Hong Kong Economic Times Holdings Limited

Stock Code 00423

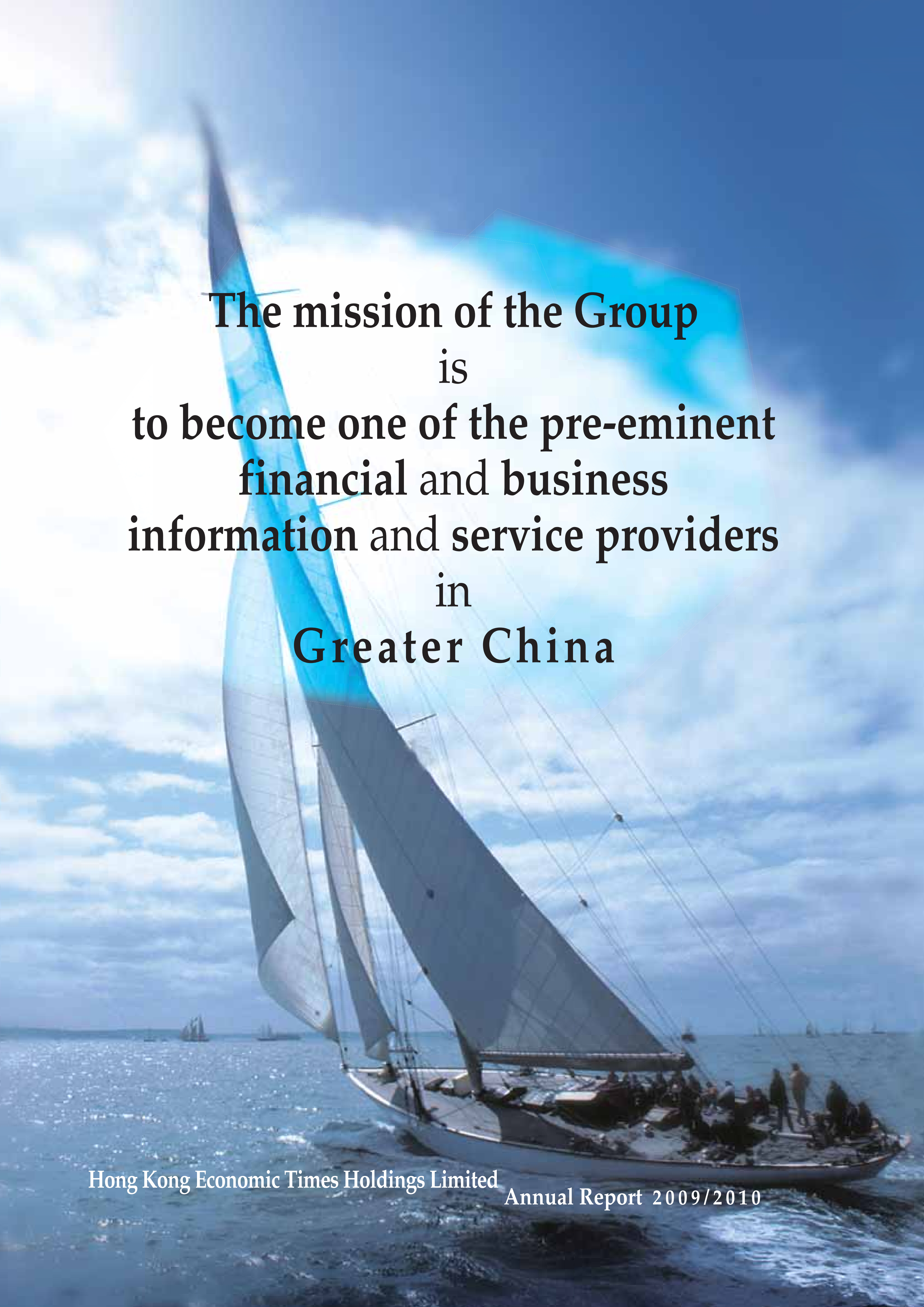
Annual Report
2009/2010

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

Hong Kong Economic Times Holdings Limited

Annual Report 2009/2010

Contents

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

Key Dates

Closure of Registers of Members

30 July 2010 to 4 August 2010

Annual General Meeting

4 August 2010

Proposed Payment of Final Dividend

6 August 2010

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

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

U Travel

U Food

U Beauty

HKET Holdings At A Glance

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).

Strategy and 5 Business Domains

Capitalizing on the Group's listed status and strong foundation established in the past two decades, HKET Holdings is putting every effort to bring shareholders rightful reward with further rolling out of her diversification strategy through 5 business domains:

Finance

Property

Human Resources

Education

Lifestyle

U Venture In "Lifestyle"

With the well-established and solid bedrock laid by *U Magazine* in the past few years, the Group is able to further enrich her "Lifestyle" domain and target to implement full business plans in "U brand".

The name "U" originates from "YOU", which means products and services under the U brand are designed totally for you, and definitely gives a better choice for you, who are the precious readers and audiences of the Group.

The launch of *U Magazine* in 2005 was only the first step in U venture. The U brand pavilion is encouraging given U Travel (UTravel.com.hk) and U Food (UFood.com.hk) joined in end 2008, to be followed by U Beauty website, scaling the lifestyle business new heights.

U Beauty (UBeauty.com.hk) is a one-stop beauty website newly established in April 2010. It offers discerning trendsetters a host of skincare and cosmetics product database, featuring beauty secrets & trends, where users can learn the techniques of an A-list makeup artist and brush up everyday grooming skills.

Our 9 Leading Positions

HKET Holdings is not only exploiting the huge market potential of existing business segments, but also strengthening herself to lead the market in various industries.

Hong Kong Economic Times
("*HKET*") the financial newspaper

The Winner in "Nature & Environment"[1] and 2nd Runner-up in "Features" [2] of Focus at the Frontline 2009


1


2

Winning Silver [3] and 1 Merit Awards in "Features", Bronze Award in "Press Photo" and 3 Merit Awards in "News" of Consumer Rights Reporting Awards 2009

3

Winning Silver Medal in "Yearbook (4 or more colors)" of 2nd China Print Awards 2009 [4] and Best of Division in "Service Catalogs (4 or more colors)" of The Premier Print Awards 2009 [5] by *Luxury House 08/09* complied and edited by *Property Times*, a Saturday magazine tied-in with *HKET*


4


5

Take me Home
the community newspaper

Reaching middle class families
with unique selling position

e-zone the PC and digital product magazine

No. 1 in readership and display advertisement
among the PC and digital magazines

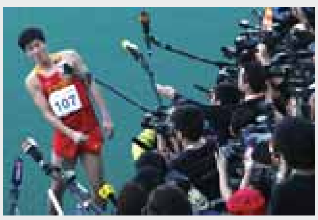
U Magazine the award-winning
travel and leisure magazine

The cornerstone of the encouraging
U Brand Pavilion

iMoney the financial magazine

Winning Hong Kong region of Citi
Journalistic Excellence Award 2010

Winning 1st Runner-up in "People" [1] and 1st Runner-up [2] &
Merit [3] in "Photo Essay" of Focus at the Frontline 2009



1

2

3

ET Net

the financial news agency

etnet.com.hk is authorized by the HK Exchange to provide Free Real-Time Stock Quote Service to investors

Revamp of etnet.com.cn to provide financial news and information to Mainland China viewers reinforces the China expansion plan

Granted approval certificate to disseminate electronic financial news and information in Mainland China

ET Wealth the electronic funds database and wealth management system provider

Offering a total content-rich wealth management system for banking, finance and insurance industries

ET Trade the securities & futures trading solution provider

A truly "One-stop-shop" solution integrating front office trading, back office settlement and internet trading system for banks and brokerage firms

EPRC the electronic property database provider

Being a strong business tool for property practitioners with full transaction records and asking records covering various kinds of properties

Chairman's Statement

Dear Shareholders,

Financial Year 2009/10 was another challenging year for the Group's operations, and we managed to ride through the storm despite the adverse economic conditions in the earlier part of the financial year. Profit attributable to shareholders for the year increased from HK$62.0 million to HK$85.5 million, a growth of 38%. Excluding the impact of goodwill impairment, profit after tax for the year was HK$112.4 million, an increase of 77% as compared to the previous financial year.

