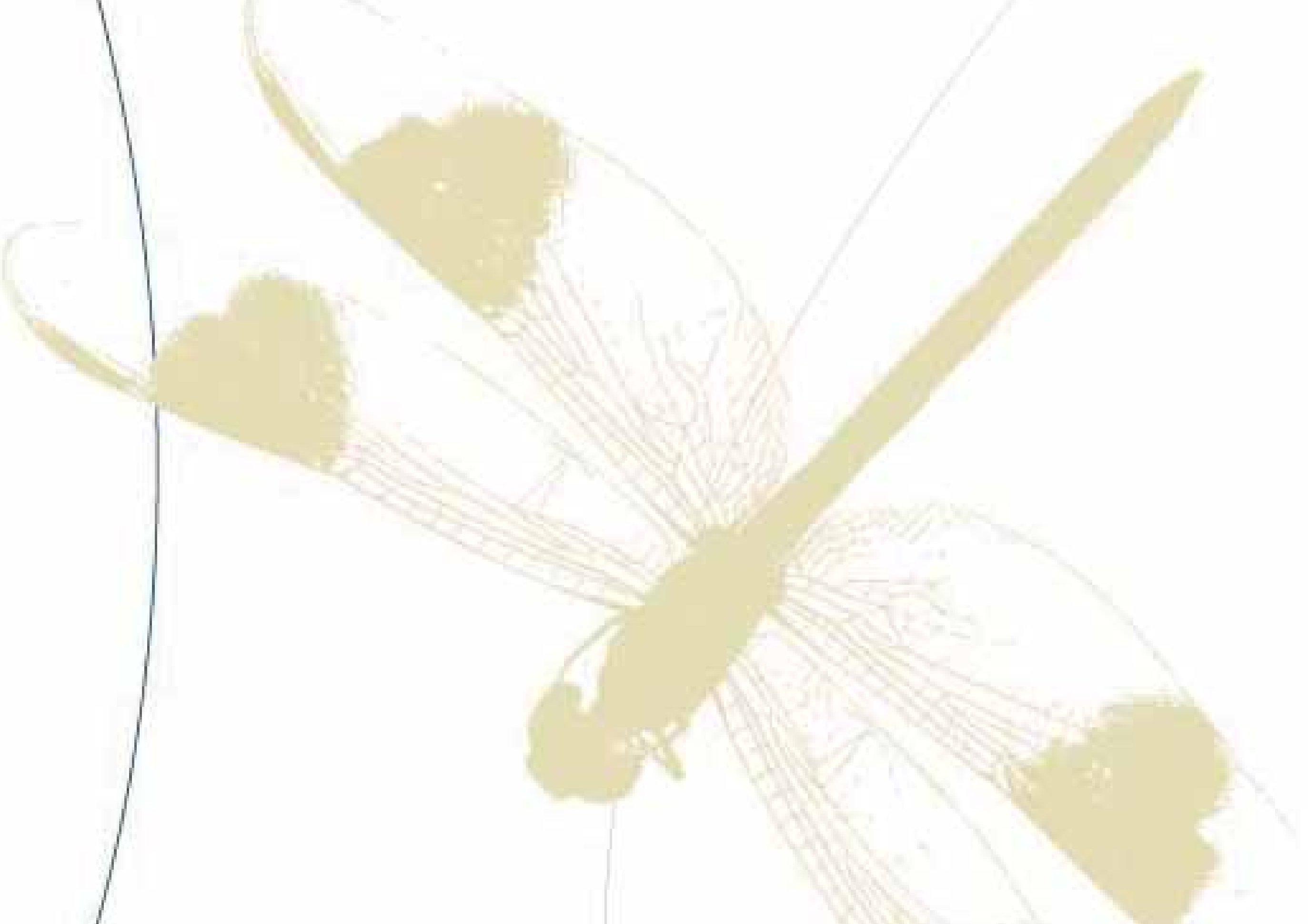
Our Awards

HKET won Gold, Bronze and 1 Merit Award in "Features", Bronze Award in "News", and Bronze Award in "Press Photo", **Consumer Rights Reporting Awards 2008** in June 2008.

Luxury House 07/08 compiled and edited by *Property Times*, a Saturday magazine tied-in with *HKET*, won "Best In More Than One Production Process (Platinum Award)", **6th Asian Print Awards** in November 2008.

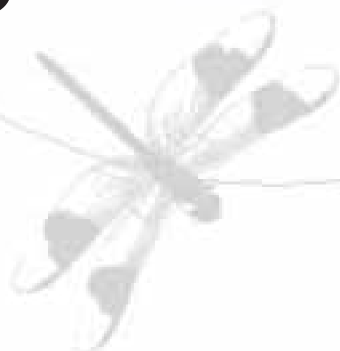
HKET won 1st Runner-up in "Sports", **Focus at the Frontline 2008** in March 2009.

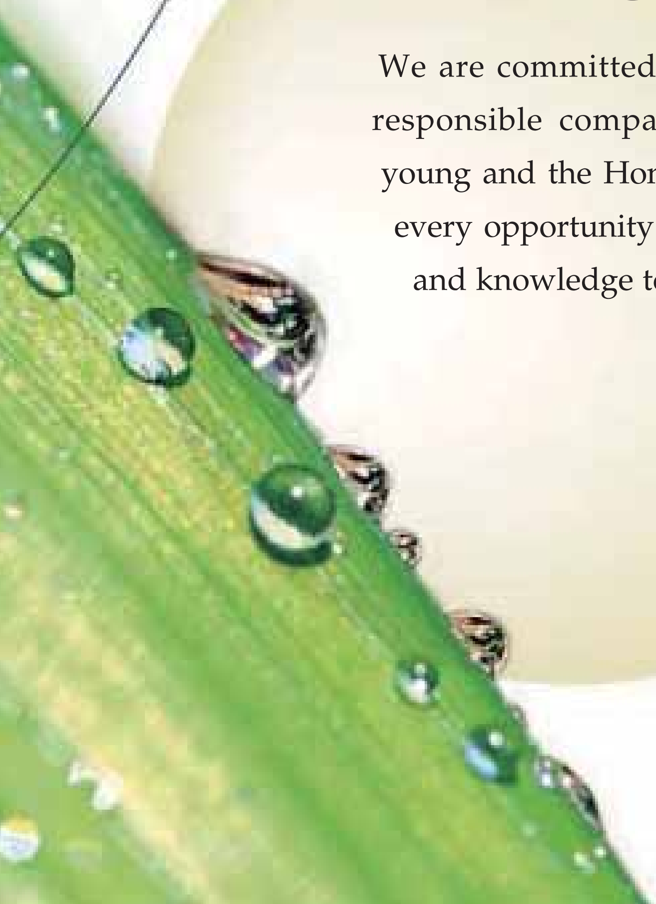
U Magazine won Bronze Award in "Travel Photograph (Scenic)", **Asia Travel & Tourism Creative Awards 2008** in April 2009.



Commitment to the Betterment of Hong Kong

We are committed to being a socially responsible company. We care for the young and the Hong Kong future, taking every opportunity to pass on our values and knowledge to our next generation.





"International Finance Decoder"

Riding on the sincere work of *"Wake Up, Hong Kong!"《香港，醒醒！》* that has been one of the best sellers since launch in early 2007, *HKET* published a knowledge-based book—*"International Finance Decoder"《國際金融解碼器》* in July 2008. It targets to present to our readers about international finance in an interesting and easy-to-comprehend manner.

"International Finance Decoder" analyzes the US housing and credit crises, the issues of sub-prime crisis, mortgage-backed securities, over-securitization etc, uncovered in 2008 that resulted in no simple ripples in the international financial arena. It is intended to help all those interested to have a better picture and throws light on the coming global economic trend, so that effective ways to protect one's interest can be devised.

"The China Political and Economic Policies Decoder"

Following the success of 2008 Beijing Olympic, China is undoubtedly one of the most important emerging markets in the world. For any that concern their wealth, none can neglect about the growth and development of China even in times of the financial meltdown in 2008. Following December 2008 that marked 30 years of China's reform and opening-up bringing about enormous change and achievement, the 60th Anniversary of the People's Republic of China in October 2009 will be another focus of global attention.

HKET's another knowledge-based book—*"The China Political and Economic Policies Decoder"《中國政經解碼器》* as a full review of the earth-shaking transformation of China in the past few decades, was published in January 2009. It attempts to sum up the valuable experience in every aspect of China politics, economy, society and foreign policies in the process of reform and opening-up. In addition, this book strives to explore the latest developments, opportunities and challenges brought about by the epoch in a systematic and easy-to-understand manner.

商界展關懷
caringcompany 2006-09
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Caring Company 2008/09

Achieving "Employee Friendly", "Employing Vulnerable" and "Giving", HKET Holdings is awarded "Caring Company 2008/09", in recognition of our commitment to corporate citizenship. The same is also attained by *e-zone*, *U Magazine* and *Take me Home*.

Chairman's Statement

Dear Shareholders,

Financial year 2008/09 was a tough and difficult year for the Group. With the deepening of global financial crisis in the later part of 2008, many of the world's economies, particularly the major ones, had experienced contraction. Hong Kong is no exception. The Group's results, as is the case with many Hong Kong companies, have been adversely affected. Profit attributable to shareholders for the year decreased by 53% to HK$62.0 million, the first yearly decline after four years of double-digit growth.

The economic downturn seriously affected the finance, property and recruitment advertising markets. Advertising spending and related activities in these markets dropped significantly in the second half of the financial year. In addition, revenue reduction in announcement advertisements after the abolition of mandatory requirements by the Hong Kong Stock Exchange in June 2007 had its full year impact in the financial year under review. However, the remarkable results of the Group's financial news agency, information and solution businesses, and the promising performance of the Group's two magazines, *U Magazine* and *iMoney*, offset part of the revenue loss resulted from the worse market conditions and the change of Listing Rules. This, again, lent support to the Group's strategy of appropriate business diversification.

In the face of unfavourable economic environment, we continued to take steps to streamline our cost structure, reorganize internal resources and improve operational efficiency. Following the recent decline in global consumer demand, inflationary pressures have been receding notably. This will ease the cost pressure of high newsprint price and other operating costs which we experienced in the financial year under review.

In the coming year, the external economic environment will be very challenging with the U.S. and European markets in recession. The domestic consumer confidence is at a low level due to uncertain economic climate, shrinking household wealth effect and rising unemployment rate. With these factors, together with declining exports and external trade, Hong Kong's economy is expected to contract by 5.5-6.5% in 2009 as forecasted by the Government.

Though we had left the critical point of global financial system collapse, the real economy is not yet out of the woods. To return to the normal track, reduction in financial leverage and consumer spending of the developed economies, and rebalancing of the international trade will be inevitable. These may lead to a protracted period of sluggish growth. Furthermore, the aftermaths of various unprecedented aggressive policy measures made by the U.S. and European governments can bring a great deal of uncertainty in financial and foreign exchange markets, in particular, the movement of US dollar. No crystal ball can predict the exact date when the global economy will return to normal but it is fair to assess that it would take a number of years before the emergence of the next long bull cycle.

A famous English quotation proverb says, "A pessimist sees the difficulty in every opportunity. An optimist sees the opportunity in every difficulty".

The continuous focus on our core business will help us to lay a strong foundation in the midst of turbulent market conditions. As the ancient maxim says, "Change thousand times without departing from the original stand", we are committed to our core value of providing high quality products and services to our customers and readers with focus on our key business domains in finance, property, human resources, education and lifestyle. Leveraging our competitive advantages including well-established strong brand, a wide network of customer reach, teams of competent, creative and passionate staff, well diversified and balanced portfolio of products and services and solid business foundation, we shall continue to deploy our resources to reinforce the leadership positions of the existing business units in their respective industries by enlarging their market share and at the same time broadening their customer base and revenue sources.

To meet the mounting challenges and to capitalize on the increasing business opportunities in internet, the Group has invested in three lifestyle portals with focus on food, travel and health in 2008. The Group will continue to identify and invest in other lifestyle portals which will create additional synergistic values to the Group in the long run.

