Hong Kong Economic Times Holdings Limited

Annual Report 2014/2015

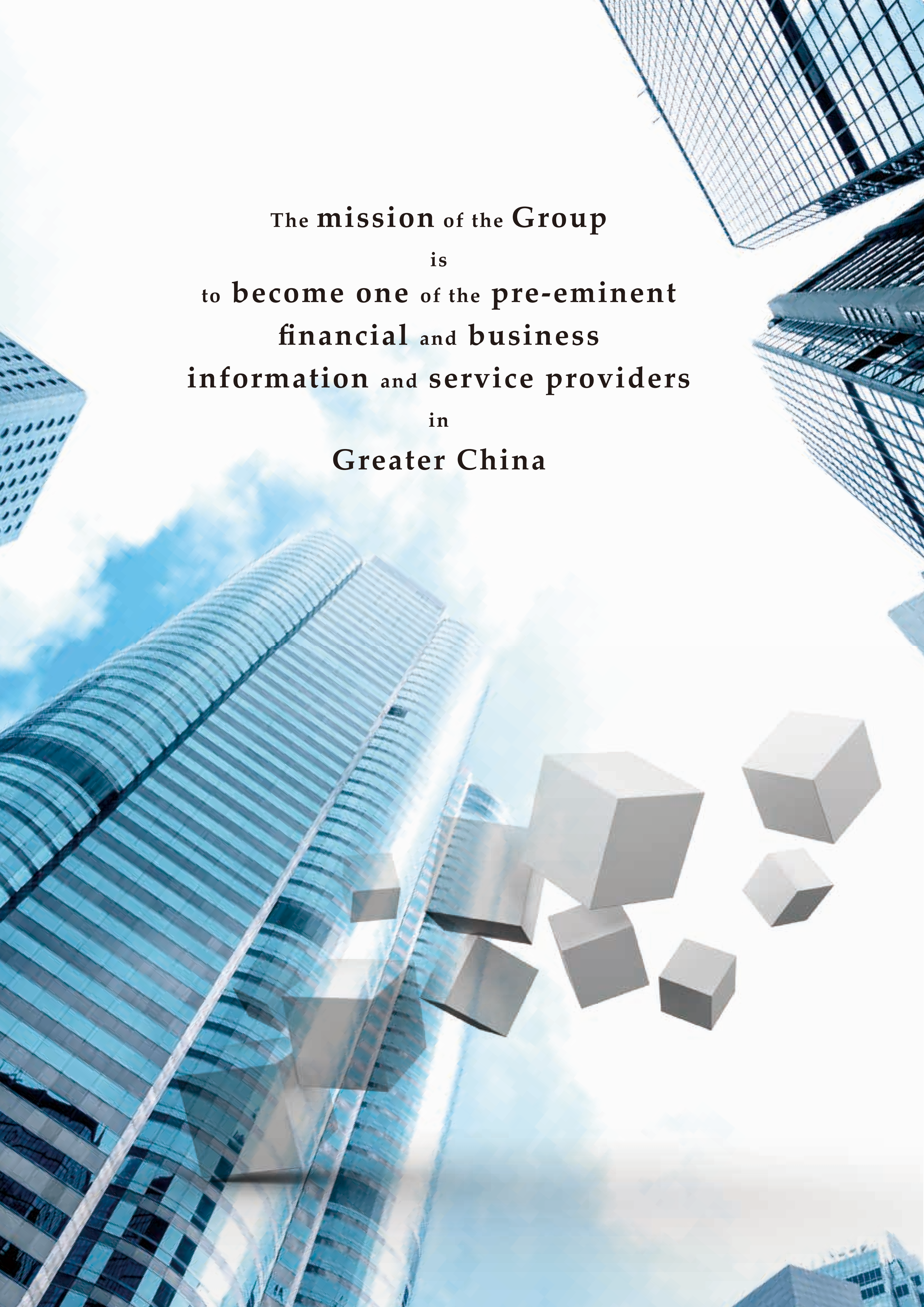
Printed Media

Financial News Agency, Information and Solutions

Recruitment Advertising and Training

Lifestyle Portals

Stock Code 00423



The mission of the Group
is
to become one of the pre-eminent
financial and business
information and service providers
in
Greater China

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Corporate Information and Key Dates

Board of Directors

Executive Directors

Mr. Fung Siu Por, Lawrence *(Chairman)*

Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung)

Mr. Chan Cho Biu

Mr. Shek Kang Chuen

Ms. See Sau Mei Salome

Mr. Chan Wa Pong

Non-executive Director

Mr. Chu Yu Lun

Independent Non-executive Directors

Mr. Chow On Kiu

Professor Leung Gabriel Matthew

Mr. Lo Foo Cheung

Mr. O'Yang Wiley

Company Secretary

Mr. Chan Wa Pong *CPA*

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. O'Yang Wiley *(Chairman)*

Mr. Chu Yu Lun

Mr. Lo Foo Cheung

Nomination Committee

Mr. Chow On Kiu *(Chairman)*

Professor Leung Gabriel Matthew

Mr. O'Yang Wiley

Remuneration Committee

Mr. Lo Foo Cheung *(Chairman)*

Mr. Chu Yu Lun

Professor Leung Gabriel Matthew

Registered Office

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

Head Office and Principal Place of Business

6th Floor, Kodak House II
321 Java Road
North Point
Hong Kong

Corporate Website

www.hketgroup.com

Email

groupinfo@hket.com

Stock Code

00423 HK

Principal Share Registrar and Transfer Office in Cayman Islands

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

Key Dates

Closure of Registers of Members

3 August 2015 to 6 August 2015
(for attending Annual General Meeting)

17 August 2015 to 19 August 2015
(for final dividend entitlement)

Annual General Meeting

6 August 2015

Proposed Payment of Final Dividend

25 September 2015

Business Organization Chart

Printed Media

Hong Kong Economic Times newspaper publishing
Sky Post 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