In the face of the economic adversity in the first half of 2009/10, the Group implemented a series of cost containment measures which improved the profit margin and at the same time reinforced the Group's financial position. With the strong growth in the Mainland economy, Hong Kong economy recovered and resumed positive momentum in the fourth quarter of 2009. The Group was able to take full advantage of this strong rebound. Operating profit of the printed media segment for the financial year soared to five times of last year.

Staff is our most valuable asset. It is testimony to the quality and strength of our management team and staff, that during the worse times of the financial crisis, we manage to remain profitable; when the economic upturn comes, our business rebounds quickly along with the economic revival. The Group's achievements in last year would not be possible without the participation and support of all our dedicated staff. Thanks to their hard work, passion, innovation, responsiveness, diligence and professionalism, we are able to win the confidence and support of our readers and customers.

Despite changes in economic conditions, the Group sticks to its unwavering focus on improving the quality of products and services and fulfilling readers and customers' needs. Riding on our competitive strengths which include well-established strong brand, solid industry and business foundation, wide network of customer reach, talented and innovative teams and well diversified and balanced portfolio of products and services, we continue to invest to expand the market share and broaden the customer bases to enhance the leadership positions of the Group's business. As Andrew S. Grove, former Chairman and CEO of Intel Corporation, said: "Sooner or later, something fundamental in your business world will change".

The Group will continue to invest and expand the lifestyle portals which we believe will create synergistic values and promote sustainable growth of the Group in the long run.

While we have come through the most difficult period of the financial tsunami, the external environment is still fraught with uncertainties and the foundations of the recovery are not yet firm. Mainland economy is forecasted to grow steadily. However, U.S. and European economies are still sluggish under the drag of high unemployment and huge fiscal deficits and public debts. The uncertain impact of hot money and the possible withdrawal of fiscal stimulus by governments and central banks may put us on a bumpy recovery path in the year ahead.

"Without the strength to endure the crisis, one will not see the opportunity within." Challenges come with opportunities, and we are cautiously optimistic for the Group's results in the coming year. We shall continue to adhere to strict financial discipline in managing our business and adopt cautious and prudent approach in assessing new investment opportunities with focus on key business domains in finance, property, human resources, education and lifestyle.

Finally, I would like to take this opportunity to express heartfelt thanks to my fellow Board colleagues for their outstanding leadership, commitment and valuable contribution. I would also like to extend my gratitude to our readers, customers, business partners and investors for their unfailing support.

Fung Siu Por, Lawrence
Chairman

Hong Kong, 21 June 2010

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 60, is the Chairman and Chief Executive Officer of the Company. Mr. Fung is a founder of the *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 30 years of 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 ("HKU") and a Master of Arts degree in Economics from 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. Fung was conferred the degree of Doctor of Social Sciences *honoris causa* by HKU in 2010.

Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung), aged 60, 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 the *Wen Wei Po*, European Bureau in London, and was later promoted to the Deputy General Manager of the *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. In March 2010, Mr. Mak was appointed an Independent Non-executive Director of North Asia Resources Holdings Limited, a company listed in the Hong Kong Stock Exchange.

Mr. CHAN Cho Biu, BBS, aged 53, 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.

Executive Directors

Mr. SHEK Kang Chuen, aged 62, 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.

Ms. SEE Sau Mei Salome, aged 47, 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. CHAN Wa Pong, aged 58, 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 30 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 59, was appointed as a Non-executive Director in April 2005. He is also a member of the 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 First Vice Chairman of International Exhibition Association (UFI) Asia Pacific Chapter, Honorary Life President of Hong Kong Exhibition and Convention Industry Association (HKECIA), 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 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 55, was appointed as an Independent Non-executive Director in May 2005. He is currently the Chairman of the Company's Audit Committee and a member of the Company's Nomination Committee. Mr. Chan is the Chairman of Crowe Horwath (HK) 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 the 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 59, was appointed as the Independent Non-executive Director in April 2005. He is currently the Chairman of the Company's Nomination Committee and a member of the 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 China Development 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 60, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of the Company's Remuneration Committee and a member of the 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 the First Vice-President of the Chinese Manufacturers' Association of Hong Kong, Standing Committee Member of the Chinese General Chamber of Commerce, Council Member of Hong Kong Trade Development Council, 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 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, Committee Member of Business Facilitation Advisory Committee, 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.

Corporate Governance

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 14 to 17 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 2010, four meetings were held and Mr. Chu Yu Lun, Mr. Chow On Kiu and Mr. Lo Foo Cheung were absent in one of the meetings and Ms. See Sau Mei Salome and Mr. Chan Mo Po, Paul were 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 2010, the Audit Committee met two times. Mr. Chow On Kiu was 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 2009, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2009 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 17 June 2010 to review, inter alia, the Annual Report and Financial Statements of the Group for the year ended 31 March 2010, the report from External Auditor on the audit of the Group's Financial Statements, the 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 the 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 2010. Mr. Chow On Kiu was absent from the meeting. 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 2010 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.

Corporate Governance

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 2010.

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 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 Financial Statements for the year ended 31 March 2010, the Directors have selected appropriate accounting polices and applied them consistently; made judgements and estimates that are prudent and reasonable; and have prepared the 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 Financial Statements are set out in the Independent Auditor's Report of this Annual Report on pages 37 to 38.

During the period 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 2009/10, which was approved by the Audit Committee and the Board. A fee of HK$160,000 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 2010.

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.

Management Discussion and Analysis

Summary of Profit and Loss Account

	Year ended 31 March 2010 HK$'000	2009 HK$'000	% Change
Turnover	**828,045**	**841,435**	**-2%**
Cost of sales	(455,843)	(512,002)	-11%
Gross profit	372,202	329,433	13%
Gross profit margin	**44.9%**	**39.2%**	
Other revenue	228	156	46%
Selling and distribution expenses	(108,487)	(123,081)	-12%
General and administrative expenses	(131,363)	(137,385)	-4%
Operating profit (before goodwill impairment loss)	132,580	69,123	92%
Finance income	2,167	5,600	-61%
Profit before income tax (before goodwill impairment loss)	134,747	74,723	80%
Income tax expense	(22,327)	(11,210)	99%
Profit after tax (before goodwill impairment loss)	**112,420**	**63,513**	**77%**
Net profit margin	**13.6%**	**7.5%**	
Goodwill impairment loss	(25,539)	–	100%
Profit for the year	86,881	63,513	37%
Minority interests	(1,419)	(1,475)	-4%
Profit attributable to equity holders	**85,462**	**62,038**	**38%**
Other comprehensive income – currency translation differences arising from foreign operations	795	–	100%
Total comprehensive income attributable to equity holders	**86,257**	**62,038**	**39%**

Overview

The Group recorded an encouraging profit after taxation (before goodwill impairment loss and minority interests) of HK$112.4 million for the year ended 31 March 2010, an increase of 77% from the year ended 31 March 2009. Our staff's effort in controlling costs, expanding market share when economy began to recover and providing professional and value-added services to our customers and readers was instrumental in achieving this result.

Management Discussion and Analysis

Overview (Continued)

Printed media segment revenue was severely affected by the global financial crisis especially in the first half of the financial year under review. Backed by our quality products and talented sales team, the printed media segment took advantage of the better economic climate in the second half of the financial year and managed to record a small increase in revenue for the full financial year. The successive introduction of new titles in recent years, including *U Magazine*, *Take me Home* and *iMoney*, broadened the Group's customer base and market share. Together with cost reduction measures, printed media segment's operation results before goodwill impairment loss improved substantially with operating profits being five times of the previous financial year.