Looking forward, the coming few years will remain difficult. As the economic turmoil further unfolds, more challenges will emerge. We shall continue to adhere to strict financial discipline in managing our existing businesses and adopt cautious and prudent approach in assessing new investment opportunities. Backed by the Group's solid financial position, healthy cash flow and strong management team, I am confident that we are well positioned to meet the challenges ahead and will take full advantages of the upturn when it comes.

Finally, I would like to take this opportunity to express heartfelt thanks to my fellow Board members and colleagues for their dedication, professionalism and valuable contributions thoughout the year, especially in such turbulent times. I would also like to extend my gratitude to our readers, customers, business partners and investors for their continued support.

Fung Siu Por, Lawrence
Chairman

Hong Kong, 22 June 2009

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 59, is the Chairman and Chief Executive Officer of the Company. Mr. Fung is a founder of *Hong Kong Economic Times ("HKET")*. He was also the first Publisher and Chief Editor of *HKET*. Mr. Fung is responsible for the overall strategic planning and development, policy-making and setting corporate missions of the Group. He has over 20 years of successful entrepreneurial experience in media and publishing, securities trading, computer technology and exhibition industries. Mr. Fung obtained a Bachelor of Social Science degree from The University of Hong Kong and a Master of Arts degree in Economics from The University of Manchester in the United Kingdom. In 2003, Mr. Fung was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Fung is a founder member and a director of Musketeers Education and Culture Charitable Foundation Limited. He is also a founder member and Chairman of Board of Directors of Hong Kong Ideas Centre Limited.

Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung), aged 59, is the Managing Director of the Group and Publisher of *HKET*. He is also a founder of *HKET*. Mr. Mak is responsible for formulating the business strategies and the overall management of publishing, recruitment advertising and printing production of the Group. He has over 30 years of extensive experience in the media and publishing industry. Prior to joining the Group in 1987, he was the Bureau Chief of *Wen Wei Po*, European Bureau in London, and was later promoted to the Deputy General Manager of *Wen Wei Po*. Mr. Mak obtained his Bachelor of Arts degree from The University of Hong Kong and had attended a journalism programme "Journalists in Europe" in France. Mr. Mak is currently the honorary advisor of Hong Kong Institute of Marketing and a Director of Hong Kong Copyright Licensing Association Limited. In 1988, Mr. Mak was elected as one of the Ten Outstanding Young Persons of Hong Kong.

Executive Directors

Mr. CHAN Cho Biu, BBS, aged 52, is the Associate Publisher and Chief Editor of *HKET*. Mr. Chan joined the Group in 1988 and is responsible for the editorial development of *HKET*. Mr. Chan has over 20 years of solid experience in the media and publishing industry. Prior to joining the Group, he had worked with the *Hong Kong Economic Journal* and Radio Television Hong Kong. Mr. Chan holds a Bachelor of Science degree and a Postgraduate Diploma in Education from The Chinese University of Hong Kong. In 2007, Mr. Chan was elected as the first Chairman of Journalism Education Foundation Hong Kong Limited and awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Chan was the Chairman of the Hong Kong News Executives' Association in 2001 and 2002.

Ms. SEE Sau Mei Salome, aged 46, is the Managing Director of the Company's subsidiaries which engage in the businesses of financial news agency, information, solutions and training. Ms. See joined the Group in 1989, responsible for the Group's marketing strategy and operations. She was later assigned to start and take charge of the Group's financial news agency, information, solutions and training businesses. Ms. See has over 20 years of solid experience in general business management. Prior to joining the Group, Ms. See worked in the regional marketing office of a multinational computer equipment corporation, Digital Equipment Limited, where she gained extensive experience in digital technology and a profound understanding of advanced networking. Ms. See obtained a Bachelor of Arts degree from Macquarie University, Australia.

Mr. SHEK Kang Chuen, aged 61, is the Associate Publisher and Head of Research Department of *HKET*. He is a founder of *HKET*. Mr. Shek is responsible for the overall development and management of Research Department of *HKET*. He is also responsible for the day-to-day management of the Group's book publication business. Mr. Shek has over 20 years of solid experience in the media and publishing industry. He is a columnist in *HKET* and its associated magazines, *iMoney* and on the financial portal of www.etnet.com.hk. Besides that, Mr. Shek has written several books on topics of investment, finance and wealth management. He is a regular speaker in various investment and wealth management conferences and seminars. He is currently a host of an investment programme for Radio Television Hong Kong. Mr. Shek obtained a Bachelor of Arts degree and a Postgraduate Diploma in Education from The University of Hong Kong.

Mr. CHAN Wa Pong, aged 57, joined the Group in 1990, and is the Company Secretary of the Company and Chief Financial Officer of the Group. Mr. Chan studied accountancy in North East London Polytechnic and is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 25 years of financial and management experience in London and Hong Kong. Prior to joining the Group, Mr. Chan was the Chief Accountant of a multinational gas manufacturer in Hong Kong and the Financial Controller of a paper product manufacturer in Hong Kong.

Board of Directors

Non-executive Director

Mr. CHU Yu Lun, aged 58, was appointed as an Non-executive Director in April 2005. He is also a member of Company's Nomination Committee and Remuneration Committee. Mr. Chu is the founder and Chairman of the Adsale Group. Established in December 1977 in Hong Kong under the name of The Adsale People, the company registered as Adsale People Limited in 1985. The Adsale Group is an international trade media group in the Asia-Pacific region. Its major businesses include organizing international trade fairs, publishing international trade journals and providing virtual exhibitions and e-publications. Mr. Chu has extensive experience in the exhibitions industry. Mr. Chu received a Master degree in Business Administration at The Chinese University of Hong Kong in 1984 after his Bachelor degree in Science from The University of Hong Kong in 1973. For years, Mr. Chu has taken active participation in social activities personally and on behalf of his companies. He is currently the Chairman of the Hong Kong Exhibition and Convention Industry Association, member of Steering Committee on MICE of Hong Kong Special Administrative Region ('HKSAR"), member of Tourism Strategy Group of HKSAR and has been the Founding President of Hong Kong University Science Alumni Association Limited, member of the Board of Governors of the Hong Kong Baptist University Foundation, member of Advisory Board on the Master degree in Business Administration program of The Chinese University of Hong Kong, member of China Business Focus Group of the Continuing Education Fund of HKSAR Government and advisor of China Expo Forum for International Cooperation. His commitment in the industry grants him an award of "The Top Ten People in China Exhibition Industry 2001 & 2003". Mr. Chu is also a founder member and a director of Musketeers Education and Culture Charitable Foundation Limited.

Independent Non-executive Directors

Mr. CHAN Mo Po, Paul, JP, aged 54, was appointed as an Independent Non-executive Director in May 2005. He is currently the Chairman of Company's Audit Committee and a member of Company's Nomination Committee. Mr. Chan is the Chairman of PCP CPA Limited and an Independent Non-executive Director of The Wharf (Holdings) Limited, Kingmaker Footwear Holdings Limited and China Communication Services Corporation Limited, all of which are companies listed on the Hong Kong Stock Exchange. Mr. Chan has over 30 years experience in the accounting and finance field and is the former President of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). He had also been the former Chairman of the Association of Chartered Certified Accountants ("ACCA") – Hong Kong. Mr. Chan obtained both his Bachelor and Master degrees in Business Administration from The Chinese University of Hong Kong. He is a fellow member of the HKICPA, the Institute of Chartered Secretaries and Administrators and the Taxation Institute of Hong Kong. In 2006, Mr. Chan was appointed as the Chairman of Legal Aid Services Council and was awarded a Medal of Honour by the Government of HKSAR. He was appointed as a Justice of the Peace in 2007. In 2008, he was appointed as a member of Shanghai City's Chinese People's Political Consultative Conference and as an advisor to the Accounting Standards Committee of The Ministry of Finance of People's Republic of China. Mr. Chan is currently a member of the Hong Kong Legislative Council representing the accountancy functional constituency.

Independent Non-executive Directors

Mr. CHOW On Kiu, aged 58, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Nomination Committee and a member of Company's Audit Committee and Remuneration Committee. Mr. Chow has extensive experience in banking, finance, trading, investment as well as property investment in Mainland China. Mr. Chow is currently the Vice Chairman of Wharf Estates China Limited. He had also been a Director of Sun Hung Kai Securities Limited from 1979 to 1985, Managing Director of Tian An China Investment Limited, a company listed on the Hong Kong Stock Exchange, from 1987 to 1992 and Executive Director of Next Media Limited, a company listed on the Hong Kong Stock Exchange, from 1999 to 2002. Mr. Chow graduated with a Bachelor degree in Social Science from The University of Hong Kong.

Mr. LO Foo Cheung, JP, aged 59, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Remuneration Committee and a member of Company's Audit Committee. Mr. Lo is the founder and Chairman of FC Packaging Holding Limited, one of the leading can manufacturers in the Greater China. Mr. Lo has extensive experience in the industrial and manufacturing industry in Hong Kong and Mainland China. He is currently a Vice President of the Chinese Manufacturers' Association of Hong Kong, Standing Committee Member of the Chinese General Chamber of Commerce, Committee Member of Business Facilitation Advisory Committee, Council Member of Hong Kong Productivity Council, Standing Committee Member of the Chinese People's Political Consultative Conference of Heilongjiang Province and Jiangmen City, Vice President of China Association of Enterprises with Foreign Investment, Vice President of China Packaging Federation and President of Jiangmen Association of Enterprises with Foreign Investment. Mr. Lo previously served as a member of the Business Advisory Group chaired by the Financial Secretary of Hong Kong, Director and Chairman of Finance and Administration Committee of Hong Kong Design Centre, Committee Member of Small and Medium Enterprises Committee of Hong Kong, Vice Chairman of the Young Industrialists Council of Hong Kong, Chairman of the Chinese Executive Club of the Hong Kong Management Association and Council Member of the Hong Kong Quality Assurance Agency. Mr. Lo holds a Bachelor degree with honours in Social Science and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. Lo was a winner of the Young Industrialist Award of Hong Kong in 1988.

The Board of Directors (the "Board") was committed to maintain a high level of corporate governance standards and practices. The Board has complied with the provisions set out in the Code on Corporate Governance Practices (the "Code Provisions") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except as stated and explained below.

Board of Directors

The Board currently comprises ten Directors, four are Non-executive Directors with three of them being Independent Non-executive Directors, representing more than one-third of the Board. The composition of the Board reflects a comprehensive range of professions, knowledge and experience. All Directors are aware of their collective and individual responsibilities to shareholders and have exercised their duties with care, skill and diligence for the best interests of the shareholders. Names and the biographies of the Directors are set out on pages 16 to 19 of this Annual Report.

Each of the Executive, Non-executive, and Independent Non-executive Directors has entered into a continuous service contract with the Company and is subject to the rotational retirement and re-election requirements of the Company's Articles of Association and the Code Provisions. Mr. Fung Siu Por, Lawrence (the Chairman and Executive Director of the Company) and Mr. Chu Yu Lun (the Non-executive Director of the Company) have been business partners for years and have common interests in certain companies. Save as disclosed above, none of the Directors has any financial, business, family relationships or any relationships in other material aspects with each other.

Under Code A.2.1 of the Code Provisions, the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. However, the Company has appointed Mr. Fung Siu Por, Lawrence as both its Chairman and the CEO. The Board believes that vesting the roles of the Chairman and the CEO in the same person would allow the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a substantial number thereof being Non-executive Directors.

The Board is responsible for setting the Group's strategic direction and overseeing the business performance of the Group while business operations are delegated to qualified management under the supervision of respective Executive Directors. The Board will ensure that the decision and direction made are implemented through the management, and that all significant business matters including but not limited to budgets, business plans, investment decisions, material capital expenditure are subject to the Board's approval.

The Board intends to hold at least four meetings annually at approximately quarterly intervals. Notice of meeting, agenda (with consultation of members of the Board) and accompanying board papers are sent in full to all Directors in a timely manner before the intended date of each meeting. During the financial year ended 31 March 2009, four meetings were held and Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chan Cho Biu and Mr. Chan Mo Po, Paul were absent in one of the meetings and Mr. Chow On Kiu was absent in two of the meetings.