CTgoodjobs.hk

Training

ET Business College

Lifestyle Portals

Health Smart
U Lifestyle

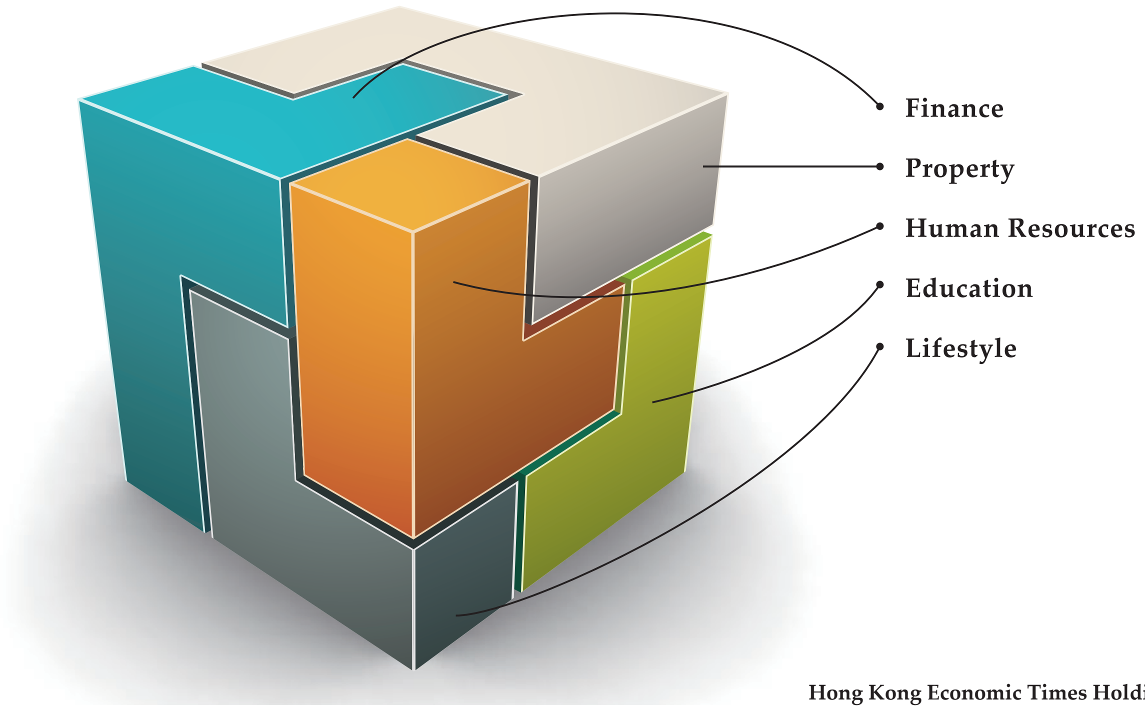
- U Travel
- U HK
- U Beauty
- U Food

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 the leading financial newspaper in Hong Kong. Besides, the Group launched its free publication, *Sky Post*, in July 2011. 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 in Hong Kong serving the professional market, has 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

Taking advantage of the strong foundation and rich experiences of the Group, HKET Holdings strives to attain sustainable growth for the utmost benefit of shareholders by pursuance of diversification strategy through 5 business domains:



The Leading Edges

The Group consistently provides content and services of high quality with its extensive business network and strong brand. In this financial year, members of the Group initiated and were involved in a number of remarkable events, which again elaborated strengths of the Group.

The annual Economic and Financial Forum

Hong Kong Economic Times of Hong Kong, *Economic Daily* of China and *Economic Daily News* of Taiwan jointly organized their fifth titled Economic and Financial Forum in April 2015. The event itself has become a remarkable branding event and facilitated prominent government officials, corporate leaders and scholars to share views and enhanced communications among the regions.

Forward Thinking

We see the needs of concurrent presentation medium and interactive content as a professional content provider. We understand the importance of multi-media and the various reading platforms and digital applications were launched and enhanced timely to match customers' need.