Financial news agency, information and solutions segment, continued to invest in product development to provide a better value and comprehensive range of products to the professional markets. This segment registered a small growth in turnover despite of the turmoil in the financial market, and a slight drop in operating profit as a result of the increased investment in our products. The launch of revamped financial news and related information portal, www.etnet.com.hk received overwhelming response from the investor public, which reinforced our leading position in the market.

Recruitment advertising and training segment went through a very challenging and difficult year of operation. The depressed job market and competition from lower cost online recruitment web sites caused a substantial drop in the segment turnover and operating profit before goodwill impairment loss by 35% and 73% respectively, as compared to the financial year 2008/09.

The three lifestyle portals on food, travel and health under the lifestyle portals segment recorded an encouraging turnover growth in the financial year 2009/10. The Group would continue to invest in internet businesses leveraging on existing resources and competitive advantages by providing useful information and services to our readers and customers.

The Board of Directors and Management are committed to enhance the leadership positions of the Group's businesses and to build a flexible and cost effective team and business structure to face any challenges ahead.

Turnover

	Year ended 31 March		
	2010	2009	% Change
	HK$'000	HK$'000	
Turnover:			
Advertising income	449,186	479,759	-6%
Circulation income	140,066	150,985	-7%
Service income	224,018	192,153	17%
Enrolment income	14,775	18,538	-20%
Total	828,045	841,435	-2%

Turnover (Continued)

Turnover for the year ended 31 March 2010 recorded a small decrease of 2% against the year ended 31 March 2009.

Advertising income for the year ended 31 March 2010 was HK$449.2 million, a decrease of 6% as compared to the year ended 31 March 2009. This is mainly caused by the reduction in recruitment advertising income. The gradual return of business confidence and the increase in number of new listings in Hong Kong helped to increase advertising income in the second half of the financial year.

Circulation income decreased by 7% from HK$151.0 million for the year ended 31 March 2009 to HK$140.1 million for this financial year. This was due to the turmoil in the financial and investment market.

Service income for the year ended 31 March 2010 was HK$224.0 million, which saw a significant increase of 17% when compared with the previous financial year. The financial news agency, information and solutions segment was able to maintain its leading position and the loyalty of its clients. The increase in income generated from the provision of printing and marketing related services also contributed to the increase of service income for the period.

Enrolment income was HK$14.8 million, a decrease of 20% from the previous financial year. Intense competition and reduced training budget by individuals and corporations in the uncertain economic environment led to the decrease.

Operating Costs

Gross profit margin for the year ended 31 March 2010 improved by 5.7 percentage point from 39.2% in the year ended 31 March 2009 to 44.9%. In the wake of financial tsunami, the Group reorganized its resources and cost structure. With the commitment and cooperation from staff, the measures helped the Group to improve its profit margin.

Staff costs, representing approximately 50% of the Group's total operating costs, decreased slightly by 3% as compared to the year ended 31 March 2009. Staff are the most valuable assets of the Group and are the key to our success in riding over every storm. The Group put in place a performance based discretionary bonus scheme to reward our dedicated staff.

Newsprint costs, constituting around 10% of the Group's total operating costs, decreased by 26% as compared to the year ended 31 March 2009. Newsprint price declined from the peak in 2008, and together with our effective control in newsprint consumption, newsprint costs were reduced significantly.

Income Tax Expense

The Group's effective tax rate before goodwill impairment loss for the year ended 31 March 2010 was approximately 16.6%, which was around 1.6 percentage point higher than 15.0% for the year ended 31 March 2009. The increase in effective tax rate was mainly due to the positive impact of reduction of Hong Kong profits tax rate from 17.5% to 16.5% effective 1 April 2008 on the deferred income tax liability for the year ended 31 March 2009.

Goodwill Impairment Loss

The Group had goodwill arising from acquisition of the remaining 40% interests in Cotino Limited, one of the Group's subsidiaries engaged in recruitment advertising business, from an independent third party in August 2005 and from acquisition of the entire registered share capital in HKET Advertising (Shenzhen) Limited from a related company in February 2006.

Management had performed impairment testing on the carrying amount of the goodwill based on value-in-use calculations annually. Management had applied a consistent basis of cash flow projection based on financial budgets covering a five-year period and the estimated terminal value at the end of five-year period, taking into account 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.

Current year impairment assessment resulted in an impairment loss of HK$25.5 million which is charged to the income statement.

Total Comprehensive Income Attributable to Equity Holders

Net profit margin (before goodwill impairment loss and minority interests) for the year climbed up to 13.6% as compared to the 7.5% for the year ended 31 March 2009. Management's effort on various cost control measures enabled the Group to improve its margin in this difficult economic environment.

After providing for the goodwill impairment loss charged to income statement in the current financial year, total comprehensive income attributable to equity holders recorded an increase of 39% to HK$86.3 million. Performance of printed media segment rebounded significantly and became the largest contributor to the Group's net profit.

Financial news agency, information and solutions segment continued to contribute a significant portion of solid and stable profit to the Group.

The recruitment advertising and training segment suffered severely under the depressed employment market. After careful consideration and detailed assessment of the carrying value of the goodwill relating to the segment, it was decided to provide fully the goodwill amount to the income statement as impairment loss.

The Group continued to invest and expand actively in lifestyle portals. In the short run, these investments would exert pressure on the Group's net profit. However the Group believes that the investment will bear fruit to the Group in the long run.

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2010	2009
Net current assets	468.2	352.5
Term deposits and cash and cash equivalents	475.9	347.2
Equity holders' fund	673.2	624.1
Gearing ratio	–	–
Current ratio	3.36 times	3.20 times

The Group's net current assets as at 31 March 2010 increased by HK$115.7 million from the position as at 31 March 2009. The increase was owing to the net cash inflow from the Group's encouraging operating performance for the year ended 31 March 2010.

Net cash outflow from investing activities recorded HK$18.9 million which is mainly attributable to an increase of term deposits with original maturities of over three months amounting to HK$31.4 million, purchase of property, plant and equipment amounting to HK$8.5 million and offset by proceeds from disposal of an investment property during the year amounting to HK$18.3 million.

The Group had distributed the final dividend declared for the financial year ended 31 March 2009 and interim dividend for the six months period ended 30 September 2009 amounting to an aggregate total of HK$37.1 million.

The Group had no gearing as at 31 March 2010 and 2009. Current ratio improved slightly from 3.20 times to 3.36 times. As at 31 March 2010, the Group had a cash balance of HK$475.9 million as compared to HK$347.2 million as at 31 March 2009. Majority of 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.

Management Discussion and Analysis

Outlook

Though Mainland economy is forecasted to grow steadily, U.S. and European economies are still sluggish under the drag of high unemployment and huge fiscal deficits and public debts. The uncertain impact of hot money and the possible withdrawal of fiscal stimulus by governments and central banks may put us on a bumpy recovery path in the year ahead.

Challenges come with opportunities. We are cautiously optimistic for the Group's results in the coming year. We shall consolidate our strength and continue to invest to expand the market share and broaden the customer bases to strengthen the leadership positions of the Group's business and at the same time, invest and expand the lifestyle portals which we believe will create synergistic values and promote sustainable growth of the Group in the long run.

Employees

As at 31 March 2010, the Group had 1,252 employees (31 March 2009: 1,221 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.

Directors' Report

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") submit their report together with the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010 (the "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 Financial Statements.

An analysis of the Group's performance for the year ended 31 March 2010 by operating segment is set out in note 5 to the 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 2010 are set out on pages 39 to 88.