Minutes of the Board meetings are recorded by the secretary of the meeting in sufficient detail of the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final version of minutes of Board Meetings are sent to all Directors for their comment and records respectively, in both cases within reasonable time after the Board Meeting is held.

Independence of Independent Non-executive Directors

Each Independent Non-executive Director has submitted to the Stock Exchange a written confirmation in respect of their independence in accordance with Rule 3.13 of the Listing Rules on 9 May 2005. The Board has also received from each of the Independent Non-executive Directors a confirmation of his independence as required under the Listing Rules. The Board is of the opinion that all Independent Non-executive Directors are independent and appreciates the professional and valuable contributions they made to the Board and the Committees.

Audit Committee

The Company established an Audit Committee on 29 April 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Audit Committee comprises three Independent Non-executive Directors, Mr. Chan Mo Po, Paul as Committee Chairman, Mr. Chow On Kiu and Mr. Lo Foo Cheung. The Committee members possess the necessary qualifications and experience in financial matters which are crucial to the Committee's key roles and functions. The principal roles and functions of the Committee include:

(a) to review the financial statements of the Group together with the Company's interim and annual report;

(b) to oversee the Group's financial control, internal control and risk management systems and to monitor the integrity of the financial reporting process; and

(c) to consider the appointment, re-appointment and removal of external auditors, and to approve their remuneration, and deal with any question of their resignation or dismissal;

During the financial year ended 31 March 2009, the Audit Committee met two times. Mr. Chow On Kiu and Mr. Lo Foo Cheung were absent in one of the meetings. The Company's Chief Financial Officer and Qualified Accountant and External Auditor were invited to attend the meetings. The Committee has reviewed the annual report for the financial year ended 31 March 2008, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2008 at the relevant meetings. The Chairman of the Audit Committee has reported to the Board on the proceedings of these meetings. The Board has not taken any view that is different from that of the Audit Committee.

Furthermore, another meeting was held on 18 June 2009 to review, inter alia, the Annual Report and Consolidated Financial Statements of the Group for the year ended 31 March 2009, the report from External Auditor on the audit of the Group's Financial Statements, the continued non-exempt connected transactions, internal control system review and the re-appointment of External Auditor.

Remuneration Committee

The Company established a Remuneration Committee on 29 April 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Remuneration Committee comprises Non-executive Director, Mr. Chu Yu Lun, and two Independent Non-executive Directors, Mr. Lo Foo Cheung as Committee Chairman and Mr. Chow On Kiu. The principal roles and functions of the Remuneration Committee include:

(a) to make recommendations to the Board on the Company's policy and structure of the remuneration of directors and senior management;

(b) to have the delegated responsibility to determine the specific remuneration packages of all Executive Directors and senior management and make recommendations to the Board of the remuneration of the Non-executive Directors;

(c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(d) to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment; and

(e) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct;

The Remuneration Committee met once during the financial year ended 31 March 2009 with the presence of all members. The Committee has reviewed and approved the remunerations and discretionary bonus payable to the Executive Directors and senior management for the financial year under review. The Committee Chairman has reported to the Board on the proceedings of the meeting.

Nomination Committee

The Company established a Nomination Committee on 29 April 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman and Mr. Chan Mo Po, Paul. The principal roles and functions of the Nomination Committee include:

(a) to review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship;

(c) to assess the independence of independent non-executive directors with regard to the requirements under the Listing Rules; and

(d) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the Chairman and the Chief Executive Officer.

The Nomination Committee met once during the financial year ended 31 March 2009 with the presence of all members to review the size, structure and composition of the Board and made its recommendations to the Board on the re-appointment of Directors (not less than one-third of the Board) who are subject to retirement by rotation and eligible for re-election at the forthcoming annual general meeting.

Remuneration of Directors

The Directors' fees and all other emoluments paid or payable to the Directors during the year are set out on an individual and named basis in note 7(b) to the Consolidated Financial Statements of this Annual Report on page 67.

The Group's emolument policy is set out in note 7(d) to the Consolidated Financial Statements of this Annual Report on page 69.

Securities Transactions of Directors

The Company confirmed the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). All Directors confirmed their compliance with the required standard set out in the Model Code regarding directors' securities transactions throughout the financial year ended 31 March 2009.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company for the period under review.

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for the preparation of the Consolidated Financial Statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period and in compliance with relevant laws and disclosure provisions of the Listing Rules. In preparing the Consolidated Financial Statements for the year ended 31 March 2009, the Directors have selected appropriate accounting polices and applied them consistently; made judgements and estimates that are prudent and reasonable; and have prepared the Consolidated Financial Statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

External Auditor

The Group had appointed PricewaterhouseCoopers as the Group's External Auditor since the financial year 2004/05. Their reporting responsibilities on the Consolidated Financial Statements are set out in the Independent Auditor's Report of this Annual Report on pages 38 to 39.

During the year under review, the Group has incurred a total fee of HK$2,100,000 in relation to the interim review and audit services provided by PricewaterhouseCoopers for the financial year 2008/09, which was approved by the Audit Committee and the Board. A fee of HK$262,000 was also paid or payable to PricewaterhouseCoopers for other services.

PricewaterhouseCoopers will retire and offer themselves for re-appointment at the annual general meeting of the Company to be held on 4 August 2009.

The re-appointment of PricewaterhouseCoopers as the External Auditor of the Group has been recommended by the Audit Committee and endorsed by the Board, subject to the approval of shareholders in the forthcoming annual general meeting.

Internal Controls

The Board acknowledges its responsibility for the Group's internal control system and has reviewed its effectiveness to ensure that internal control measures are in place to safeguard the Group's assets and to comply with relevant regulations and best practices.

Summary of Profit and Loss Account

	Year ended 31 March 2009 HK$'000	2008 HK$'000	% Change
Turnover	841,435	946,056	-11%
Cost of sales	(512,002)	(537,083)	-5%
Gross profit	329,433	408,973	-19%
Other revenues	156	88	77%
Selling and distribution expenses	(123,081)	(126,798)	-3%
General and administrative expenses	(137,385)	(130,312)	5%
Operating profit	69,123	151,951	-55%
Finance income	5,600	9,031	-38%
Profit before income tax	74,723	160,982	-54%
Income tax expense	(11,210)	(27,414)	-59%
Profit for the year	63,513	133,568	-52%
Minority interests	(1,475)	(1,042)	42%
Profit attributable to equity holders	62,038	132,526	-53%

Overview

The year 2008/09 was a difficult year for most businesses in Hong Kong. With the worsening of global financial crisis in the second half of the financial year, many of the world's economies, including Hong Kong, experienced contraction. The Group's turnover and results, as is the case of many Hong Kong companies, were adversely affected by the economic downturn in the second half of the financial year. The Group's turnover and net profit reported a decrease of 11% and 53% respectively as compared to 2007/08, the first yearly decline after four years of double-digit growth in turnover and net profit.

The printed media segment was affected by the economic downturn. Market advertising spending in newspapers dropped significantly in the second half of 2008/09. However, the Group's two magazine titles, *U Magazine*, a lifestyle and leisure magazine launched in December 2005 and *iMoney*, a financial weekly magazine launched in October 2007 performed well and made positive contribution to the Group's turnover and net profit. The weekly community newspaper *Take me Home* also made good progress as planned. With these factors, together with the full year impact of revenue reduction in announcement advertisements after the abolition of the mandatory requirement by the Hong Kong Stock Exchange in June 2007, the segment turnover and operating profit recorded a decrease of 16% and 80% respectively, as compared to 2007/08.

The financial news agency, information and solutions segment, continued its growth by providing quality and comprehensive range of products, services, content and solutions to the professional markets. This segment made a remarkable growth in turnover and operating profit of 12% and 38% respectively, as compared to the previous financial year.

Overview (Continued)

As a result of the financial crisis in the second half of 2008/09, companies cut back staff recruitment and training activities, and the revenue and operating profit of the recruitment advertising and training segment dropped by 22% and 55% respectively, as compared to 2007/08.

To meet the challenges and to embrace the opportunities arising from internet, the Group, leveraging on its existing resources and competitive advantages, invested in three lifestyle portals on food, travel and health by providing valuable information and services to our readers and customers.

The Board of Directors and management team of the Group are committed to continue their efforts in enhancing the leadership positions of the existing businesses in their respective industries for the long-term benefit of shareholders while at the same time imposing effective cost control measures in this volatile economic environment.

Turnover

	Year ended 31 March 2009 HK$'000	2008 HK$'000	% Change
Turnover:			
Advertising income	479,759	598,449	-20%
Circulation income	150,985	154,008	-2%
Service income	192,153	172,977	11%
Enrolment income	18,538	20,622	-10%
Total	841,435	946,056	-11%

Advertising income for the year ended 31 March 2009 was HK$479.8 million, a decrease of 20% as compared to the year ended 31 March 2008. The decline was mainly attributable to the decrease of display advertisements and recruitment activities in the latter part of the financial year, the full year impact of revenue reduction in announcement advertisements following the change in the Listing Rules in June 2007 and the reduction in the number of initial public offering activities.

The circulation income remained relatively stable with a small drop of 2% over last financial year.

Service income for the year ended 31 March 2009 was HK$192.2 million, which was a record high and was 11% more than financial year 2007/08. With continuous efforts in deploying our quality content in different products and platforms within different markets, the financial news agency, information and solutions segment successfully broadened its customer base as well as revenue sources.

Enrolment income was HK$18.5 million, which was 10% lower than the previous financial year. The decrease was owing to the reduction of training activities of companies in the wake of global financial turmoil.

Operating Costs

Gross profit margin for the year ended 31 March 2009 attained 39.2%, a decrease of 4.0 percentage points, compared with previous financial year's 43.2%.

Staff costs, being the largest single item of operating cost of the Group, decreased slightly by 2% as compared to the year ended 31 March 2008 and representing approximately 47% of Group's total operating costs, which was similar to last financial year's 46%. The decrease in staff costs was mainly due to reorganization of resources within the Group.

Newsprint costs, constituting around 12% of the Group's total operating costs for the year ended 31 March 2009 as compared to 14% for the year ended 31 March 2008, registered a decrease of 14% against last financial year. The decrease in costs was the result of effective production control in consumption and cost control in material sourcing.

Outsourced printing costs decreased by 8% as compared to the year ended 31 March 2008. The decrease was owing to effective cost control.

The Group shall continue to review its cost structure and impose tight control measures over its operating costs and at the same time, improve its operational efficiency.

Income Tax Expense

The lower operating profit for the year together with a change in profits tax rate from 17.5% to 16.5% reduced tax expenses by 59%. The Group's effective tax rate for the year under review was approximately 15% of the profit before income tax.

Profit Attributable to Equity Holders

Profit attributable to equity holders was down by 53% to HK$62.0 million with net profit margin dropped to 7.4% as compared to the 14.0% for the year ended 31 March 2008. The drop was mainly due to the significant reduction in advertising income in the second half of the financial year, the full year impact of revenue reduction in announcement advertisements following the change in the Listing Rules in June 2007 and the investment in the lifestyle portals segment in the year under review.

The new investment in lifestyle portals will exert pressure on the Group's net profit, but the Group believes that the investment will benefit the Group and shareholders as a whole in the long run.

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2009	2008
Net current assets	352.5	335.1
Term deposits and cash and cash equivalents	347.2	302.3
Equity holders' funds	624.1	619.0
Gearing ratio	–	–
Current ratio	3.20 times	2.64 times

The Group's net current assets as at 31 March 2009 increased by HK$17.4 million from the position as at 31 March 2008 after taking into account of the distribution of the final dividend declared for the financial year ended 31 March 2008 and interim dividend for the six months period ended 30 September 2008 amounting to a total of HK$57.0 million. The increase was owing to net cash inflow from the Group's continuous profitable operation.

Net cash outflow from investing activities increased by HK$246.1 million during the year under review was due to the increase of term deposits with original maturities of over three months amounting to HK$284.0 million.