The Market Leaders

Hong Kong Economic Times the financial daily

e-zone the mass market IT magazine

iMoney the financial magazine

ET Net the financial news agency

ET Wealth the electronic funds database and wealth management system provider

ET Trade the securities & futures trading solution provider

EPRC the electronic property database provider

Awards

iMoney won in The 19th Annual Human Rights Press Awards

- Chinese Features Prize
- Chinese Features Merit

HKET won in Citi Journalistic Excellence Award 2015

- Champion in Hong Kong

U Magazine won in Media Convergence Awards 2014

- Weekly Magazine Category (Overall) – Gold Award
- Weekly Magazine Category (Mobile) – Gold Award
- Weekly Magazine Category (Social Media) – Silver Award
- Weekly Magazine Category (Website) – Silver Award
- Top 10 Media

U Magazine, e-zone and *iMoney* won in Magazine of the Year 2014

- Top 10 Overall Magazines of the Year *(U Magazine)*
- Gold in "Travel Magazine of the Year (Local)" *(U Magazine)*
- Gold in "Consumer Electronics Magazine of the Year" *(e-zone)*
- Bronze in "Business Magazine of the Year (Local)" *(iMoney)*

HKET won in Newspaper of the Year 2014

- 3rd in "Newspaper of the Year"

hket.com won in Digital Media of the Year 2014

- 2nd in "Local Business & Finance"

HKET, Property Times, Sky Post, U Magazine, e-zone and ET Net won in Spark Awards 2014

- Best Engagement Strategy – Silver *(Sky Post)*
- Best Event – Silver *(HKET)*
- Best Online Community Platform – Silver *(U Magazine)*
- Best Programme Promotion – Gold *(e-zone)* and Bronze (ET Net)
- Best Subscription Strategy – Gold *(e-zone)*
- Best Use of Content – Gold *(U Magazine)*, Silver *(e-zone)* and Bronze *(Property Times)*
- Best Media Campaign – Experimental – Gold *(Sky Post)* and Silver *(Sky Post)*
- Best Media Campaign – Print – Silver *(Sky Post)*
- Best Content Team *(Property Times)*

HKET won in Consumer Rights Reporting Awards 2014

- Gold Award and Merit in "News"
- Gold Award in "Features"
- Silver Award in "Press Photo"

Euron won in 26th Hong Kong Print Awards 2014

- Merit in Newspaper Printing

Chairman's Statement

Dear Shareholders,

In 2014, the pace of global economic recovery remained slow and uneven although US had gradually picked steam. Mainland's economy gained a steady momentum with challenges to restructure and rebalance for a sustainable growth. Hong Kong's economy, impacted by the sluggish external economic environment, the internal political turmoil and the slowdown of inbound tourism and domestic spending, attained a modest GDP growth of 2.3% in 2014, down from 2.9% in 2013.

In spite of weak local economic conditions, the Group performed competitively and managed to achieve a moderate growth in revenue from HK$1,065 million to HK$1,122 million, a rise of 5%. Profit attributable to shareholders increased significantly by 61%, from HK$28 million to HK$45 million. The revenue growth was mainly contributed by *Sky Post*, the Group's Chinese free daily and the Group's solid pillars, *Hong Kong Economic Times*, the flagship newspaper under the printed media segment and the financial news agency, information and solutions segment. The Board also recommends the payment of a final dividend of HK6.0 cents per share for the financial year ended 31 March 2015.

Sky Post, being the second largest circulation newspaper in Hong Kong, has registered a remarkable increase in advertising revenue during the financial year under review. Its continued penetration in the general mass audience received tremendous support from the advertisers. *Sky Post*, targeting the middle class audience, successfully extended the Group's advertising revenue from business and niche areas to mass sectors which were not previously available to the Group's publications. Thanks to our dedicated editorial team, the innovative and passionate sales and marketing teams for their determination and hard work.

In the face of changes and challenges in printed media, the performance of the Group's paid publications, namely, *Hong Kong Economic Times*, *U Magazine*, *e-zone* and *iMoney* upheld our quality contents strategy, maintained a stable growth and continued to be profitable for the financial year under review.

2014 was a remarkable year for the financial news agency, information and solutions segment as the segment achieved two important milestones. It successfully launched the Shanghai Stock Exchange real-time financial information services to support the Shanghai Hong Kong Stock Connect Programme and it was the only vendor assigned by the Hong Kong Stock Exchange to develop and launch a new generation of Multi-Workstation System and on-floor and off-floor trading terminals of Automatic Order Matching and Execution System. The high product quality, comprehensive and state-of-the-art technological infrastructure and extensive domain knowledge won the trusts of the customers and secured its strong leading position in the market. Despite significant investments in product development, this segment remained a major profit contributor to the Group.

The transformation of the media landscape continued to accelerate, with more advertising revenue shifting from print to digital. The impacts are very challenging. Digital media will be one of the main drivers of revenue growth in the coming years. Online especially mobile advertising is expected to increase its share of the total marketing dollars. The Group will continue its initiatives to increase its presence in the digital media across all of its business segments. We are confident that these initiatives will become the growth engine of the Group in the medium and longer term.

To pave way for future development, investments in free daily and internet-based businesses would inevitably exert pressure on the cost and bottom line of the printed media segment. However, we strongly believe these investments are worthwhile and necessary to sustain the continuous growth of the Group. We shall continue to take a cautious approach in cost management and take further steps to streamline our cost structure. The Group is in a strong cash flow position with a cash balance of over HK$360 million as at 31 March 2015, and we are well placed to capitalize on any investment opportunities that may arise and to meet any ups and downs of the economic conditions.

The global marketplace continued to face various uncertainties. Worldwide's massive monetary stimulus, oil price volatility, and regional political instability will continue to create uncertainties and downside risk in the region. Developed economies may experience a prolonged period of slow growth. With Central Government's commitment to restructure and rebalance the economy from infrastructure and investment-led growth to domestic demand and services sector, Mainland economy will shift towards a more sustainable growth path in 2015. Despite local consumption being dampened by weaker spending power of inbound tourists, Hong Kong economy will continue to benefit from the continuous growth of Mainland economy. Overall, the coming year will be full of changes. We shall continue to preserve our core business, strengthen our competitive advantages and deepen our penetration into segments that offer growth and enlarge our customer and revenue base.