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 9 December 2009.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 8.9 cents per share in respect of the year ended 31 March 2010 to the shareholders whose names appear on the register of members of the Company at the close of business on 29 July 2010, amounting to HK$38,412,000. The final dividend, payable on 6 August 2010, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 4 August 2010.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 44 and in note 24 to the Financial Statements.

Directors' Report

Property, Plant and Equipment

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

Share Capital

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

Distributable Reserves

Distributable reserves of the Company as at 31 March 2010, calculated under the Cayman Islands Companies Law, amounted to HK$296,998,000 (2009: HK$294,086,000) including share premium of HK$269,808,000 and retained earnings of HK$27,190,000.

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. Fung Siu Por, Lawrence, Mr. Shek Kang Chuen, Ms. See Sau Mei Salome and Mr. Lo Foo Cheung 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 "Related Party Transactions" in note 29 to the 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' Report

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31 March 2010, 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	540,000	0.125%

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 2010, 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.	25,846,000	5.988%

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 Mr. Shin Ho Yin, Anthony and Mr. Tsoi Hak Kong, Herbert. For the purpose of Part XV of the SFO, Koala Association S.A., Mr. Shin Ho Yin, Anthony and Mr. 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.

Save as disclosed above, as at 31 March 2010, 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	7%
– five largest suppliers combined	26%
Sales	
– the largest customer	11%
– five largest customers combined	22%

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

The Group has entered into certain related party transactions as disclosed in note 29 to the Financial Statements. These related party transactions did not constitute connected transactions under the Listing Rules. The Group rented office space from Honley Limited and Charm Data Limited, the then connected persons (as defined in the Listing Rules) up to 27 August 2008 and 5 September 2008 respectively when the then beneficial owner, Mr. Chu Yu Lun (Non-executive Director of the Company) disposed of all his interests in Honley Limited and Charm Data Limited to an independent third party. The aggregate rentals paid of HK$3,515,000 constituted connected transactions of the Company for the year ended 31 March 2009.

Competing Business

As at 31 March 2010, 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 and apparel, plastic and rubber, and machinery industries. Mr. Chu is also a director of Adsale Publishing Limited.

Directors' Report

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 Listing Rules for the year ended 31 March 2010 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 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, 21 June 2010

Independent Auditor's Report

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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 39 to 88, which comprise the consolidated and company balance sheets as at 31 March 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

Independent Auditor's Report

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 2010 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, 21 June 2010

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2010 HK$'000	2009 HK$'000
Turnover	5	828,045	841,435
Cost of sales	6	(455,843)	(512,002)
Gross profit		372,202	329,433
Other revenue	5	228	156
Selling and distribution expenses	6	(108,487)	(123,081)
General and administrative expenses	6	(131,363)	(137,385)
		132,580	69,123
Goodwill impairment loss	13	(25,539)	–
Operating profit		107,041	69,123
Finance income	8	2,167	5,600
Profit before income tax		109,208	74,723
Income tax expense	9	(22,327)	(11,210)
Profit for the year		86,881	63,513
Other comprehensive income:			
Currency translation differences arising from foreign operations		795	–
Other comprehensive income for the year, net of tax		795	–
Total comprehensive income for the year		87,676	63,513
Profit attributable to:			
Equity holders of the Company		85,462	62,038
Minority interests		1,419	1,475
		86,881	63,513
Total comprehensive income attributable to:			
Equity holders of the Company		86,257	62,038
Minority interests		1,419	1,475
		87,676	63,513
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	11	19.80	14.37
Dividends	12	51,792	37,118

The notes on pages 45 to 88 are an integral part of these consolidated financial statements.

Audited Financial Statements

Consolidated Balance Sheet

	Note	As at 31 March 2010 HK$'000	2009 HK$'000
Non-current assets			
Intangible assets	13	2,246	28,783
Property, plant and equipment	14	166,246	190,987
Lease premium for land	15	62,366	70,715
Investment property	16	1,400	4,715
Held-to-maturity investments	17	–	3,966
Deferred income tax assets	18	16	18
		232,274	299,184
Current assets			
Inventories	19	17,261	38,556
Trade receivables	20	146,302	95,906
Deposits, prepayments and other receivables		16,118	21,045
Tax recoverable		1,953	4,547
Held-to-maturity investments	17	3,961	–
Pledged time deposits	21	5,004	5,512
Term deposits with original maturities of over three months	21	315,490	284,042
Cash and cash equivalents	21	160,384	63,207
		666,473	512,815
Current liabilities			
Trade payables	22	26,089	25,010
Fees in advance		71,485	61,381
Accruals and other payables		88,110	70,188
Current income tax liabilities		12,555	3,688
		198,239	160,267
Net current assets		468,234	352,548
Total assets less current liabilities		700,508	651,732

The notes on pages 45 to 88 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet (Continued)

	Note	As at 31 March 2010 HK$'000	 2009 HK$'000
Financed by:			
Share capital	23	43,160	43,160
Reserves	24		
Proposed final dividends	12	38,412	23,738
Others		591,642	557,177
Equity holders' funds		673,214	624,075
Minority interests		4,817	3,398
Total equity		678,031	627,473
Non-current liabilities			
Deferred income tax liabilities	18	22,477	24,259
Total equity and non-current liabilities		700,508	651,732

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 45 to 88 are an integral part of these consolidated financial statements.

Audited Financial Statements

Balance Sheet

	Note	As at 31 March 2010 HK$'000	2009 HK$'000
Non-current assets			
Investments in subsidiaries	25	178,627	178,627
Current assets			
Deposits, prepayments and other receivables		451	523
Amounts due from subsidiaries	25	313,280	282,231
Term deposits with original maturities of over three months	21	–	26,500
Cash and cash equivalents	21	64,065	6,583
		377,796	315,837
Current liabilities			
Accruals and other payables		1,144	641
Amounts due to subsidiaries	25	209,001	150,457
		210,145	151,098
Net current assets		167,651	164,739
Total assets less current liabilities		346,278	343,366
Financed by:			
Share capital	23	43,160	43,160
Reserves	24		
Proposed final dividends	12	38,412	23,738
Others		264,706	276,468
Total equity		346,278	343,366

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 45 to 88 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2010 HK$'000	2009 HK$'000
Cash flows from operating activities			
Cash generated from operations	26	165,083	129,116
Hong Kong profits tax paid		(12,646)	(14,305)
Net cash generated from operating activities		152,437	114,811
Cash flows from investing activities			
Bank interest received	8	1,966	5,374
Interest income from held-to-maturity investments	8	201	226
Purchase of property, plant and equipment	14	(8,471)	(14,602)
Proceeds from disposal of property, plant and equipment, lease premium for land and investment property	26	18,302	227
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		(31,448)	(284,042)
Decrease/(increase) in pledged time deposits		508	(119)
Net cash used in investing activities		(18,942)	(296,902)
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		(23,738)	(43,592)
Net cash used in financing activities		(37,118)	(56,972)
Net increase/(decrease) in cash and cash equivalents		96,377	(239,063)
Effect of foreign exchange rate changes, net		800	–
Cash and cash equivalents at beginning of the year		63,207	302,270
Cash and cash equivalents at end of the year		160,384	63,207

The notes on pages 45 to 88 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	Currency translation reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
Balance at 1 April 2008	43,160	122,381	69,944	6,120	–	377,404	619,009	1,923	620,932
Comprehensive income									
Profit for the year	–	–	–	–	–	62,038	62,038	1,475	63,513
Total comprehensive income	–	–	–	–	–	62,038	62,038	1,475	63,513
Transaction with owners									
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
Balance at 1 April 2009	43,160	122,381	69,944	6,120	–	382,470	624,075	3,398	627,473
Comprehensive income									
Profit for the year	–	–	–	–	–	85,462	85,462	1,419	86,881
Other comprehensive income									
Currency translation differences arising from foreign operations	–	–	–	–	795	–	795	–	795
Total other comprehensive income	–	–	–	–	795	–	795	–	795
Total comprehensive income	–	–	–	–	795	85,462	86,257	1,419	87,676
Transaction with owners									
Final dividend for the year ended 31 March 2009	–	–	–	–	–	(23,738)	(23,738)	–	(23,738)
Interim dividend for the year ended 31 March 2010	–	–	–	–	-	(13,380)	(13,380)	–	(13,380)
Balance at 31 March 2010	43,160	122,381	69,944	6,120	795	430,814	673,214	4,817	678,031

The notes on pages 45 to 88 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2010

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 21 June 2010.