The Group had no gearing as at 31 March 2009. Current ratio improved from 2.64 times to 3.20 times. As at 31 March 2009, the Group had a cash balance of HK$347.2 million as compared to HK$302.3 million as at 31 March 2008. The cash was placed under short-term deposits with banks in Hong Kong and was held predominately in Hong Kong dollars, hence the Group had no significant exposure to foreign exchange fluctuations.

The Group is able to meet its working capital requirements, support investment needs of any future business plans and fulfill the dividend payment policy at the current fund level.

Outlook

The Group will continue to focus on our core business domains in finance, property, human resources, education and lifestyle which we believe will lay a strong foundation for the Group. Leveraging our competitive advantages including well-established strong brand, a wide network of customer reach, teams of competent, creative and passionate staff, well diversified and balanced portfolio of products and services and solid business foundation, the Group will continue to deploy resources to reinforce the leadership positions of the existing business units in their respective industries by enlarging their market share and at the same time broadening their customer base and revenue sources. The Group will also identify and invest in other lifestyle portals which will create additional synergistic values to the Group in the long run.

The unfavorable economic environment will continue to affect the Group's performance in the coming years. As the economic turmoil further unfolds, more challenges will emerge. The Group will continue to adhere to strict financial discipline in managing its existing businesses and adopt cautious and prudent approach in assessing new investment opportunities. Backed by the Group's solid financial position, healthy cash flow and strong management team, we are confident that the Group is well positioned to meet the challenges ahead and will take full advantages of the upturn when it comes.

Employees

As at 31 March 2009, the Group had 1,221 employees (31 March 2008: 1,377 employees). The Directors believe that employees are the most valuable assets of the Group and competitive remuneration packages are offered to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") submit their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2009 (the "Consolidated Financial Statements").

Principal Activities and Analysis of Operations

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 25 to the Consolidated Financial Statements.

An analysis of the Group's performance for the year ended 31 March 2009 by business segment is set out in note 5 to the Consolidated Financial Statements.

A discussion of the Group's performance and its financial position are provided in the section headed "Management Discussion and Analysis" in this Annual Report.

Financial Results

The results of the Group for the year and the state of affairs of the Company and the Group as at 31 March 2009 are set out on pages 40 to 89.

Dividend Distributions

During the year, an interim dividend distribution from the distributable reserves of HK 3.1 cents per share, totalling HK$13,380,000 was paid on 10 December 2008.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 5.5 cents per share in respect of the year ended 31 March 2009 to the shareholders whose names appear on the register of members of the Company at the close of business on 29 July 2009, amounting to HK$23,738,000. The final dividend, payable on 6 August 2009, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 4 August 2009.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 45 and in note 24 to the Consolidated Financial Statements.

Property, Plant and Equipment

Movements in property, plant and equipment of the Group are set out in note 14 to the Consolidated Financial Statements.

Share Capital

Details of the authorised and issued share capital of the Company are set out in note 23 to the Consolidated Financial Statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2009, calculated under the Cayman Islands Companies Law, amounted to HK$294,086,000 (2008: HK$293,711,000) including share premium of HK$269,808,000 and retained earnings of HK$24,278,000.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the Section headed "Five-year Financial Summary" in this Annual Report.

Purchase, Sale or Redemption of the Company's Shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Directors

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. FUNG Siu Por, Lawrence
Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung)
Mr. CHAN Cho Biu
Mr. SHEK Kang Chuen
Ms. SEE Sau Mei Salome
Mr. CHAN Wa Pong

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. CHAN Mo Po, Paul
Mr. CHOW On Kiu
Mr. LO Foo Cheung

Details of the profile of each member of the Board are set out in the section headed "Board of Directors" in this Annual Report.

In accordance with Article 86 and 87 of the Company's Articles of Association, Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung), Mr. CHU Yu Lun, Mr. CHAN Mo Po, Paul and Mr. CHOW On Kiu shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' Service Contracts

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

Other than as disclosed under the paragraphs headed "Connected Transactions" below and "Related Party Transactions" in note 29 to the Consolidated Financial Statements, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31 March 2009, the interests and short positions of each director and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long positions in ordinary shares of HK$0.10 each of the Company

Name of Director	Capacity/ Nature of interest	Number of shares held	Percentage of issued share capital of the Company
Mr. FUNG Siu Por, Lawrence (Note 1)	Corporate	44,275,000	10.258%
Mr. MAK Ping Leung	Beneficial owner	810,000	0.188%
Mr. CHAN Cho Biu	Beneficial owner	520,000	0.120%
Mr. SHEK Kang Chuen	Beneficial owner	1,000,000	0.232%
Ms. SEE Sau Mei Salome	Beneficial owner	370,000	0.086%
Mr. CHAN Wa Pong	Beneficial owner	1,000,000	0.232%
Mr. CHU Yu Lun (Note 2)	Corporate	87,435,000	20.258%
Mr. CHOW On Kiu	Beneficial owner	150,000	0.035%
Mr. LO Foo Cheung	Beneficial owner	490,000	0.114%

Note 1: The interests in the 44,275,000 shares are in respect of the deemed corporate interests held by Mr. Fung Siu Por, Lawrence through Golden Rooster Limited which is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence is therefore deemed interested in the shares held by Golden Rooster Limited.

Note 2: The interests in the 87,435,000 shares are in respect of the deemed corporate interests held by Mr. Chu Yu Lun through Sky Vision Investments Limited which is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun is therefore deemed interested in the shares held by Sky Vision Investments Limited.

All interests stated above represent long positions in the shares of the Company.

(b) Long positions in underlying shares of the Company

The Company adopted a share option scheme in 2005 and no option has been granted by the Company under the share option scheme since its adoption. Details of the scheme are set out in the paragraph headed "Share Option Scheme" below.

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company (including their spouses or children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Shares and Underlying Shares

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 March 2009, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of Directors and chief executives:

Name of Substantial Shareholders	Number of ordinary shares held (long position)	Percentage of issued share capital of the Company
Sky Vision Investments Limited (Note 1)	87,435,000	20.258%
Putt Putt Company Limited (Note 2)	71,130,000	16.481%
H Partners Management, LLC (Note 3)	60,714,000	14.067%
Golden Rooster Limited (Note 4)	44,275,000	10.258%
The University of Hong Kong	43,160,000	10.000%
The Goldman Sachs Group, Inc.	36,776,000	8.521%
Hayman Investments LLC (Note 5)	26,128,000	6.054%

Note 1: Sky Vision Investments Limited is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun and Ms. Chow Chiu Hing are therefore deemed interested in the shares held by Sky Vision Investments Limited.

Note 2: Putt Putt Company Limited is wholly owned by Koala Association S.A. which is in turn wholly owned by HSBC Trust Company (BVI) Limited which is in turn wholly owned by two trustees, Shin Ho Yin, Anthony and Tsoi Hak Kong, Herbert. For the purpose of Part XV of the SFO, Koala Association S.A., HSBC Trust Company (BVI) Limited, Shin Ho Yin, Anthony and Tsoi Hak Kong, Herbert are therefore deemed interested in the shares held by Putt Putt Company Limited.

Note 3: H Partners Management, LLC is wholly owned by Mr. Jaffer Rehan. For the purpose of Part XV of the SFO, Mr. Jaffer Rehan is therefore deemed interested in the shares held by H Partners Management, LLC.

Note 4: Golden Rooster Limited is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence and Ms. Lee Suk Wai Alexandra are therefore deemed interested in the shares held by Golden Rooster Limited.

Note 5: Hayman Investments LLC is wholly owned by Mr. Bass J Kyle. For the purpose of Part XV of the SFO, Mr. Bass J Kyle is therefore deemed interested in the shares held by Hayman Investments LLC.

Save as disclosed above, as at 31 March 2009, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the Directors and chief executives of the Company, whose interests are set out in the paragraph headed "Directors' Interests in Shares, Underlying Shares and Debentures" above, who had any interest or short position in the shares or underlying shares of the Company.

Share Option Scheme

Pursuant to the share option scheme adopted by a written resolution of the then sole shareholder of the Company on 19 July 2005 (the "Scheme"), the Company may grant options to, among others, the directors or employees of the Company or its subsidiaries, for the recognition and acknowledgement of their contributions to the Group, to subscribe for shares of the Company (the "Shares").

According to the Scheme, pursuant to which the Board of Directors, may at its discretion, invite any eligible participants to take up options to subscribe for the Shares. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes, shall not, in aggregate, exceed 10% of the number of Shares in issue as at the date dealings in the Shares first commence on the Stock Exchange unless further shareholders' approval had been obtained pursuant to the conditions set out in the Scheme. The total number of Shares issued and to be issued upon exercise of all options already granted or to be granted under the Scheme and any other schemes (including both exercised or outstanding options) to each eligible participant in any 12-month period shall not exceed 1% of the issued share capital of the Company.

The offer for the grant of options (the "Offer") must be taken up within 21 business days from the day of the Offer, with a payment of HK$10 as consideration for the grant. The exercise price of the share option shall be determined by the Board and shall not be less than the highest of: (a) the nominal value of the Shares; (b) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of Offer, which shall be a business day; and (c) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of Offer.

The share options are exercisable at any time during a period of not more than 10 years from the date of Offer, subject to the terms and conditions of the Scheme and any conditions of grant as may be stipulated by the Board. Unless terminated by the Company by the resolution in general meeting, the Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Scheme becomes unconditional (its listing date).

No option has been granted by the Company under the Scheme since its adoption.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Major Suppliers and Customers

The percentages of the Group's purchases and sales during the year attributable to the Group's major suppliers and customers are as follows:

Purchases		
–	the largest supplier	8%
–	five largest suppliers combined	32%
Sales		
–	the largest customer	11%
–	five largest customers combined	21%

None of the directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transactions

Certain related party transactions as disclosed in note 29 to the Consolidated Financial Statements also constituted non-exempt connected transactions of the Company and are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Company are subject to the reporting and announcement requirements pursuant to the Listing Rules.

Office Rental Expenses

The Group has rented office space from Honley Limited and Charm Data Limited. Each of Honley Limited and Charm Data Limited is beneficially owned by Mr. Chu Yu Lun (Non-executive Director of the Company), as to 50% and both are therefore connected persons. On 27 August 2008 and 5 September 2008 respectively, Mr. Chu Yun Lun disposed of all his interests in Honley Limited and Charm Data Limited to an independent third party. Since then, Honley Limited and Charm Data Limited ceased to be connected persons of the Company. The aggregate rentals paid to these connected persons were HK$3,515,000 up to dates of disposal during the period under review.

These non-exempt connected transactions have been reviewed by Independent Non-executive Directors of the Company. The Independent Non-executive Directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) in accordance with the terms of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole and (d) have not exceeded the relevant cap disclosed in the announcement dated 1 April 2008.

Pursuant to Rule 14A.38 of the Listing Rules, the Board of Directors engaged the auditor of the Company to perform certain factual finding procedures on the aforesaid connected transactions in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their factual findings to the Board of Directors that these transactions (a) have been approved by the Board of Directors; (b) have been entered into in accordance with the terms of the relevant agreements governing the transactions; and (c) have not exceeded the relevant cap disclosed in the announcement dated 1 April 2008.

Competing Business

As at 31 March 2009, none of the Directors and directors of the Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules, except for the interests held by Mr. Chu Yu Lun and Mr. Fung Siu Por, Lawrence, both Directors of the Company, in Adsale Publishing Limited which is engaged in the publication of industrial magazines catered for readers in the textile, plastic and rubber, packaging, machinery and automotive industries. Mr. Chu is also a director of Adsale Publishing Limited.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of more than 25% of the Company's issued shares as at the date of this Annual Report.

Compliance with Code on Corporate Governance Practices

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code Provisions") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2009 except as stated and explained below.

Under Code A.2.1 of the Code Provisions, the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. However, the Company has appointed Mr. Fung Siu Por, Lawrence as both its Chairman and the CEO. The Board believes that vesting the roles of the Chairman and the CEO in the same person would allow the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a substantial number thereof being Non-executive Directors.