Our success over the years would not have been possible without the passionate and untiring efforts of our colleagues. I wish to take this opportunity to express my heartfelt thanks to my fellow Board members for their insightful guidance, support and valuable contribution, and to our dedicated staff for their hard work, commitment, perseverance, professionalism and inspirational teamwork. I am convinced that these qualities will continue to drive the growth of the Group in the years to come. My gratitude also extends to all of our readers, customers, business partners and investors for their ongoing support.

Fung Siu Por, Lawrence
Chairman

Hong Kong, 22 June 2015

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 65, 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 65, is the Managing Director of the Group and Publisher of *HKET* and the *Sky Post*. He is also a founder of *HKET*. Mr. Mak is responsible for formulating the business strategies and the overall management of publishing, recruitment advertising and printing production of the Group. He has over 30 years of extensive experience in the media and publishing industry. Prior to joining the Group in 1987, he was the Bureau Chief of *Wen Wei Po*, European Bureau in London, and was later promoted to the Deputy General Manager of *Wen Wei Po*. Mr. Mak obtained his Bachelor of Arts degree from The University of Hong Kong and had attended a journalism programme "Journalists in Europe" in France. Mr. Mak is currently the honorary advisor of Hong Kong Institute of Marketing and a Director of Hong Kong Copyright Licensing Association Limited. In 1988, Mr. Mak was elected as one of the Ten Outstanding Young Persons of Hong Kong.

Mr. CHAN Cho Biu, BBS, aged 58, 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.

Mr. SHEK Kang Chuen, aged 67, 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 and training businesses. 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, *Sky Post*, *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 52, is the Managing Director of the Company's subsidiaries which engage in the businesses of financial news agency, information and solutions. 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 and solutions 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 63, 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 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 64, was appointed as a Non-executive Director in April 2005. He is also a Member of Company's Audit 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 was registered as Adsale People Limited in 1985. As an international trade media group in the Asia-Pacific region, the Adsale Group's major businesses include organizing international trade fairs, publishing international trade journals, e-publications and industry websites. Mr. Chu has extensive experience in the exhibition 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 Chair of the Global Association of the Exhibition Industry (UFI) Asia Pacific Chapter, Honorary Life President of Hong Kong Exhibition and Convention Industry Association (HKECIA), member of the Working Group on Convention and Exhibition Industries and Tourism under the Economic Development Commission, and has been the Founding President of Hong Kong University Science Alumni Association Limited, 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 granted 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. With his valuable contribution to the society and The University of Hong Kong, Mr. Chu received an Honorary University Fellowship from The University of Hong Kong in 2011.

Independent Non-executive Directors

Mr. CHOW On Kiu, aged 64, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Nomination 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 The Wharf (Holdings) Limited, a company listed on the Hong Kong Stock Exchange and the 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.

Professor LEUNG Gabriel Matthew, GBS, aged 42, was appointed as an Independent Non-executive Director on 1 September 2013. He is currently a Member of the Company's Nomination Committee and Remuneration Committee. Professor Leung is the fortieth Dean of the Li Ka Shing Faculty of Medicine at The University of Hong Kong ("HKU"). Professor Leung, a clinician and a respected public health authority, is also Chair Professor in the School of Public Health at HKU. Previously, he was Professor and Head of Department of Community Medicine at HKU and served as the first Under Secretary for Food and Health, Government of the Hong Kong Special Administrative Region ("HKSAR") and the fifth Director of Chief Executive's Office, Government of the HKSAR. Born in Hong Kong, Professor Leung received his early education locally and in the United Kingdom. He read medicine at The University of Western Ontario and received his degree of Doctor of Medicine, and completed family medicine residency training in Toronto, Canada. He earned his degree of Master of Public Health from Harvard University and degree of Doctor of Medicine, a research doctorate from HKU.

Mr. LO Foo Cheung, JP, aged 65, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Remuneration Committee and a Member of Company's Audit Committee. Mr. Lo is the founder and Chairman of FC Packaging Holding Limited, one of the leading can manufacturers in the Greater China. Mr. Lo has extensive experience in the industrial and manufacturing industry in Hong Kong and Mainland China. He is currently the Honorary President of the Chinese Manufacturers' Association of Hong Kong, Standing Committee Member of the Chinese General Chamber of Commerce, a Member of the Election Committee of the Hong Kong Special Administrative Region, Standing Committee Member of the Chinese People's Political Consultative Conference of Heilongjiang Province and Jiangmen City, Honorary Citizen of Guangzhou City, Foshan City and Jiangmen City. Mr. Lo previously served as First Vice-President of the Chinese Manufacturers' Association of Hong Kong, Council Member of Hong Kong Trade Development Council, Council Member of Hong Kong Productivity Council, a Member of the Business Advisory Group of Hong Kong Special Administrative Region, 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, founding Vice Chairman of the Young Industrialists Council of Hong Kong 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.