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 of the Group 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) *New/revised standards, amendments to existing standards and interpretations effective in year 2010*

The following new/revised standards, amendments to existing standards and interpretations have been published and mandatory for the financial year ended 31 March 2010:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 7 (Amendment)	Financial Instruments: Disclosures
HKFRS 8	Operating Segments

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New/revised standards, amendments to existing standards and interpretations effective in year 2010 (Continued)

HKAS 1 (Revised) "Presentation of Financial Statements" prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

HKAS 23 (Revised) "Borrowing Costs" in respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group is required to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The accounting policy is not applicable to the Group as it has no borrowing costs relating to qualifying assets.

HKFRS 2 (Amendment) "Share-based Payment" deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment is not applicable to the Group as no option has been granted by the Group under the share option scheme since its adoption in 2005.

HKFRS 7 (Amendment) "Financial Instruments: Disclosures" requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of the fair value measurements by level of a fair value measurement hierarchy. The amendment only results in additional disclosures, there is no impact on earnings per share.

HKFRS 8 "Operating Segments" replaces HKAS 14 "Segment Reporting". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. The adoption of HKFRS 8 does not have a material impact on the Group's financial statements.

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 are mandatory for accounting periods beginning on or after 1 July 2009 or later periods, but the Group has not early adopted:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 24 (Revised)	Related Party Disclosures
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Financial Instruments: Presentation
HKAS 36 (Amendment)	Impairment of Assets
HKAS 38 (Amendment)	Intangible Assets
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 3 (Revised)	Business Combinations
HKFRS 5 (Amendments)	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 8 (Amendment)	Operating Segments
HKFRS 9	Financial Instruments
HK(IFRIC) – Int 9 (Amendment)	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 14 (Amendment)	HKAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HK(IFRIC) – Int 16 (Amendment)	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
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HKFRSs (Amendments)	Improvements to HKFRSs 2009

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 2010

2. Summary of significant accounting policies (Continued)

2.2 Consolidation

(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 consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary 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 for by the Company on the basis of dividend received and receivable.

(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 and are recorded in the consolidated statement of comprehensive income. 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. Summary of significant accounting policies (Continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO") of the Group that makes strategic decisions.

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 ("HK 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 or valuation where the items are re-measured. 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 consolidated statement of comprehensive income.

(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 statement of comprehensive income 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 rate on the dates of the transactions); and

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

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies (Continued)

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 of or sold, exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive income 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 charged in the consolidated statement of comprehensive income during the financial period in which they are incurred.

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 (see note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'general and administrative expenses' in the consolidated statement of comprehensive income.

2. Summary of significant accounting policies (Continued)

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 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 statement of comprehensive income during the financial period in which they are incurred.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'general and administrative expenses' in the consolidated statement of comprehensive income.

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 identified according to operating segment.

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.8 Intangible assets (Continued)

(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.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.10 Financial assets

Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'held-to-maturity investments', 'trade and other receivables' and 'cash and cash equivalents' in the consolidated balance sheet (see notes 2.13 and 2.14).

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.11 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

    (i) adverse changes in the payment status of borrowers in the portfolio;

    (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets (Continued)

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.12 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.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

2.14 Cash and cash equivalents

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

2.15 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. Summary of significant accounting policies (Continued)

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.17 Current and deferred income tax

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

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, 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.

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

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.18 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 recognised as an asset to the extent that a cash refund on a reduction in the future payments is available.

2.19 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.

2. Summary of significant accounting policies (Continued)

2.20 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 eliminating 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 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, solution and other related maintenance 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 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 cash 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.

2.21 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 consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

2. Summary of significant accounting policies (Continued)

2.22 Dividend distribution

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

2.23 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 HK dollars. Certain purchases of newsprint are denominated in United States dollars ("US dollars"). The value of the HK 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 2010, the Group did not have any outstanding hedging instruments.

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 the Company 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 2010, 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 and the Company's profit for the year by approximately HK$1,600,000 (2009: HK$628,000) and HK$641,000 (2009: HK$66,000) respectively, in respect of interest income on bank deposits.

(b) Credit risk

The Group's credit risk arises from its bank deposits and trade receivables while that of the Company arises from bank deposits and amounts due from group companies. 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. See note 21 for further disclosure on credit risk.

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. See note 20 for further disclosure on credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Notes to the Consolidated Financial Statements

Year ended 31 March 2010

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 non-derivative financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000
Group	
At 31 March 2010	
Trade payables	26,089
Accruals and other payables	88,110
At 31 March 2009	
Trade payables	25,010
Accruals and other payables	70,188
Company	
At 31 March 2010	
Accruals and other payables	1,144
Amounts due to subsidiaries	209,001
At 31 March 2009	
Accruals and other payables	641
Amounts due to subsidiaries	150,457

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 returns for equity holders 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 equity holders 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 ratio as at 31 March 2010 and 2009 was zero as the Group had no borrowing or debt.

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and the carrying amount of trade 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2010

4. Critical accounting estimates and key sources of estimation uncertainty

(Continued)

(a) Estimated impairment of goodwill

Goodwill is allocated to cash-generating units ("CGU") identified according to country of operation and business segment 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 includes the expected zero growth in revenues in the first five years forecast and selection of discount rate of 12% 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.

An impairment charge of HK$25,539,000 arose in the advertising in the Mainland China and recruitment advertising in Hong Kong CGUs for the year ended 31 March 2010. If the growth rate used in the value-in-use calculations had been 1% higher than management's estimates as at 31 March 2010, the Group would have recognised a lower impairment charge by HK$340,000.

The results of the impairment test undertaken as at 31 March 2010 indicated that full impairment charge against goodwill was necessary. However, no significant impairment charge against operating assets of the two CGUs was considered as necessary.

(b) Deferred income 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.

(c) Provision for impairment of trade receivables

The policy for impairment of receivables of the Group is based on the evaluation of collectibility and aging analysis of trade receivables and on management's judgment. A considerable amount of judgment 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 revenue and segment information

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

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

	2010 HK$'000	2009 HK$'000
Turnover		
Advertising income	449,186	479,759
Circulation income	140,066	150,985
Service income	224,018	192,153
Enrolment income	14,775	18,538
	828,045	841,435
Other revenue		
Rental income from properties	228	156
Total revenues	828,273	841,591

The chief operating decision-maker has been identified as the CEO of the Group. He reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group has 4 reportable segments:

(i) Printed media segment – principally engaged in the printing and publication of newspapers, magazines and books and generates advertising income and circulation income from these publications.

(ii) Financial news agency, information and solutions segment – principally engaged in the provision of electronic financial and property market information and related solutions and generates service income from provision of information subscription services, solutions and other related maintenance services.

(iii) Recruitment advertising and training segment – principally engaged in the provision of recruitment advertising and training services. This segment generates (i) advertising income from placement of recruitment advertisements; and (ii) enrolment income on the provision of professional training.

Notes to the Consolidated Financial Statements

Year ended 31 March 2010

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

(iv) Lifestyle portals segment – principally engaged in the operation of portals in food, travel, health and other lifestyle focus. This segment generates advertising income and service income from operation of internet portals.

The chief operating decision-maker assesses the performance of the operating segments based on their respective segment results.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Sales between segments are carried out at arm's length.