Auditor

The Consolidated Financial Statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board

FUNG Siu Por, Lawrence

Chairman

Hong Kong, 22 June 2009

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TO THE SHAREHOLDERS OF HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hong Kong Economic Times Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 40 to 89, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

TO THE SHAREHOLDERS OF HONG KONG ECONOMIC TIMES HOLDINGS LIMITED (Continued)

(incorporated in the Cayman Islands with limited liability)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 June 2009

Consolidated Income Statements

	Note	Year ended 31 March 2009 HK$'000	2008 HK$'000
Turnover	5	841,435	946,056
Cost of sales	6	(512,002)	(537,083)
Gross profit		329,433	408,973
Other revenues	5	156	88
Selling and distribution expenses	6	(123,081)	(126,798)
General and administrative expenses	6	(137,385)	(130,312)
Operating profit		69,123	151,951
Finance income	8	5,600	9,031
Profit before income tax		74,723	160,982
Income tax expense	9	(11,210)	(27,414)
Profit for the year		63,513	133,568
Attributable to:			
Equity holders of the Company		62,038	132,526
Minority interests		1,475	1,042
		63,513	133,568
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	11	14.37	30.71
Dividends	12	37,118	56,972

The notes on pages 46 to 89 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	As at 31 March 2009 HK$'000	2008 HK$'000
Non-current assets			
Intangible assets	13	28,783	29,781
Property, plant and equipment	14	190,987	207,914
Lease premium for land	15	70,715	74,168
Investment property	16	4,715	–
Held-to-maturity investments	17	3,966	–
Deferred income tax assets	18	18	12
		299,184	311,875
Current assets			
Inventories	19	38,556	34,007
Trade receivables	20	95,906	177,316
Deposits, prepayments and other receivables		21,045	17,624
Tax recoverable		4,547	2,598
Pledged time deposits	21	5,512	5,393
Term deposits with original maturities of over three months	21	284,042	–
Cash and cash equivalents	21	63,207	302,270
		512,815	539,208
Current liabilities			
Trade payables	22	25,010	39,903
Fees in advance		61,381	62,915
Accruals and other payables		70,188	98,246
Current income tax liabilities		3,688	3,053
		160,267	204,117
Net current assets		352,548	335,091
Total assets less current liabilities		651,732	646,966

Consolidated Balance Sheet (Continued)

	Note	As at 31 March 2009 HK$'000	2008 HK$'000
Financed by:			
Share capital	23	43,160	43,160
Reserves	24		
Proposed final dividends	12	23,738	43,592
Others		557,177	532,257
Equity holders' funds		624,075	619,009
Minority interests		3,398	1,923
Total equity		627,473	620,932
Non-current liabilities			
Deferred income tax liabilities	18	24,259	26,034
Total equity and non-current liabilities		651,732	646,966

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 46 to 89 are an integral part of these consolidated financial statements.

Balance Sheet

	Note	As at 31 March 2009 HK$'000	2008 HK$'000
Non-current assets			
Investments in subsidiaries	25	178,627	178,627
Current assets			
Deposits, prepayments and other receivables		523	766
Amounts due from subsidiaries	25	282,231	117,988
Term deposits with original maturities of over three months	21	26,500	–
Cash and cash equivalents	21	6,583	253,756
		315,837	372,510
Current liabilities			
Accruals and other payables		641	655
Amounts due to subsidiaries	25	150,457	207,491
		151,098	208,146
Net current assets		164,739	164,364
Total assets less current liabilities		343,366	342,991
Financed by:			
Share capital	23	43,160	43,160
Reserves	24		
Proposed final dividends	12	23,738	43,592
Others		276,468	256,239
Total equity		343,366	342,991

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 46 to 89 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2009 HK$'000	2008 HK$'000
Cash flows from operating activities			
Cash generated from operations	26	129,116	191,796
Hong Kong profits tax paid		(14,305)	(21,230)
Net cash generated from operating activities		114,811	170,566
Cash flows from investing activities			
Bank interest received		5,374	9,031
Interest income from held-to-maturity investments		226	–
Purchase of property, plant and equipment		(14,602)	(35,351)
Purchase of lease premium for land		–	(19,298)
Acquisition of a business	30	–	(3,500)
Proceeds from disposal of property, plant and equipment	26	227	297
Acquisition of held-to-maturity investments	17	(8,080)	–
Disposal of held-to-maturity investments	17	4,114	–
Increase in term deposits with original maturities over three months		(284,042)	–
Increase in pledged time deposits		(119)	(1,965)
Net cash used in investing activities		(296,902)	(50,786)
Cash flows from financing activities			
Interim dividend paid to equity holders of the Company		(13,380)	(13,380)
Final dividend paid to equity holders of the Company		(43,592)	(34,096)
Net cash used in financing activities		(56,972)	(47,476)
Net (decrease)/increase in cash and cash equivalents		(239,063)	72,304
Cash and cash equivalents at beginning of the year		302,270	229,966
Cash and cash equivalents at end of the year		63,207	302,270

The notes on pages 46 to 89 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company							
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
Balance at 1 April 2007	43,160	122,381	69,944	6,120	292,354	533,959	881	534,840
Profit for the year	–	–	–	–	132,526	132,526	1,042	133,568
Final dividend for the year ended 31 March 2007	–	–	–	–	(34,096)	(34,096)	–	(34,096)
Interim dividend for the year ended 31 March 2008	–	–	–	–	(13,380)	(13,380)	–	(13,380)
Balance at 31 March 2008	43,160	122,381	69,944	6,120	377,404	619,009	1,923	620,932
Balance at 1 April 2008	43,160	122,381	69,944	6,120	377,404	619,009	1,923	620,932
Profit for the year	–	–	–	–	62,038	62,038	1,475	63,513
Final dividend for the year ended 31 March 2008	–	–	–	–	(43,592)	(43,592)	–	(43,592)
Interim dividend for the year ended 31 March 2009	–	–	–	–	(13,380)	(13,380)	–	(13,380)
Balance at 31 March 2009	43,160	122,381	69,944	6,120	382,470	624,075	3,398	627,473

The notes on pages 46 to 89 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

1. General information

The Company was incorporated in the Cayman Islands on 15 February 2005 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing of newspapers, magazines and books, the provision of electronic financial and property market information services and the provision of training services.

These consolidated financial statements have been approved for issue by the Board of Directors on 22 June 2009.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) New standard, amendment to existing standard and interpretations effective in year 2009

The following new standard, amendment to existing standard and interpretations are relevant to the Group and are mandatory for the financial year ended 31 March 2009:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above new standard, amendment to existing standard and interpretations did not have a significant impact to the Group's financial statements and has not led to any changes in the Group's accounting policies.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New/revised standards, amendments to existing standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new/revised standards, amendments to existing standards and interpretations have been published and mandatory for accounting period beginning on or after 1 April 2009 or later periods, but the Group has not early adopted:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Embedded Derivatives
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 (Amendments)	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers
Various	HKICPA's improvements to HKFRSs

Management is in the process of making an assessment of their impact and is not yet in a position to state what impact they would have on the Group's results of operations and financial positions.

Notes to the Consolidated Financial Statements

Year ended 31 March 2009

2. Summary of significant accounting policies (Continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see note 2.8(a)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (see note 2.9). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

2. Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(b) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

2. Summary of significant accounting policies (Continued)

2.4 Foreign currency translation (Continued)

(c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity holders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Leasehold buildings	50 years or over the unexpired period of the lease, whichever is shorter
Leasehold improvements	5 years or over the unexpired period of the lease, whichever is shorter
Plant and machinery	15 years
Furniture, fixtures and equipment	3 to 8 years
Motor vehicles	5 years
Network and computer equipment	3 to 5 years

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in the income statement.

2.6 Lease premium for land

Lease premium for land represents consideration paid for the rights to use the land from the date of the respective rights were granted. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to write off the up-front payments over the lease terms.

2.7 Investment property

Property that is held for long-term rental yields, and that is not occupied by the Group, is classified as investment property. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, included related transaction costs. Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

2. Summary of significant accounting policies (Continued)

2.7 Investment property (Continued)

Investment properties are stated at historical cost less accumulated depreciation and impairment loss, if any. It is depreciated using the straight line method over its estimated useful life.

2.8 Intangible assets

(a) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose.

(b) *Contractual customer relationships*

Contractual customer relationships acquired in a business combination are recognised at fair value at the date of acquisition. The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the contractual customer relationships.

2.9 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Summary of significant accounting policies (Continued)

2.10 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date; which are classified as current assets.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "selling and distribution expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling and distribution expenses" in the income statement.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks with maturities of three months or less from the date of acquisition.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

2. Summary of significant accounting policies (Continued)

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Continued)

2.17 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates defined contribution plans, including a mandatory provident fund scheme ("MPF") in Hong Kong, the assets of which are generally held in separate trustee-administered funds.

The Group's contributions to the defined contribution retirement plans are expensed as incurred. The Group's contributions to all these plans except for the MPF and the plans in the PRC are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund on a reduction in the future payments is available.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

2. Summary of significant accounting policies (Continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of rebates and discounts and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues are recognised as follows:

(i) Advertising income is recognised when the relevant advertisement is published.

(ii) Circulation income, comprises the sales of newspapers, magazines and books, is recognised on the transfer of risks and rewards of ownership, which generally coincides with the date of delivery.

(iii) Service income is principally derived from the provision of information subscription services and other related maintenance and solution services. Service income is recognised when the services are rendered.

(iv) Enrolment income on the provision of professional training is recognised when the training services are rendered.

(v) Rental from leasing properties and investment property is recognised on a straight-line basis over the lease periods.

(vi) Interest income is recognised on a time-proportion basis using the effective interest method.

The excess of revenues received from the items (i), (ii), (iii) and (iv) over the amounts recognised as revenue for the year are recorded as fees in advance in the consolidated balance sheet.

2.20 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease period.

2. Summary of significant accounting policies (Continued)

2.21 Dividend distribution

Dividend distribution to the Company's equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's equity holders or directors, where appropriate.

2.22 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant equity holders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) Foreign exchange risk

Most of the income and expenditures of the Group are denominated in Hong Kong dollars. Certain purchases of newsprint are denominated in United States dollars ("US dollars"). The value of the Hong Kong dollars is pegged to that of the US dollars and hence, the Group does not have any material foreign exchange exposure in this regard. The Group's exposure to Renminbi ("RMB") is considered as minimal as the RMB denominated transactions entered into by the Group are not material. The Group has not implemented or entered into any type of instruments or arrangements to hedge against currency exchange fluctuations for the year under review. As at 31 March 2009, the Group did not have any outstanding hedging instruments.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) *Market risk* (Continued)

(ii) Cash flow and fair value interest rate risk

Except for bank deposits grouped under "pledged time deposits", "term deposits with original maturities of over three months" and "cash and cash equivalents" in the consolidated balance sheet, the Group has no other significant interest-bearing assets or liabilities. Since there is no borrowing in the Group and short-term bank deposits are under short maturity terms, the cash flow and fair value interest rate risk is considered to be low.

At 31 March 2009, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit for the year by approximately HK$628,000 (2008: HK$466,000) in respect of interest income on bank deposits.

(b) *Credit risk*

The Group's credit risk arises from its bank deposits and trade receivables. To mitigate the risk arising from banks, the Group places its deposits to certain reputable banks with a minimum rating of "investment grade" ranked by an independent party.

The Group manages its credit risk associated with trade receivables through the application of credit approvals, credit ratings and monitoring procedures.

Credit sales are only made to customers with appropriate credit history or high credit standing while sales to new customers or customers of low credit standing are usually made on an advance payment or cash on delivery basis.

In additions, trade receivables balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity level to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying values, as the impact of discounting is not significant.

	Less than 1 year HK$'000
Group	
At 31 March 2009	
Trade payables	25,010
Accruals and other payables	70,188
At 31 March 2008	
Trade payables	39,903
Accruals and other payables	98,246
Company	
At 31 March 2009	
Accruals and other payables	641
Amounts due to subsidiaries	150,457
At 31 March 2008	
Accruals and other payables	655
Amounts due to subsidiaries	207,491

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

3. Financial risk management (Continued)

3.2 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and pledged deposits. Total capital is calculated as "equity" as shown in the consolidated balance sheet.