Mr. O'YANG Wiley, aged 52, was appointed as an Independent Non-executive Director on 1 October 2012. He is currently the Chairman of Company's Audit Committee and a Member of Company's Nomination Committee. Mr. O'Yang is the Managing Director of Kim Eng Securities (Hong Kong) Limited ("KESHK"), a wholly-owned subsidiary of Malayan Banking Berhad. He has more than 26 years of experience in the accounting, finance and legal fields. Prior to joining KESHK, Mr. O'Yang worked for various international investment banks, including UBS AG, Hong Kong Branch, J.P. Morgan Securities (Asia Pacific) Limited and BNP Paribas Capital (Asia Pacific) Limited and held the positions of managing director and executive director. Prior to those, he was a partner of Richards Butler, an international law firm. Mr. O'Yang graduated from The Chinese University of Hong Kong with a Bachelor of Social Science degree and a Master of Business Administration degree. He is also a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Law Society of Hong Kong.

Corporate Governance

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

Board of Directors

As at 31 March 2015, the Board comprised eleven Directors, with four of them being Independent Non-executive Directors, representing more than one-third of the Board.

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 *(Members of Remuneration and Audit Committees)*

Independent Non-executive Directors:

Mr. Chow On Kiu *(Chairman of Nomination Committee)*
Professor Leung Gabriel Matthew *(Members of Nomination and Remuneration Committees)*
Mr. Lo Foo Cheung *(Chairman of Remuneration Committee and Member of Audit Committee)*
Mr. O'Yang Wiley *(Chairman of Audit Committee and Member of Nomination Committee)*

The composition of the Board reflects a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. 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 biographies of the Directors are set out on pages 10 to 13 under the section headed "Board of Directors" of this Annual Report.

Each of the Executive, Non-executive, and Independent Non-executive Directors has entered into a 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.

Board Diversity Policy

The Board has adopted its own board diversity policy ("Board Diversity Policy"). The Board Diversity Policy aimed to achieve diversity of the Board through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience. The Nomination Committee of the Company shall review the Board Diversity Policy as appropriate and make recommendations on any proposed revisions to the Board.

Board appointments will be based on objective criteria having due regard to the benefits of diversity of the Board.

Independence of Independent Non-executive Directors

Each Independent Non-executive Director has submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a written confirmation in respect of their independence in accordance with Rule 3.13 of the Listing Rules on their appointment. 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.

Corporate Governance

Directors' Training and Professional Development

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

Each newly appointed Director received a comprehensive, formal and tailored induction on appointment so as to ensure that he had a proper understanding of the Company's operation and business and was fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

During the year, all Directors had attended various seminars, conferences or forum which were relevant to their respective duties and responsibilities or the businesses of the Company.

Board Proceedings

Directors' attendance record of Board, Committee and General Meetings:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
(number of meetings attended/number of meetings held during respective director's tenure)					
Executive Directors:					
Fung Siu Por, Lawrence	4/4				1/1
Mak Ping Leung (alias: Mak Wah Cheung)	4/4				1/1
Chan Cho Biu	4/4				0/1
Shek Kang Chuen	4/4				1/1
See Sau Mei Salome	3/4				1/1
Chan Wa Pong	4/4				1/1
Non-executive Director:					
Chu Yu Lun	3/4	2/2	1/1		0/1
Independent Non-executive Directors:					
Chow On Kiu	4/4			1/1	0/1
Leung Gabriel Matthew	4/4		1/1	1/1	0/1
Lo Foo Cheung	3/4	2/2	1/1		0/1
O'Yang Wiley	4/4	2/2		1/1	0/1

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 2015, four meetings were held.

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.

Audit Committee

The Company established an Audit Committee in 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Audit Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. O'Yang Wiley as Committee Chairman and Mr. Lo Foo Cheung. The principal roles and functions of the Committee as set out in its terms of reference are available on both the Company's and the Stock Exchange's websites.

During the financial year ended 31 March 2015, the Audit Committee met twice with the presence of all members. The Company's Chief Financial Officer and Qualified Accountant and External Auditor were invited to attend the meeting. The Committee has reviewed the annual report for the financial year ended 31 March 2014, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2014. The Chairman of the Audit Committee has reported to the Board on the findings of these reviews. The Board has not taken any view that is different from that of the Audit Committee.

Furthermore, the Committee has reviewed, inter alia, the Annual Report and Financial Statements of the Group for the year ended 31 March 2015, 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 in 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Remuneration Committee comprises Non-executive Director, Mr. Chu Yu Lun, and two Independent Non-executive Directors, Mr. Lo Foo Cheung as Committee Chairman and Professor Leung Gabriel Matthew. The principal roles and functions of the Remuneration Committee as set out in its terms of reference are available on both the Company's and the Stock Exchange's websites.

The Remuneration Committee met once during the financial year ended 31 March 2015 with the presence of all members to review and approve 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 in 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Nomination Committee comprises three Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman, Professor Leung Gabriel Matthew and Mr. O'Yang Wiley. The principal roles and functions of the Nomination Committee as set out in its terms of reference are available on both the Company's and the Stock Exchange's websites.

Corporate Governance

The Nomination Committee met once during the financial year ended 31 March 2015 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 70.

The Group's emolument policy is set out in note 7(d) to the Consolidated Financial Statements of this Annual Report on page 72.

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 2015.