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.

The segment results for the year ended 31 March 2010 are as follows:

(a) Reportable segment profit or loss

	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000	2010 HK$'000	2009 HK$'000
REVENUE												
Turnover, gross	585,135	585,778	197,864	193,923	43,832	67,135	7,509	2,963	–	–	834,340	849,799
Inter-segment transactions	(4,380)	(6,949)	(1,468)	(1,239)	(442)	(164)	(5)	(12)	–	–	(6,295)	(8,364)
Turnover, net	580,755	578,829	196,396	192,684	43,390	66,971	7,504	2,951	–	–	828,045	841,435
RESULT												
Operating profit/(loss) before goodwill impairment loss	94,453	18,151	48,148	51,104	3,101	11,578	(13,090)	(10,768)	(32)	(942)	132,580	69,123
Goodwill impairment loss (note 13)	(1,616)	–	–	–	(23,923)	–	–	–	–	–	(25,539)	–
Operating profit/(loss)	92,837	18,151	48,148	51,104	(20,822)	11,578	(13,090)	(10,768)	(32)	(942)	107,041	69,123
Finance income	37	167	8	44	–	11	–	–	2,122	5,378	2,167	5,600
Profit/(loss) before income tax	92,874	18,318	48,156	51,148	(20,822)	11,589	(13,090)	(10,768)	2,090	4,436	109,208	74,723
Income tax (expense)/credit	(15,747)	(1,621)	(7,245)	(8,315)	(515)	(1,838)	1,212	590	(32)	(26)	(22,327)	(11,210)
Profit/(loss) for the year	77,127	16,697	40,911	42,833	(21,337)	9,751	(11,878)	(10,178)	2,058	4,410	86,881	63,513
Attributable to:												
Equity holders of the Company											85,462	62,038
Minority interests											1,419	1,475
											86,881	63,513

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

(b) Reportable segment assets

	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
SEGMENT ASSETS	424,103	668,236	66,790	64,177	13,093	37,529	7,103	3,887	387,658	38,170	898,747	811,999
SEGMENT LIABILITIES	136,895	82,283	72,079	62,072	8,913	10,427	1,653	1,156	1,176	28,588	220,716	184,526
OTHER INFORMATION												
Capital expenditure	3,022	7,047	4,696	4,882	198	1,172	555	1,501	–	–	8,471	14,602
Depreciation of property, plant and equipment and investment property	22,521	24,516	3,961	3,725	1,215	1,219	605	438	–	–	28,302	29,898
Amortisation of lease premium for land and contractual customer relationships	164	162	1,003	1,003	–	–	–	–	–	–	1,167	1,165
Provision for impairment of receivables and obsolete inventories	635	867	142	898	–	4	62	–	–	–	839	1,769

See note 13 for the impairment of goodwill of HK$1,616,000 and HK$23,923,000 in the printed media segment and recruitment advertising and training segment in 2010. There was no impairment charge recognised for the year ended 31 March 2009. For the year ended 31 March 2010, revenue of approximately HK$92,261,000 (2009: HK$93,267,000) is derived from a single external customer. The revenue is attributable to the printed media segment.

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

6. Expenses by nature – Group

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

	2010 HK$'000	2009 HK$'000
Crediting		
Gain on disposal of property, plant and equipment and investment property	1,897	25
Charging		
Amortisation of contractual customer relationships (note 13)	998	998
Amortisation of lease premium for land (note 15)	169	167
Auditors' remuneration	2,100	2,100
Bad debts written off	306	723
Depreciation of property, plant and equipment and investment property (notes 14 and 16)	28,302	29,898
Inventories written off	26	–
Operating lease rentals on land and buildings	20,388	17,111
Provision for impairment of receivables	136	908
Provision for obsolete inventories	703	861
Staff costs (note 7)	349,158	360,739

7. Staff costs – Group

	2010 HK$'000	2009 HK$'000
Wages, salaries and bonuses	339,242	342,288
Unutilised leave pay	–	(112)
Pension costs – defined contribution plans (note a)	12,907	14,533
Long service payment	(2,991)	4,030
Total including Directors' remuneration	349,158	360,739

7. Staff costs – Group (Continued)

(a) Pensions – defined contribution plans

Forfeited contributions of approximately HK$766,000 for the year ended 31 March 2010 (2009: HK$720,000) were utilised during the year leaving approximately HK$103,000 (2009: HK$12,000) available at the year end to reduce future contributions.

Contributions totalling HK$1,526,000 (2009: HK$1,598,000) were payable to the MPF and another occupational retirement scheme at the year end.

(b) Directors' remuneration

The remuneration of each Director for the year ended 31 March 2010 is set out below:

	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	2,374	–	1,016	119	3,509
Mr. MAK Ping Leung	2,598	–	1,009	130	3,737
Mr. CHAN Cho Biu	2,339	–	909	117	3,365
Mr. SHEK Kang Chuen	1,963	–	762	98	2,823
Ms. SEE Sau Mei Salome	2,234	–	706	112	3,052
Mr. CHAN Wa Pong	1,565	–	607	78	2,250
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	13,073	544	5,009	654	19,280

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

7. Staff costs – Group (Continued)

(b) Directors' remuneration (Continued)

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

	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

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 (2009: nil). No Directors of the Company waived or agreed to waive any remuneration during the year (2009: nil).

7. Staff costs – Group (Continued)

(c) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group for the year include five (2009: five) Executive Directors whose remunerations are reflected in the analysis presented above.

(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 – Group

	2010 HK$'000	2009 HK$'000
Bank interest income	1,966	5,374
Interest income from held-to-maturity investments	201	226
	2,167	5,600

9. Income tax expense – Group

	2010 HK$'000	2009 HK$'000
Current income tax		
Current income tax on profits for the year	24,102	13,196
Under/(over)-provisions in prior years	5	(205)
Total current income tax	24,107	12,991
Deferred income tax (note 18)		
Origination and reversal of temporary differences	(1,780)	(295)
Impact of change in Hong Kong profits tax rate	–	(1,486)
Total deferred income tax	(1,780)	(1,781)
Income tax expense	22,327	11,210

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

9. Income tax expense – Group (Continued)

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the year.

(b) The 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 1 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 16 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 16 March 2007. According to Circular Guofa【2007】No. 39 issued by the State Council on 26 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:

	2010 HK$'000	2009 HK$'000
Profit before income tax	109,208	74,723
Calculated at taxation rate of 16.5% (2009: 16.5%)	18,019	12,329
Effect of difference to tax rate arising from the PRC operation	(469)	–
Under/(over)-provisions in prior years	5	(205)
Income not subject to tax	(815)	(1,251)
Expenses not deductible for tax purposes	3,826	639
Utilisation of previously unrecognised tax losses	(1,457)	(67)
Tax losses for which no deferred income tax assets were recognised	3,218	1,251
Impact of change in Hong Kong profits tax rate on deferred tax	–	(1,486)
	22,327	11,210

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$40,030,000 (2009: HK$57,347,000).

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$85,462,000 (2009: HK$62,038,000) and number of 431,600,000 shares (2009: 431,600,000 shares) in issue during the year.

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares during the year ended 31 March 2010 (2009: Same).

12. Dividends – Group and Company

	2010 HK$'000	2009 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 3.1 cents (2009: HK 3.1 cents) per ordinary share	13,380	13,380
Proposed final dividend of HK 8.9 cents (2009: HK 5.5 cents) per ordinary share	38,412	23,738
	51,792	37,118
Dividends paid during the year	37,118	56,972

A final dividend in respect of the year ended 31 March 2010 of HK 8.9 cents per share, amounting to a total dividend of HK$38,412,000 is to be proposed at the annual general meeting on 4 August 2010. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but is reflected as an appropriation of retained earnings.