The gearing ratios as at 31 March 2009 and 2008 was zero as the Group has no borrowing or debt.

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and key sources of estimation uncertainty

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Critical accounting estimates and key sources of estimation uncertainty
(Continued)

(i) Estimated impairment of goodwill

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The recoverable amount of a CGU is determined based on value-in-use calculations. The value-in-use calculations principally use the cash flow projections based on the financial budgets approved by management covering a five-year period and the estimated terminal value at the end of the five-year period. Key assumptions used in the preparation of the cash flow projections and the estimated terminal value include the expected growth in revenues and selection of discount rate of 14% of comparable entities within the industry. Management prepared the financial budgets reflecting the actual and prior years' performance, market share, customer base and expectations on market competition and development and the long-term growth rate for the relevant markets.

The results of the impairment test undertaken as at 31 March 2009 indicated that no impairment charge was necessary.

(ii) Deferred tax assets

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Group's management determines the deferred tax assets based on the enacted or substantively enacted tax rates and laws and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. Management will revisit the assumptions and profit projections at the balance sheet date.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

4. Critical accounting estimates and key sources of estimation uncertainty
(Continued)

(iii) Provision for impairment of trade receivables

The policy for impairment of receivables of the Group is based on the evaluation of collectibility and ageing analysis of trade receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5. Turnover, other revenues and segment information

(i) Primary reporting format – business segments

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. At 31 March 2009, the Group is organised into four main business segments:

(1) Printed media

(2) Financial news agency, information and solutions

(3) Recruitment advertising and training

(4) Lifestyle portals

5. Turnover, other revenues and segment information (Continued)

(i) Primary reporting format – business segments (Continued)

Turnover comprises the advertising income, circulation income, service income and enrolment income.

An analysis of the Group's turnover and other revenues for the year is as follows:

	2009 HK$'000	2008 HK$'000
Turnover		
Advertising income	479,759	598,449
Circulation income	150,985	154,008
Service income	192,153	172,977
Enrolment income	18,538	20,622
	841,435	946,056
Other revenues		
Rental income from machinery and properties	156	88
Total revenues	841,591	946,144

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

5. Turnover, other revenues and segment information (Continued)

(i) Primary reporting format – business segments (Continued)

Corporate operations mainly comprise investment holding activities which do not constitute a separately reportable segment. The segment results, capital expenditure and other items in the consolidated income statement for the year ended 31 March 2009, and segment assets and liabilities as at 31 March 2009 are as follows:

	Year ended 31 March											
	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals *Note (i)*		Corporate		Total	
	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
REVENUE												
Turnover, gross	585,778	696,221	193,923	173,367	67,135	86,446	2,963	–	–	–	849,799	956,034
Inter-segment transactions	(6,949)	(8,680)	(1,239)	(1,266)	(164)	(32)	(12)	–	–	–	(8,364)	(9,978)
Turnover, net	578,829	687,541	192,684	172,101	66,971	86,414	2,951	–	–	–	841,435	946,056
RESULT												
Operating profit/(loss)	18,151	89,395	51,104	36,989	11,578	25,598	(10,768)	–	(942)	(31)	69,123	151,951
Finance income											5,600	9,031
Profit before income tax											74,723	160,982
Income tax expense											(11,210)	(27,414)
Profit for the year											63,513	133,568
Attributable to:												
Equity holders of the Company											62,038	132,526
Minority interests											1,475	1,042
											63,513	133,568

5. Turnover, other revenues and segment information (Continued)

(i) Primary reporting format – business segments (Continued)

	Year ended 31 March											
	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals *Note (i)*		Corporate		Total	
	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
SEGMENT ASSETS	668,236	477,335	64,177	70,279	37,529	46,337	3,887	–	38,170	257,132	811,999	851,083
SEGMENT LIABILITIES	82,283	116,569	62,072	69,477	10,427	14,363	1,156	–	28,588	29,742	184,526	230,151
OTHER INFORMATION												
Capital expenditure	7,047	48,480	4,882	9,735	1,172	1,425	1,501	–	–	–	14,602	59,640
Depreciation of property, plant and equipment and investment property	24,516	23,729	3,725	3,521	1,219	978	438	–	–	–	29,898	28,228
Amortisation of lease premium for land and contractual customer relationships	162	146	1,003	755	–	–	–	–	–	–	1,165	901
(Reversal of)/provision for impairment of receivables and obsolete inventories	867	573	898	412	4	(60)	–	–	–	–	1,769	925

Note (i): Comparative figures had not been reclassified under the lifestyle portals segment in view of insignificant amounts and balances.

(ii) Secondary reporting format – geographical segment

More than 90% of the Group's activities are carried out in Hong Kong and more than 90% of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis of geographical segment for the relevant years is presented.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

6. Expenses by nature – Group

Expenses included cost of sales, selling and distribution expenses and general and administrative expenses and are analysed as follows:

	2009 HK$'000	2008 HK$'000
Crediting		
Gain on disposal of property, plant and equipment	25	38
Charging		
Amortisation of contractual customer relationships (note 13)	998	749
Amortisation of lease premium for land (note 15)	167	152
Auditors' remuneration	2,100	2,178
Bad debts written off	723	312
Depreciation of property, plant and equipment and investment property (notes 14 and 16)	29,898	28,228
Operating lease rentals on land and buildings	17,111	10,058
Provision for impairment of receivables	908	352
Provision for obsolete inventories	861	573
Staff costs (note 7)	360,739	367,914

7. Staff costs – Group

	2009 HK$'000	2008 HK$'000
Wages and salaries	342,288	352,075
Unutilised leave pay	(112)	932
Pension costs – defined contribution plans (note a)	14,533	13,680
Long service payment	4,030	1,227
Total including Directors' remuneration	360,739	367,914

7. Staff costs – Group (Continued)

(a) Pensions – defined contribution plans

Forfeited contributions of approximately HK$720,000 for the year ended 31 March 2009 (2008: HK$519,000) were utilised during the year leaving approximately HK$12,000 (2008: HK$4,000) available at the year end to reduce future contributions.

Contributions totalling HK$1,598,000 (2008: HK$1,650,000) were payable to the Mandatory Provident Fund scheme and other occupational retirement scheme at the year end.

(b) Directors' remuneration

The remuneration of each Director for the year ended 31 March 2009 is set out below:

Name of Directors	Salary HK$'000	Fee HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence	2,712	–	186	136	3,034
Mr. MAK Ping Leung	2,886	–	241	144	3,271
Mr. CHAN Cho Biu	2,598	–	216	130	2,944
Mr. SHEK Kang Chuen	2,180	–	182	109	2,471
Ms. SEE Sau Mei Salome	2,352	–	196	118	2,666
Mr. CHAN Wa Pong	1,738	–	145	86	1,969
Non-executive Director					
Mr. CHU Yu Lun	–	128	–	–	128
Independent Non-executive Directors					
Mr. CHAN Mo Po, Paul	–	160	–	–	160
Mr. CHOW On Kiu	–	128	–	–	128
Mr. LO Foo Cheung	–	128	–	–	128
Total	14,466	544	1,166	723	16,899

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

7. Staff costs – Group (Continued)

(b) Directors' remuneration (Continued)

The remuneration of each Director for the year ended 31 March 2008 is set out below:

Name of Directors	Salary HK$'000	Fee HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence	2,559	–	714	128	3,401
Mr. MAK Ping Leung	2,721	–	760	136	3,617
Mr. CHAN Cho Biu	2,450	–	643	123	3,216
Mr. SHEK Kang Chuen	2,057	–	540	103	2,700
Ms. SEE Sau Mei Salome	2,219	–	619	111	2,949
Mr. CHAN Wa Pong	1,647	–	391	82	2,120
Non-executive Director					
Mr. CHU Yu Lun	–	126	–	–	126
Independent Non-executive Directors					
Mr. CHAN Mo Po, Paul	–	158	–	–	158
Mr. CHOW On Kiu	–	126	–	–	126
Mr. LO Foo Cheung	–	126	–	–	126
Total	13,653	536	3,667	683	18,539

During the year, no remuneration was paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office (2008: nil). No Directors of the Company waived or agreed to waive any remuneration during the year (2008: nil).

(c) Five highest paid individuals

The five individuals whose remuneration was the highest in the Group for the year include five (2008: five) Executive Directors whose remuneration is reflected in the analysis presented above.

7. Staff costs – Group (Continued)

(d) Group remuneration policy

The primary goal of the Group's remuneration policy is to attract, retain and motivate talented individuals to contribute to the success of our businesses. The directors' remuneration is reviewed by the Remuneration Committee and/or the Board (in the case of Non-executive Directors) from time to time having regard to the performance of the Group, the duties and responsibilities concerned and the prevailing market conditions.

8. Finance income

	2009 HK$'000	2008 HK$'000
Bank interest income	5,374	9,031
Interest income from held-to-maturity investments	226	–
	5,600	9,031

9. Income tax expense – Group

	2009 HK$'000	2008 HK$'000
Current income tax		
Hong Kong profits tax	13,196	20,412
(Over)/under-provisions in prior years	(205)	10
Total current income tax	12,991	20,422
Deferred income tax (note 18)		
Original and reversal of temporary difference	(295)	6,992
Impact of change in Hong Kong profits tax rate	(1,486)	–
Total deferred income tax	(1,781)	6,992
Income tax expense	11,210	27,414

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

9. Income tax expense – Group (Continued)

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year.

(b) The People's Republic of China ("PRC") enterprise income tax

No provision for PRC enterprise income tax has been made for two subsidiaries operating in the PRC, namely 環富通科技(深圳)有限公司 and 深圳港經廣告傳播有限公司 (HKET Advertising (Shenzhen) Limited) as they have no estimated assessable income for the year. Before 1st January 2008, these subsidiaries are subject to a standard PRC Enterprise Income Tax rate of 15% in accordance with relevant PRC tax laws.

Pursuant to the PRC Corporate Income Tax ("CIT") Law passed by the Tenth National People's Congress on 16th March 2007 (the "new CIT Law"), the general CIT rate is unified at 25%, effective from 1 January 2008. In addition, the new CIT Law also provides a five-year grandfathering period starting from its effective date for those enterprises which were established before 16th March 2007. According to Circular Guofa 【2007】 No. 39 issued by the State Council on 26th December 2007 regarding the implementation of transitional preferential income tax treatment, the transitional CIT rates of the PRC subsidiaries should be 18%, 20%, 22%, 24% and 25% respectively in the calendar years of 2008, 2009, 2010, 2011 and 2012.

(c) The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2009 HK$'000	2008 HK$'000
Profit before income tax	74,723	160,982
Calculated at taxation rate of 16.5% (2008: 17.5%)	12,329	28,172
(Over)/under-provisions in prior years	(205)	10
Income not subject to tax	(1,251)	(2,089)
Expenses not deductible for tax purposes	639	12
Utilisation of previously unrecognised tax losses	(67)	–
Tax losses for which no deferred income tax assets were recognised	1,251	1,309
Impact of change in Hong Kong profits tax rate on deferred tax	(1,486)	–
	11,210	27,414

During the year, as a result of change in the Hong Kong profits tax rate from 17.5% to 16.5% that will be effective from 1 April 2008, deferred tax balances have been re-measured.

10. Profit attributable to equity holders – Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK$57,347,000 (2008: HK$58,132,000).

11. Earnings per share – Group

The calculation of basic earnings per share for current year is based on profit attributable to equity holders of the Company of HK$62,038,000 (2008: HK$132,526,000) and number of 431,600,000 shares (2008: 431,600,000 shares) in issue during the year.

No diluted earnings per share was presented as there were no dilutive potential ordinary shares during the year ended 31 March 2009 (2008: same).