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 2015, the Directors have selected appropriate accounting polices and applied them consistently; made judgements and estimates that are prudent and reasonable; and have prepared 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 34 to 35.

During the period under review, the Group has incurred a total fee of HK$2,680,000 in relation to the interim review and audit services provided by PricewaterhouseCoopers for the financial year 2014/15, which was approved by the Audit Committee and the Board. A fee of HK$265,000 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 6 August 2015.

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.

Company Secretary

The Company Secretary is responsible for assisting the Board and respective Board Committees in their proceedings and advising the Board on corporate governance matters. During the year ended 31 March 2015, the Company Secretary has complied with the professional training requirements under the Code Provisions.

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.

Shareholders' Rights and Investor Relation

The Board is committed to upholding shareholders' rights. Shareholders are informed of the Company's performance, operations and developments.

Pursuant to the Articles of Association of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Shareholders may put forward proposals at general meetings of the Company in the same manner as set out above. The Board shall arrange the extraordinary general meeting be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists may themselves convene the meeting and reimburse the expenses so incurred from the Company.

Corporate Governance

Shareholder may propose a person other than a retiring director of the Company for election as a director of the Company at a general meeting by depositing a notice signed by the shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

Shareholders may at any time direct their enquiries about the Company to the Board by writing to the Company's place of business in Hong Kong, 6th Floor, Kodak House II, 321 Java Road, North Point, Hong Kong or by email to groupinfo@hket.com. Shareholders may also put forward their enquiries to the Board at the general meetings of the Company.

During the year ended 31 March 2015, there is no significant change in the Company's constitutional documents. The Company's Memorandum and Articles of Association are available on both the Company's and the Stock Exchange's websites.

Management Discussion and Analysis

Summary of Profit and Loss Account

	Year ended 31 March 2015 HK$'000	2014 HK$'000	% Change
Revenue	**1,121,582**	**1,065,145**	**5%**
Cost of sales	(722,515)	(701,718)	3%
Gross profit	399,067	363,427	10%
Gross profit margin	**35.6%**	**34.1%**	
Selling and distribution expenses	(168,282)	(159,154)	6%
General and administrative expenses	(182,199)	(174,235)	5%
Other income	1,029	492	109%
Operating profit	49,615	30,530	63%
Finance income/(costs) – net	5,051	4,508	12%
Profit before income tax	54,666	35,038	56%
Income tax expense	(8,193)	(5,583)	47%
Profit for the year	**46,473**	**29,455**	**58%**
Non-controlling interests	(1,096)	(1,317)	-17%
Profit attributable to owners	**45,377**	**28,138**	**61%**
Net profit margin	**4.1%**	**2.8%**	

General

The Group's revenue for the financial year ended 31 March 2015 increased to HK$1,121.6 million, an increase of HK$56.5 million or 5% over the preceding financial year. Profit attributable to owners increased by 61% from HK$28.1 million to HK$45.4 million.

Management Discussion and Analysis

Revenue

	Year ended 31 March 2015 HK$'000	2014 HK$'000	% Change
Revenue:			
Advertising income	636,951	590,855	8%
Circulation income	112,717	115,860	-3%
Service income	358,339	344,296	4%
Enrolment income	13,575	14,134	-4%
Total	1,121,582	1,065,145	5%

Advertising income for the year ended 31 March 2015 increased HK$46.1 million to HK$637.0 million, a rise of 8% as compared to the year ended 31 March 2014. The Group's newspaper publications, both paid and free, recorded growth in advertising income, especially the free Chinese daily *Sky Post*. The Group's weeklies, *U Magazine, e-zone and iMoney*, with efforts in providing creative integrated marketing solutions to our customers, were able to maintain the advertising income despite the downward trend on advertising spending being placed in magazines. Recruitment advertising income for the year under review recorded an encouraging growth which was due to the sales team's focus in expanding market share.

Circulation income recorded a decrease of 3% from HK$115.9 million in the year ended 31 March 2014 to HK$112.7 million for the financial year under review. With the increasing trend of readers shifting to online platforms and free content, the Group's paid publications were able to contain the decline to a relatively moderate extent. This was achieved through editorial teams' insistence on credible and quality content.

Service income for the year ended 31 March 2015 increased from HK$344.3 million to HK$358.3 million when compared with the preceding financial year. The increase was mainly contributed by the organic growth of existing products and the launch of new products and projects of the financial news agency, information and solutions businesses.

Operating Costs

Gross profit margin for the year ended 31 March 2015 improved further by 1.5 percentage point to 35.6% from 34.1% for the year ended 31 March 2014. The increase in gross profit margin was mainly due to the improved top line performance.

Staff costs, representing approximately 46% of the Group's total operating costs, increased by 5% as compared to the year ended 31 March 2014. The increase was mainly due to general salary increment in line with the employment market.

Newsprint costs, constituting around 11% of the Group's total operating costs, was similar to the amount for the year ended 31 March 2014. The increase in consumption volume as a result of increase in the number of advertising pages was offset by the decrease in newsprint price recorded for the year. The Group would continue to deploy effective production control on material consumption.

Income Tax Expense

The effective tax rates of the Group for the financial year ended 31 March 2015 and 2014 were 15.0% and 15.9% respectively. These were in line with the standard profits tax rate of 16.5% which was applicable to companies incorporated in Hong Kong, the Group's major place of operation.