The aggregate amounts of the dividends paid and proposed during 2010 and 2009 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements

Year ended 31 March 2010

13. Intangible assets – Group

	Goodwill HK$'000 Note (a)	Contractual customer relationships HK$'000	Total HK$'000
At 1 April 2008			
Cost	25,539	4,991	30,530
Accumulated amortisation	–	(749)	(749)
Net book value at 1 April 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
Net book value at 1 April 2009	25,539	3,244	28,783
Amortisation	–	(998)	(998)
Impairment loss	(25,539)	–	(25,539)
Net book value at 31 March 2010	–	2,246	2,246
At 31 March 2010			
Cost	25,539	4,991	30,530
Accumulated amortisation and impairment loss	(25,539)	(2,745)	(28,284)
Net book value at 31 March 2010	–	2,246	2,246

The carrying amount of the CGUs has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss has been included as goodwill impairment loss in the consolidated statement of comprehensive income.

Amortisation of HK$998,000 (2009: HK$998,000) is included in the "general and administrative expenses" of the consolidated statement of comprehensive income.

13. Intangible assets – Group (Continued)

(a) Goodwill

Goodwill is allocated to the Group's CGUs identified according to country of operation and business segment.

	Advertising in the Mainland China[1] HK$'000	Recruitment advertising in Hong Kong[1] HK$'000	Total HK$'000
Balance at 1 April 2009	1,616	23,923	25,539
Impairment loss	(1,616)	(23,923)	(25,539)
Balance at 31 March 2010	–	–	–

1 Advertising in the Mainland China and Recruitment Advertising in Hong Kong are included in the segments of Printed media and Recruitment advertising and training respectively.

For the purpose of impairment test, the recoverable amount of a CGU is determined based on value-in-use calculations. Value-in-use calculations use cash flow projections based on financial budgets approved by management covering a 5-year period with zero growth rate and a discount rate of 12%. The results of the impairment test undertaken as at 31 March 2010 anticipated negative operating cash flows and indicated that full impairment charge was necessary. Key assumptions used in the impairment test are set out in note 4(a).

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

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 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 1 April 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
Net book value at 1 April 2009	57,670	5,849	97,118	22,805	866	6,679	190,987
Additions	–	690	59	3,370	–	4,352	8,471
Transfer to investment property	(4,962)	–	–	–	–	–	(4,962)
Depreciation	(1,392)	(2,936)	(10,939)	(9,452)	(232)	(3,259)	(28,210)
Disposals	–	–	(20)	(2)	–	(18)	(40)
Net book value at 31 March 2010	51,316	3,603	86,218	16,721	634	7,754	166,246
At 31 March 2010							
Cost	67,621	26,277	166,996	97,148	1,494	46,763	406,299
Accumulated depreciation	(16,305)	(22,674)	(80,778)	(80,427)	(860)	(39,009)	(240,053)
Net book value at 31 March 2010	51,316	3,603	86,218	16,721	634	7,754	166,246

15. Lease premium for land – Group

The Group's interests in leasehold land, which are all situated in Hong Kong, represent 5 prepaid lease payments and their net book value are analysed as follows:

	2010 HK$'000	2009 HK$'000
Net book value at beginning of the year	70,715	74,168
Transfer to investment property	–	(3,286)
Reclassified from investment property	3,286	–
Disposal	(11,466)	–
Amortisation	(169)	(167)
Net book value at end of the year	62,366	70,715
Leases of over 50 years	59,166	67,429
Leases of between 10 to 50 years	3,200	3,286
	62,366	70,715

16. Investment property – Group

	2010 HK$'000	2009 HK$'000
At beginning of the year		
Cost, accumulated depreciation and net book value	4,715	–
Net book value at beginning of the year	4,715	–
Transfer from property, plant and equipment	4,962	4,720
Reclassified to lease premium for land	(3,286)	–
Disposal	(4,899)	–
Depreciation	(92)	(5)
Net book value at end of the year	1,400	4,715
At end of the year		
Cost	1,434	4,720
Accumulated depreciation	(34)	(5)
Net book value	1,400	4,715
Leases of over 50 years	1,400	4,715

In August 2009, the Group changed its intention to hold a property as an investment property for sale. As a result, the property was reclassified from leasehold building to investment property. Such property was disposed in March 2010 with gains on disposal of HK$1,930,000. The fair value of investment property as at 31 March 2010 is HK$1,350,000 as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

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Year ended 31 March 2010

17. Held-to-maturity investments – Group

	2010 HK$'000	2009 HK$'000
Listed security:		
– Debenture with fixed interest of 5.45% and maturity date of 24 November 2010 – Hong Kong	3,961	3,966

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

	2010 HK$'000	2009 HK$'000
At beginning of the year	3,966	–
Additions	–	8,080
Disposals	–	(4,114)
Exchange difference	(5)	–
At end of the year	3,961	3,966
Less: non-current portion	–	(3,966)
Current portion	3,961	–

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 2010 is HK$3,979,000 (2009: 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.

In May 2010, the Group purchased debentures of the Hong Kong listed securities with maturity less than 2 years, amounting to HK$24,108,000. The Group intended to hold these debentures till maturity.

18. Deferred income tax – Group

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2010 HK$'000	2009 HK$'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	16	18
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(22,477)	(24,259)
	(22,461)	(24,241)

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 2008	28,499	742	29,241
Impact of change in Hong Kong profits tax rate	(1,628)	(42)	(1,670)
Recognised in the consolidated statement of comprehensive income	(1,930)	(165)	(2,095)
At 31 March 2009	24,941	535	25,476
Recognised in the consolidated statement of comprehensive income	(2,520)	(165)	(2,685)
At 31 March 2010	22,421	370	22,791

Deferred income tax assets

	Provisions HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2008	(350)	(2,869)	(3,219)
Impact of change in Hong Kong profits tax rate	20	164	184
Recognised in the consolidated statement of comprehensive income	–	1,800	1,800
At 31 March 2009	(330)	(905)	(1,235)
Recognised in the consolidated statement of comprehensive income	–	905	905
At 31 March 2010	(330)	–	(330)

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

18. Deferred income tax – Group (Continued)

Deferred income tax assets (Continued)

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$14,212,000 (2009: HK$12,451,000) in respect of tax losses amounting to HK$79,592,000 (2009: HK$72,384,000) that can be carried forward against future taxable income. The tax losses of HK$64,956,000 from Hong Kong subsidiaries have no expiry date while other tax losses from the PRC subsidiaries amounting to HK$4,301,000, HK$3,584,000, HK$2,822,000, HK$2,190,000 and HK$1,739,000 will expire in 2011, 2012, 2013, 2014 and 2015 respectively.

19. Inventories – Group

	2010 HK$'000	2009 HK$'000
Raw materials	14,341	37,110
Finished goods	5,354	3,177
Less: provision for obsolete inventories	(2,434)	(1,731)
	17,261	38,556

The cost of inventories recognised as expense and included in cost of sales amounted to HK$82,836,000 (2009: HK$106,260,000).

20. Trade receivables – Group

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

	2010 HK$'000	2009 HK$'000
0 to 30 days	94,988	57,982
31 to 60 days	21,269	15,997
61 to 90 days	15,512	9,157
Over 90 days	18,259	16,360
Trade receivables, gross	150,028	99,496
Less: provision for impairment of receivables	(3,726)	(3,590)
	146,302	95,906

20. Trade receivables – Group (Continued)

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

Trade receivables that are not past due and not impaired amounted to HK$61,300,000 (2009: HK$35,089,000). These balances relate to a wide range of customers for whom there was no recent history of default.