12. Dividends – Group and Company

	2009 HK$'000	2008 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 3.1 cents (2008: HK 3.1 cents) per ordinary share	13,380	13,380
Proposed final dividend of HK 5.5 cents (2008: HK 10.1 cents) per ordinary share	23,738	43,592
	37,118	56,972
Dividends paid during the year	56,972	47,476

A final dividend in respect of the year ended 31 March 2009 of HK 5.5 cents per share, amounting to a total dividend of HK$23,738,000 is to be proposed at the annual general meeting on 4 August 2009. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but will be reflected as an appropriation of retained earnings.

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13. Intangible assets – Group

	Goodwill HK$'000 Note (a)	Contractual customer relationships HK$'000	Total HK$'000
Balance at 1 April 2007			
Cost	25,539	–	25,539
Accumulated amortisation	–	–	–
Net book value at 1 April 2007	25,539	–	25,539
Net book value at 1 April 2007	25,539	–	25,539
Acquired in a business combination (note 30)	–	4,991	4,991
Amortisation	–	(749)	(749)
Net book value at 31 March 2008	25,539	4,242	29,781
At 31 March 2008			
Cost	25,539	4,991	30,530
Accumulated amortisation	–	(749)	(749)
Net book value at 31 March 2008	25,539	4,242	29,781
Net book value at 1 April 2008	25,539	4,242	29,781
Amortisation	–	(998)	(998)
Net book value at 31 March 2009	25,539	3,244	28,783
At 31 March 2009			
Cost	25,539	4,991	30,530
Accumulated amortisation	–	(1,747)	(1,747)
Net book value at 31 March 2009	25,539	3,244	28,783

13. Intangible assets – Group (Continued)

(a) Goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to country of operation and business segment.

	Advertising in the Mainland China* HK$'000	Recruitment advertising* HK$'000	Total HK$'000
Balance at 31 March 2009 and 2008	1,616	23,923	25,539

* Advertising in the Mainland China and recruitment advertising are included in the segments of printed media and recruitment advertising and training respectively.

For purpose of impairment test, the recoverable amount of a CGU is determined based on value-in-use calculations. The results of the impairment test undertaken as at 31 March 2009 indicated that no impairment charge was necessary. Key assumptions used in the impairment test are set out in note 4(i).

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

14. Property, plant and equipment – Group

	Leasehold buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Network and computer equipment HK$'000	Total HK$'000
At 1 April 2007							
Cost	58,194	22,388	165,112	74,335	1,329	67,235	388,593
Accumulated depreciation	(12,303)	(12,757)	(47,884)	(50,259)	(779)	(63,561)	(187,543)
Net book value at 1 April 2007	45,891	9,631	117,228	24,076	550	3,674	201,050
Net book value at 1 April 2007	**45,891**	**9,631**	**117,228**	**24,076**	**550**	**3,674**	**201,050**
Additions	16,027	2,275	740	11,880	626	3,803	35,351
Depreciation	(1,334)	(3,559)	(10,836)	(10,106)	(204)	(2,189)	(28,228)
Disposals	–	–	–	(3)	(253)	(3)	(259)
Net book value at 31 March 2008	**60,584**	**8,347**	**107,132**	**25,847**	**719**	**5,285**	**207,914**
At 31 March 2008							
Cost	74,221	24,663	165,852	86,211	1,379	70,825	423,151
Accumulated depreciation	(13,637)	(16,316)	(58,720)	(60,364)	(660)	(65,540)	(215,237)
Net book value at 31 March 2008	60,584	8,347	107,132	25,847	719	5,285	207,914
Net book value at 1 April 2008	**60,584**	**8,347**	**107,132**	**25,847**	**719**	**5,285**	**207,914**
Additions	–	924	1,138	7,762	535	4,243	14,602
Transfer to investment property	(1,434)	–	–	–	–	–	(1,434)
Depreciation	(1,480)	(3,422)	(11,152)	(10,787)	(227)	(2,825)	(29,893)
Disposals	–	–	–	(17)	(161)	(24)	(202)
Net book value at 31 March 2009	**57,670**	**5,849**	**97,118**	**22,805**	**866**	**6,679**	**190,987**
At 31 March 2009							
Cost	72,787	25,587	166,990	93,805	1,494	71,857	432,520
Accumulated depreciation	(15,117)	(19,738)	(69,872)	(71,000)	(628)	(65,178)	(241,533)
Net book value at 31 March 2009	57,670	5,849	97,118	22,805	866	6,679	190,987

15. Lease premium for land – Group

The Group's interests in leasehold land, which are all situated in Hong Kong, represent prepaid operating lease payments and their net book value are analysed as follows:

	2009 HK$'000	2008 HK$'000
Net book value at beginning of the year	74,168	55,022
Additions	–	19,298
Transfer to investment property	(3,286)	–
Amortisation	(167)	(152)
Net book value at end of the year	70,715	74,168
Leases of over 50 years	67,429	70,796
Leases of between 10 to 50 years	3,286	3,372
	70,715	74,168

16. Investment property – Group

	2009 HK$'000	2008 HK$'000
At beginning of the year		
Cost, accumulated depreciation and net book value	–	–
Net book value at beginning of the year	–	–
Transfer from property plant and equipment and lease premium for land	4,720	–
Depreciation	(5)	–
Net book value at end of the year	4,715	–
At end of the year		
Cost	4,720	–
Accumulated depreciation	(5)	–
Net book value	4,715	–
Leases of over 50 years	4,715	–

In February 2009, the Group changed its intention to hold a property as an investment property which was leased to a third party. As a result, the property was reclassified as investment property. The fair value of investment property as at 31 March 2009 is HK$4,690,000 as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

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17. Held-to-maturity investments – Group

	2009 HK$'000	2008 HK$'000
Listed security:		
– Debenture with fixed interest of 5.45% and maturity date of 24 November 2010		
– Hong Kong	3,966	–

The movement in held-to-maturity investments may be summarised as follows:

	2009 HK$'000	2008 HK$'000
At beginning of the year	–	–
Additions	8,080	–
Disposals	(4,114)	–
At end of the year	3,966	–
Less: non-current portion	(3,966)	–
Current portion	–	–

The Group has not reclassified any held-to-maturity investments to or from other category of financial assets during the year.

The fair value of held-to-maturity investment as at 31 March 2009 is HK$3,968,000 based on quoted market bid prices.

Held-to-maturity investments are denominated in US dollars.

The maximum exposure to credit risk at the reporting date is the carrying amount of held-to-maturity investments.

18. Deferred income tax – Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same fiscal authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

	2009 HK$'000	2008 HK$'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	18	12
Deferred income tax liabilities:		
– Deferred tax liabilities to be settled after more than 12 months	(24,259)	(26,034)
	(24,241)	(26,022)

18. Deferred income tax – Group (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation HK$'000	Others HK$'000	Total HK$'000
At 1 April 2007	28,835	–	28,835
Acquisition of a business (note 30)	–	873	873
Recognised in the income statement	(336)	(131)	(467)
At 31 March 2008	28,499	742	29,241
Impact of change in Hong Kong profits tax rate	(1,628)	(42)	(1,670)
Recognised in the income statement	(1,930)	(165)	(2,095)
At 31 March 2009	24,941	535	25,476

Deferred income tax assets

	Provisions HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2007	–	(10,678)	(10,678)
Recognised in the income statement	(350)	7,809	7,459
At 31 March 2008	(350)	(2,869)	(3,219)
Impact of change in Hong Kong profits tax rate	20	164	184
Recognised in the income statement	–	1,800	1,800
At 31 March 2009	(330)	(905)	(1,235)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$12,451,000 (2008: HK$11,746,000) in respect of tax losses amounting to HK$72,384,000 (2008: HK$64,671,000) that can be carried forward against future taxable income. The tax losses of HK$65,662,000 from Hong Kong subsidiaries have no expiry date while other tax losses from the PRC subsidiaries amounting to HK$1,222,000, HK$1,423,000, HK$705,000, HK$1,561,000 and HK$1,811,000 will expire in 2010, 2011, 2012, 2013 and 2014 respectively.

Notes to the Consolidated Financial Statements

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19. Inventories – Group

	2009 HK$'000	2008 HK$'000
Raw materials	37,110	32,396
Finished goods	3,177	2,481
Less: provision for obsolete inventories	(1,731)	(870)
	38,556	34,007

The cost of inventories recognised as expense and included in cost of sales amounted to HK$106,260,000 (2008: HK$122,260,000).

20. Trade receivables – Group

An ageing analysis of trade receivables by overdue day is as follows:

	2009 HK$'000	2008 HK$'000
0 to 30 days	57,982	109,439
31 to 60 days	15,997	32,868
61 to 90 days	9,157	14,199
Over 90 days	16,360	23,574
Trade receivables, gross	99,496	180,080
Less: provision for impairment of receivables	(3,590)	(2,764)
	95,906	177,316

The carrying amounts of trade receivables are reasonable approximation of their fair values. Majority of the trade receivables are denominated in Hong Kong dollars.

Trade receivables that are not past due and not impaired amounted to HK$35,089,000 (2008: HK$64,411,000). These balances relate to a wide range of customers for whom there was no recent history of default.

20. Trade receivables – Group (Continued)

The credit period granted by the Group to its trade customers ranges from 0 to 90 days. Below is an ageing analysis of trade receivables that are past due as at the reporting date but not impaired:

	2009 HK$'000	2008 HK$'000
1 to 30 days	22,894	45,023
31 to 60 days	15,997	32,458
61 to 90 days	8,990	13,999
Over 90 days	12,936	21,425
	60,817	112,905

Trade receivables past due but not impaired represent balances that the Group considered to be fully recoverable based on past experience.

The movement in provision for impairment of receivables during the year is as follows:

	2009 HK$'000	2008 HK$'000
At beginning of the year	2,764	2,414
Impairment provision made	908	352
Amounts written off as uncollectible	(82)	(2)
At end of the year	3,590	2,764

The Group assesses its trade receivables individually to determine their recoverability and the provision for impairment of receivables is used to record the provision made as a result of such assessments. The ending balance of the provision for impairment of receivables represents accounts that were past due over an extended period of time and the Group considers that they may not be recoverable.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

21. Cash and cash equivalents, term deposits with original maturities of over three months and pledged time deposits

	Group		Company	
	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
Cash at bank and in hand	63,207	48,692	6,583	178
Term deposits with original maturities of less than three months	–	253,578	–	253,578
Cash and cash equivalents	63,207	302,270	6,583	253,756
Pledged time deposits with original maturity of three months or less	2,781	–	–	–
Pledged time deposits with original maturity of over three months	2,731	5,393	–	–
Pledge time deposits	5,512	5,393	–	–
Term deposits with original maturities of over three months	284,042	–	26,500	–
Total	352,761	307,663	33,083	253,756
Maximum exposure to credit risk	352,377	305,543	33,079	253,754
Denominated in:				
– HK dollars	342,425	302,536	33,083	251,757
– Renminbi	5,897	3,081	–	–
– Other currencies	4,439	2,046	–	1,999
	352,761	307,663	33,083	253,756

The pledged time deposits were used to secure general banking facilities granted to the Group (note 27).

The effective interest rate on bank deposits was 1.69% (2008: 3.69%) per annum. These deposits have an average maturity of 174 days (2008: 40 days).

The Group's bank balances and cash of approximately HK$5,864,000 and HK$3,036,000 as at 31 March 2009 and 2008, respectively, were denominated in Renminbi and kept in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

22. Trade payables – Group

An ageing analysis of trade payables is as follows:

	2009 HK$'000	2008 HK$'000
0 to 30 days	21,393	34,896
31 to 60 days	1,664	4,169
61 to 90 days	1,606	156
Over 90 days	347	682
	25,010	39,903

The carrying amounts of the trade payables approximate their fair values. Majority of the trade payables are denominated in Hong Kong dollars.

23. Share Capital – Group and Company

	2009 HK$'000	2008 HK$'000
Authorised:		
2,000,000,000 shares of HK$0.10 each	200,000	200,000
Issued and fully paid:		
431,600,000 shares of HK$0.10 each	43,160	43,160

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

24. Reserves – Group and Company

(a) Group

Movement of the Group's reserves for the year ended 31 March 2009 is presented in the consolidated statement of changes in equity on page 45.