Profit Attributable to Owners

Profit attributable to owners of the Group for the year under review was HK$45.4 million, an increase of HK$17.3 million or 61% as compared to HK$28.1 million recorded for the year ended 31 March 2014. Net profit margin increased by 1.3 percentage point to 4.1% for the current financial year, and the Group's operating result continued to improve.

Results of printed media segment for the year under review recorded significant improvement in bottom line. Being the second highest local circulation daily, *Sky Post's* advertising revenue continued its impetus and formed a sizable part of the increase in the Group's revenue. The Group's flagship newspaper, *Hong Kong Economic Times*, with strength and focus in finance and property markets, benefited from the increased activities in these sectors during the current financial year. Despite the shrinking market trend, *U Magazine, e-zone and iMoney*, the Group's paid weeklies, stood firm in the market and remained profitable.

The strong leading position of the Group's financial news agency, information and solutions businesses contributed to the major share of profit for the year under review. The quality of its products and services enabled the segment's business units to secure important and significant projects during the year. The team's competency was well received by our clients.

During this period of full employment in Hong Kong, the Group's online-based recruitment advertising business had been gaining market share and contributing positively to the Group's operating results.

The Group continued to invest in lifestyle portals and was confident in their return in the medium to longer term.

Management Discussion and Analysis

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2015	2014
Net current assets	359.7	398.7
Term deposits, pledged deposits and cash and cash equivalents	362.9	371.0
Bank borrowings	120.2	111.4
Owners' funds	818.4	802.7
Gearing ratio	9.7%	9.3%
Current ratio	2.24 times	2.52 times

The Group's net current assets as at 31 March 2015 decreased by HK$39.0 million from HK$398.7 million to HK$359.7 million. The decrease was mainly attributable to the purchase of several office premises intended for self-use purposes with a total consideration of approximately HK$69.8 million which was offset by the positive operating results of the Group for the year ended 31 March 2015. The Group recorded net cash generated from operating activities of HK$117.4 million.

Net cash used in investing activities was HK$131.8 million. During the year, the Group had purchased office premises and other property, plant and equipment amounting to HK$111.8 million.

The Group had distributed the final dividend declared for the financial year ended 31 March 2014 and interim dividend for the six months period ended 30 September 2014 amounting to an aggregate total of HK$30.2 million. During the financial year, the Group had drawn down bank loans of HK$40.4 million with five years repayment term, and had repaid HK$31.5 million during the same period. The loans were secured on the Group's certain properties, plant and equipment with net book value of approximately HK$194.1 million as at 31 March 2015. Net cash used in financing activities for the year therefore amounted to HK$21.6 million.

Gearing ratio of the Group, being total interest bearing liabilities divided by total assets, was 9.7% as at 31 March 2015. The Group did not have any undrawn borrowing facilities as at 31 March 2015.

As at 31 March 2015, the Group had a cash balance of HK$362.9 million as compared to HK$371.0 million as at 31 March 2014. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held in Hong Kong dollars or in Renminbi. Exchange fluctuations, whether appreciation or devaluation, of Renminbi for the financial year under review was small, and any exchange loss on Renminbi could be offset by the higher deposit interest rate received. The Group therefore had no significant exposure to foreign exchange fluctuations.

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

Outlook

The transformation of the media landscape continued to accelerate, with more advertising revenue shifting from paid to free and from print to digital. To pave way for future development, investments in free daily and internet-based businesses would inevitably exert pressure on the cost and bottom line of the printed media segment. However, we strongly believe that these investments are worthwhile and necessary to sustain the continuous growth of the Group.

Digital media will be one of the main drivers of revenue growth in the coming years. Online especially mobile advertising is expected to increase its share of the total marketing dollars. The Group will continue its initiatives to increase its presence in the digital media across all of its business segments. We are confident that these initiatives will become the growth engine of the Group in the medium and longer term.

The year ahead is still very challenging. Worldwide's massive monetary stimulus, oil price volatility, and regional political instability will continue to create uncertainties and downside risk in the region. Developed economies may experience a prolonged period of slow growth. With Central Government's commitment to restructure and rebalance the economy from infrastructure and investment-led growth to domestic demand and services sector, Mainland economy will shift towards a more sustainable growth path in 2015. Despite local consumption being dampened by weaker spending power of inbound tourists, Hong Kong economy will continue to benefit from the continuous growth of Mainland economy. Overall, the coming year will be full of changes. We shall continue to preserve our core business, strengthen our competitive advantages and deepen our penetration into segments that offer growth and enlarge our customer and revenue base.

The Group is in a strong cash flow position with a cash balance of over HK$360 million as at 31 March 2015, and we are well placed to capitalize on any investment opportunities that may arise and to meet any ups and downs of the economic conditions.

Employees

As at 31 March 2015, the Group had 1,499 employees (31 March 2014: 1,494 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 2015 (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 24 to the Financial Statements.

An analysis of the Group's performance for the year ended 31 March 2015 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 2015 are set out on pages 36 to 96.

Dividend Distributions

During the year, an interim dividend distribution from the distributable reserves of HK2.0 cents per share, totalling HK$8,632,000 was paid on 19 December 2014.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK6.0 cents per share in respect of the year ended 31 March 2015 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 14 August 2015, amounting to HK$25,896,000. The final dividend, payable on 25 September 2015, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 6 August 2015.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 41 and in note 23 to the Financial Statements.