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:

	2010 HK$'000	2009 HK$'000
1 to 30 days	33,688	22,894
31 to 60 days	21,269	15,997
61 to 90 days	15,468	8,990
Over 90 days	14,577	12,936
	85,002	60,817

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:

	2010 HK$'000	2009 HK$'000
At beginning of the year	3,590	2,764
Impairment provision made	136	908
Amounts written off as uncollectible	–	(82)
At end of the year	3,726	3,590

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 2010

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

	Group 2010 HK$'000	Group 2009 HK$'000	Company 2010 HK$'000	Company 2009 HK$'000
Cash at bank and on hand	158,955	63,207	64,065	6,583
Term deposits with original maturities of less than three months	1,429	–	–	–
Cash and cash equivalents	160,384	63,207	64,065	6,583
Pledged time deposits with original maturity of three months or less	–	2,781	–	–
Pledged time deposits with original maturities of over three months	5,004	2,731	–	–
Pledged time deposits	5,004	5,512	–	–
Term deposits with original maturities of over three months	315,490	284,042	–	26,500
Total	480,878	352,761	64,065	33,083
Maximum exposure to credit risk	480,453	352,377	64,063	33,079
Denominated in:				
– HK dollars	464,220	342,425	64,065	33,083
– RMB	9,338	5,897	–	–
– Other currencies	7,320	4,439	–	–
	480,878	352,761	64,065	33,083

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

The effective interest rate on term deposits was 0.95% (2009: 1.69%) per annum. These deposits have an average maturity of 195 days (2009: 174 days).

The Group's bank balances and cash of approximately HK$9,203,000 and HK$5,864,000 as at 31 March 2010 and 2009, respectively, were denominated in RMB 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:

	2010 HK$'000	2009 HK$'000
0 to 30 days	24,591	21,393
31 to 60 days	814	1,664
61 to 90 days	176	1,606
Over 90 days	508	347
	26,089	25,010

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

23. Share capital – Group and Company

	2010 HK$'000	2009 HK$'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 2010

24. Reserves – Group and Company

(a) Group

Movement of the Group's reserves for the year ended 31 March 2010 is presented in the consolidated statement of changes in equity on page 44.

(b) Company

	Share premium HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
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
At 1 April 2009	269,808	6,120	24,278	300,206
Profit for the year	–	–	40,030	40,030
Final dividend for the year ended 31 March 2009	–	–	(23,738)	(23,738)
Interim dividend for the year ended 31 March 2010	–	–	(13,380)	(13,380)
At 31 March 2010	269,808	6,120	27,190	303,118

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

	Note	2010 HK$'000	2009 HK$'000
Investments in unlisted shares, at cost	(a)	178,627	178,627
Amounts due from subsidiaries	(b)	313,280	282,231
Amounts due to subsidiaries	(b)	(209,001)	(150,457)

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

(a) Particulars of all the Company's subsidiaries at 31 March 2010 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%
ET Wealth Limited	Hong Kong	Provision of funds market database and solutions to the professional market in Hong Kong	Ordinary HK$100	96.04%

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

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

(a) Particulars of all the Company's subsidiaries at 31 March 2010 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
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

(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

	2010 HK$'000	2009 HK$'000
Profit before income tax	109,208	74,723
Adjustments for:		
– Depreciation (note 6)	28,302	29,898
– Goodwill impairment loss	25,539	–
– Amortisation of contractual customer relationships (note 13)	998	998
– Amortisation of lease premium for land (note 15)	169	167
– Gain on disposal of property, plant and equipment, lease premium for land and investment property (see below)	(1,897)	(25)
– Finance income (note 8)	(2,167)	(5,600)
– Bad debts written off (note 6)	306	723
– Inventories written off (note 6)	26	–
– Provision for impairment of receivables (note 6)	136	908
– Provision for obsolete inventories (note 6)	703	861
Changes in working capital:		
– Decrease/(increase) in inventories	20,566	(5,410)
– (Increase)/decrease in trade receivables and deposits, prepayments and other receivables	(45,911)	76,358
– Increase/(decrease) in trade payables, fees in advance and accruals and other payables	29,105	(44,485)
Cash generated from operations	165,083	129,116

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment, lease premium for land and investment property comprise:

	2010 HK$'000	2009 HK$'000
Net book amount (notes 14 to 16)	16,405	202
Gain on disposal of property, plant and equipment, lease premium for land and investment property	1,897	25
Proceeds from disposal of property, plant and equipment, lease premium for land and investment property	18,302	227

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

27. Banking Facilities – Group

At 31 March 2010, bank deposits of HK$5,004,000 (2009: HK$5,512,000) were pledged as securities against general banking facilities granted to the Group.

28. Commitments – Group and Company

(a) Group

(i) Capital commitments

Capital commitments at the end of the reporting period but not yet incurred are as follows:

	2010 HK$'000	2009 HK$'000
Property, plant and equipment – contracted but not yet provided for	2,290	1,154
Property, plant and equipment – authorised but not yet contracted for	1,588	–
	3,878	1,154

(ii) Commitments under operating leases

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

	2010 HK$'000	2009 HK$'000
Not later than one year	12,397	13,836
Later than one year and not later than five years	12,751	388
	25,148	14,224

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

	2010 HK$'000	2009 HK$'000
Not later than one year	61	188

(b) Company

The Company had no capital and operating lease commitment as at 31 March 2010 and 2009.

29. Related party transactions – Group

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

		2010 HK$'000	2009 HK$'000
(a)	**Service income** (Note i)		
	– Roctec Credit Limited	213	306
	– Roctec Securities Company Limited	161	161
		374	467
(b)	**Rental expenses on leased property** (Note i)		
	– Charm Data Limited	–	2,028
	– Honley Limited	–	1,487
	– Roctec Systems Limited	707	724
		707	4,239
(c)	**Consultant royalties expenses** (Note i)		
	– Wayca Development Limited	80	86
(d)	**Remuneration of contributor** (Note i)		
	– Mak Ping Leung, the Director of the Company	40	51
	– Paul & Associates Consulting Limited	–	32
(e)	**Key management personnel compensation**		
	Key management represents Directors (executive and non-executive). Please refer to note 7(b) for the compensation paid or payable to key management for employee services.		

Notes to the Consolidated Financial Statements
Year ended 31 March 2010

29. Related party transactions – Group (Continued)

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

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 previous 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.

Five-Year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2010	2009	2008	2007	2006
Operating Results					
Turnover	828	841	946	833	722
Gross profits	372	329	409	357	319
Operating profit	107	69	152	139	116
Finance income	2	6	9	7	8
Finance costs	–	–	–	(1)	(4)
Profit before income tax	109	75	161	145	120
Income tax expense	(22)	(11)	(27)	(25)	(21)
Profit for the year	87	64	134	120	99
Attributable to					
– equity holders of the Company	86	62	133	120	98
– minority interests	1	2	1	0	1
	87	64	134	120	99
Earnings per share (in HK Cents)	19.80	14.37	30.71	27.81	25.11

Five-Year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2010	2009	2008	2007	2006
Assets and Liabilities					
Non-current assets	232	299	312	282	285
Current assets	667	513	539	420	383
Total assets	899	812	851	702	668
Bank loans and finance leases	–	–	–	–	(69)
Other liabilities	(221)	(185)	(230)	(167)	(147)
Total liabilities	(221)	(185)	(230)	(167)	(216)
Net assets	678	627	621	535	452
Equity holders' fund	673	624	619	534	451
Minority interests	5	3	2	1	1
Total equity	678	627	621	535	452

Key Financial Ratio

	2010	2009	2008	2007	2006
Gross profit margin	44.9%	39.2%	43.2%	42.8%	44.1%
Operating profit margin	12.9%	8.2%	16.1%	16.7%	16.1%
Net profit margin	10.3%	7.4%	14.0%	14.4%	13.6%
Gearing ratio	–	–	–	–	10.3%
Current ratio	3.36 times	3.20 times	2.64 times	2.82 times	2.62 times
Quick ratio	3.27 times	2.96 times	2.48 times	2.68 times	2.48 times