(b) Company

	Share premium HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2007	269,808	6,120	13,247	289,175
Profit for the year	–	–	58,132	58,132
Final dividend for the year ended 31 March 2007	–	–	(34,096)	(34,096)
Interim dividend for the year ended 31 March 2008	–	–	(13,380)	(13,380)
At 31 March 2008	269,808	6,120	23,903	299,831
At 1 April 2008	269,808	6,120	23,903	299,831
Profit for the year	–	–	57,347	57,347
Final dividend for the year ended 31 March 2008	–	–	(43,592)	(43,592)
Interim dividend for the year ended 31 March 2009	–	–	(13,380)	(13,380)
At 31 March 2009	269,808	6,120	24,278	300,206

25. Investments in and amounts due from/(to) subsidiaries – Company

		2009 HK$'000	2008 HK$'000
Investments in unlisted shares, at cost	(Note (a))	178,627	178,627
Amounts due from subsidiaries	(Note (b))	282,231	117,988
Amounts due to subsidiaries	(Note (b))	(150,457)	(207,491)

25. Investments in and amounts due from/(to) subsidiaries – Company (Continued)

(a) Particulars of all the Company's subsidiaries at 31 March 2009 are as follows:

Company Name	Country/ place of incorporation/ establishment	Principal activities and country/place of operation	Issued and fully paid up share capital/ registered capital	Effective interest held
Hong Kong Economic Times Group (BVI) Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$10,000	100% @
Asianway (Far East) Limited	Hong Kong	Properties holding in Hong Kong	Ordinary HK$100	100%
Career Times Online Limited	Hong Kong	Provision of recruitment advertising services in Hong Kong	Ordinary HK$2	100%
Cotino Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$10	100%
EPRC Limited	Hong Kong	Provision of electronic property market database to the professional market in Hong Kong	Ordinary HK$100	100%
ET Business College Limited	Hong Kong	Provision of training services in Hong Kong	Ordinary HK$10,000	100%
ET Net Limited	Hong Kong	Provision of electronic financial information services in Hong Kong	Ordinary HK$2 and non-voting deferred shares HK$10,000	96.04%
ET Net (BVI) Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$104,123	96.04%
ET Net News Agency Limited	Hong Kong	Provision of electronic financial information services in Mainland China	Ordinary HK$100	96.04%
ET Trade Limited	Hong Kong	Provision of equities and derivatives trading solutions in Hong Kong	Ordinary HK$10,000	96.04%

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

25. Investments in and amounts due from/(to) subsidiaries – Company (Continued)

(a) Particulars of all the Company's subsidiaries at 31 March 2009 are as follows: (Continued)

Company Name	Country/ place of incorporation/ establishment	Principal activities and country/place of operation	Issued and fully paid up share capital/ registered capital	Effective interest held
ET Wealth Limited	Hong Kong	Provision of funds market database and solutions to the professional market in Hong Kong	Ordinary HK$100	96.04%
ETVision Multimedia Limited	Hong Kong	Provision of multimedia production services in Hong Kong	Ordinary HK$100	100%
Euron Limited	Hong Kong	Provision of printing services in Hong Kong	Ordinary HK$100	100%
HKET China Investment (BVI) Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$1	100%
Hong Kong Economic Times Limited	Hong Kong	Publication of newspaper, magazines and books in Hong Kong	Ordinary HK$100	100%
Health Smart Limited	Hong Kong	Operation of a health portal in Hong Kong	Ordinary HK$100	100%
iCareerTimes (BVI) Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$2	100%
Safe City Limited	Hong Kong	Properties holding in Hong Kong	Ordinary HK$100	100%
環富通科技(深圳)有限公司 # (ET Wealth Technology (Shenzhen) Limited)	The PRC	Operation of computer software research and development center in Mainland China	Registered capital HK$1,000,000	96.04%
深圳港經廣告傳播有限公司 # (HKET Advertising (Shenzhen) Limited)	The PRC	Provision of advertising services in Mainland China	Registered capital HK$1,000,000	100%

@ Shares held directly by the Company

\# A wholly foreign owned enterprise in the PRC

25. Investments in and amounts due from/(to) subsidiaries – Company (Continued)

(b) Amounts due from/(to) subsidiaries

The amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand.

26. Cash generated from operations – Group

	2009 HK$'000	2008 HK$'000
Profit before income tax	74,723	160,982
Adjustments for:		
– Depreciation (note 6)	29,898	28,228
– Negative goodwill from business combination (note 30)	–	(618)
– Amortisation of contractual customer relationships (note 13)	998	749
– Amortisation of lease premium of land (note 15)	167	152
– Gain on disposal of property, plant and equipment (see below)	(25)	(38)
– Finance income (note 8)	(5,600)	(9,031)
– Bad debts written off (note 6)	723	312
– Provision for impairment of receivables (note 6)	908	352
– Provision of obsolete inventories (note 6)	861	573
Changes in working capital:		
– Increase in inventories	(5,410)	(14,001)
– Decrease/(increase) in trade receivables and deposits, prepayments and other receivables	76,358	(29,945)
– (Decrease)/increase in trade payables, fees in advance and accruals and other payables	(44,485)	54,081
Cash generated from operations	129,116	191,796

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	2009 HK$'000	2008 HK$'000
Net book amount (note 14)	202	259
Gain on disposal of property, plant and equipment	25	38
Proceeds from disposal of property, plant and equipment	227	297

Notes to the Consolidated Financial Statements

Year ended 31 March 2009

27. Banking Facilities – Group

At 31 March 2009, bank deposits of HK$5,512,000 (2008: HK$5,393,000) were pledged as securities against general banking facilities granted to the Group.

28. Commitments – Group and Company

(a) Group

(i) Capital commitments at the balance sheet date but not yet incurred are as follows:

	2009 HK$'000	2008 HK$'000
Property, plant and equipment – contracted but not yet provided for	1,154	3,077

(ii) Commitments under operating leases

The future aggregate minimum lease payments under non-cancellable operating leases of land and buildings are as follows:

	2009 HK$'000	2008 HK$'000
Not later than one year	13,836	14,296
Later than one year and not later than five years	388	11,671
	14,224	25,967

The future aggregate minimum rentals receivables under non-cancellable operating leases are as follows:

	2009 HK$'000	2008 HK$'000
Not later than one year	188	–

(b) Company

The Company had no capital and operating lease commitment as at 31 March 2009 and 2008.

29. Related party transactions – Group

During the year, the Group has entered into the following significant transactions with related parties:

		2009 HK$'000	2008 HK$'000
a)	**Service income** (Note a)		
	– Roctec Credit Limited	306	303
	– Roctec Securities Company Limited	161	171
		467	474
b)	**Rental expenses on leased property** (Note a)		
	– Charm Data Limited	2,028	3,424
	– Honley Limited	1,487	2,510
	– Roctec Systems Limited	724	510
		4,239	6,444
c)	**Consultant royalties expenses** (Note a)		
	– Wayca Development Limited	86	175
d)	**Remuneration of contributor** (Note a)		
	– Mak Ping Leung, the Director of the Company	51	73
	– Paul & Associates Consulting Limited	32	112
e)	**Key management personnel compensation**		
	Key management includes director (executive and non-executive). The compensation paid or payable to key management for employee service is shown below:		
	– Salaries and other short-term employee benefits	16,176	17,856
	– Post-employment benefits	723	683
		16,899	18,539

Note a: These transactions are carried out at a rate mutually-agreed by parties involved in the transactions.

Notes to the Consolidated Financial Statements
Year ended 31 March 2009

29. Related party transactions – Group (Continued)

Roctec Securities Company Limited and Roctec Systems Limited are beneficially owned by Mr. FUNG Siu Por, Lawrence and Mr. CHU Yu Lun, the substantial shareholders and directors of the Company.

Roctec Credit Limited is beneficially owned by Mr. CHU Yu Lun.

Honley Limited and Charm Data Limited were beneficially owned by Mr. CHU Yu Lun up until when Mr. CHU Yu Lun disposed of all his beneficial interests in Honley Limited and Charm Data Limited to an independent third party on 27 August 2008 and 5 September 2008 respectively. Since then, Honley Limited and Charm Data Limited ceased to be related parties and connected persons to the Company. The amounts disclosed above for the current year represent the rental paid for the period from 1 April 2008 to the respective date of disposals.

Wayca Development Limited is beneficially owned by Mr. SHEK Kang Chuen, the beneficial shareholder and director of the Company. Paul & Associates Consulting Limited is beneficially owned by Mr. CHAN Mo Po, Paul.

30. Acquisition of a business

On 15 June 2007, the Group acquired a funds settlement and wealth management business from an unrelated third party, for a cash consideration of HK$3,500,000.

The acquired business contributed revenue and profits attributable to equity holders of the Company of HK$1,900,000 and HK$880,000 respectively for the period from 15 June 2007 to 31 March 2008. If the acquisition had occurred on 1 April 2007, Group's revenue and profits attributable to equity holders of the Company would have been increased by HK$2,300,000 and HK$950,000 respectively.

Details of net assets acquired are as follows:

	HK$'000
Purchase consideration – cash paid	3,500
Fair value of net assets acquired – shown as below	4,118
Negative goodwill	(618)

30. Acquisition of a business (Continued)

The assets and liabilities as of 15 June 2007 arising from the acquisition are as follows:

	Fair Value HK$'000	Acquiree's carrying amount HK$'000
Intangible assets – contractual customer relationships (note 13)	4,991	–
Property, plant and equipment – computer hardware	–	–
Deferred income tax liabilities (note 18)	(873)	–
Net assets acquired	4,118	–
Purchase consideration settled in cash	3,500	
Cash and cash equivalents acquired	–	
Cash outflow on acquisition	3,500	

There was no acquisition in the year ended 31 March 2009.

Five-year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2009	2008	2007	2006	2005
	Consolidated				Combined

Operating Results

	2009	2008	2007	2006	2005
Turnover	841	946	833	722	608
Gross profits	329	409	357	319	257
Operating profit	69	152	139	116	81
Finance income	6	9	7	8	–
Finance costs	–	–	(1)	(4)	(1)
Profit before income tax	75	161	145	120	80
Income tax expense	(11)	(27)	(25)	(21)	(14)
Profit for the year	64	134	120	99	66
Attributable to					
– equity holders of the Company	62	133	120	98	65
– minority interests	2	1	0	1	1
	64	134	120	99	66
Earnings per share (in HK cents)	14.37	30.71	27.81	25.11	20.86

(in HK$ millions, except per share amounts)	Year ended 31 March				
	2009	2008	2007	2006	2005
	Consolidated				Combined

Assets and Liabilities

	2009	2008	2007	2006	2005
Non-current assets	299	312	282	285	209
Current assets	513	539	420	383	172
Total assets	812	851	702	668	381
Bank loans and finance leases	–	–	–	(69)	(67)
Other liabilities	(185)	(230)	(167)	(147)	(136)
Total liabilities	(185)	(230)	(167)	(216)	(203)
Net assets	627	621	535	452	178
Equity holders' fund	624	619	534	451	177
Minority interests	3	2	1	1	1
Total equity	627	621	535	452	178

	Year ended 31 March				
	2009	2008	2007	2006	2005
	Consolidated				Combined

Key Financial Ratio

	2009	2008	2007	2006	2005
Gross profit margin	39.2%	43.2%	42.8%	44.1%	42.3%
Operating profit margin	8.2%	16.1%	16.7%	16.1%	13.4%
Net profit margin	7.4%	14.0%	14.4%	13.6%	10.7%
Gearing ratio	–	–	–	10.3%	17.6%
Current ratio	3.20 times	2.64 times	2.82 times	2.62 times	1.04 times
Quick ratio	2.96 times	2.48 times	2.68 times	2.48 times	1.02 times

The result of the Group for the year ended 31 March 2005 and its assets and liabilities were extracted from the Company's Prospectus dated 22 July 2005, which also set out the details of the basis of preparation of the combined financial statements.