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 number of authorised and issued shares of the Company are set out in note 22 to the Financial Statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2015, calculated under the Cayman Islands Companies Law, amounted to HK$253,311,000 (2014: HK$276,753,000) including share premium and retained earnings.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the 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' Report

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 *(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. CHOW On Kiu
Professor LEUNG Gabriel Matthew
Mr. LO Foo Cheung
Mr. O'YANG Wiley

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 87 of the Company's Articles of Association, Mr. Fung Siu Por, Lawrence, Mr. Chan Cho Biu, Ms. See Sau Mei Salome and Mr. Chan Wa Pong shall retire from office and are eligible for re-election at the forthcoming annual general meeting. Mr. Chan Wa Pong has informed the Board that he will not stand for re-election and accordingly shall retire at the forthcoming annual general meeting of the Company. Save for Mr. Chan Wa Pong, all other retiring Directors offer themselves for re-election.

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 27 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' Interests in Shares, Underlying Shares and Debentures

As at 31 March 2015, the interests and short positions of each Director and chief executive 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 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 Directors	Capacity/Nature of interest	Number of shares held	Percentage of number of issued shares 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 executive of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying 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 executive of the Company (including their spouses or children under 18 years of age) to hold any interests 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 2015, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's number of issued shares. These interests are in addition to those disclosed above in respect of Directors and chief executive:

Name of Substantial Shareholders	Number of ordinary shares held (long position)	Percentage of number of issued shares of the Company
Sky Vision Investments Limited (Note 1)	87,435,000	20.258%
Golden Rooster Limited (Note 2)	44,275,000	10.258%
Aberdeen Asset Management Plc and its Associates (together "The Aberdeen Group") on behalf of accounts managed by The Aberdeen Group (Note 3)	43,174,000	10.003%
The University of Hong Kong	43,160,000	10.000%
MaMa Charitable Foundation Limited	42,681,000	9.889%

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

Note 3: These shares are held by The Aberdeen Group on behalf of accounts managed by The Aberdeen Group in the capacity of an investment manager.

Save as disclosed above, as at 31 March 2015, 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 executive of the Company, whose interests are set out in the paragraph headed "Directors' Interests in Shares, Underlying Shares and Debentures" above, who had any interests or short positions 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 number of issued shares 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 number of issued shares 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.

Directors' Report

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	25%
Sales	
– the largest customer	7%
– five largest customers combined	18%

None of the Directors, their associates or any shareholders (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 27 to the Financial Statements. These related party transactions did not constitute connected transactions of the Company under the Listing Rules.

Competing Business

As at 31 March 2015, 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.

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 Corporate Governance Code

In the opinion of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 14 of the Listing Rules for the year ended 31 March 2015 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, 22 June 2015

Independent Auditor's Report

pwc

羅兵咸永道

To the shareholders of Hong Kong Economic Times Holdings Limited
(incorporated in 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 36 to 96, which comprise the consolidated and company balance sheets as at 31 March 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the consolidated financial statements are free from material misstatement.

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Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated 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 2015, 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 predecessor Hong Kong Companies Ordinance (Cap. 32).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 June 2015

Audited Financial Statements

Consolidated Income Statement

	Note	Year ended 31 March 2015 HK$'000	2014 HK$'000
Revenue	5	1,121,582	1,065,145
Cost of sales	6	(722,515)	(701,718)
Gross profit		399,067	363,427
Selling and distribution expenses	6	(168,282)	(159,154)
General and administrative expenses	6	(182,199)	(174,235)
Other income	5	1,029	492
Operating profit		49,615	30,530
Finance income	8	7,732	7,337
Finance costs	8	(2,681)	(2,829)
Finance income – net	8	5,051	4,508
Profit before income tax		54,666	35,038
Income tax expense	9	(8,193)	(5,583)
Profit for the year		46,473	29,455
Profit attributable to:			
Owners of the Company		45,377	28,138
Non-controlling interests		1,096	1,317
		46,473	29,455
Earnings per share attributable to owners of the Company (expressed in HK cents) Basic and diluted	11	10.51	6.52

The notes on pages 43 to 96 are an integral part of these consolidated financial statements.

	Note	Year ended 31 March 2015 HK$'000	2014 HK$'000
Dividends	12	34,528	25,896

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2015 HK$'000	2014 HK$'000
Profit for the year		46,473	29,455
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Change in value of available-for-sale financial assets		–	147
Reclassification of revaluation reserve upon maturity of available-for-sale financial assets		–	(1,002)
Currency translation differences arising from foreign operations		(98)	(112)
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of long service payment provision	13	677	9,147
Other comprehensive income for the year, net of tax		579	8,180
Total comprehensive income for the year		47,052	37,635
Total comprehensive income attributable to:			
Owners of the Company		45,956	36,318
Non-controlling interests		1,096	1,317
		47,052	37,635

The notes on pages 43 to 96 are an integral part of these consolidated financial statements.

Audited Financial Statements

Consolidated Balance Sheet

	Note	As at 31 March 2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	14	496,297	502,125
Investment properties	15	72,919	12,402
Deferred income tax assets	16	22,203	20,107
		591,419	534,634
Current assets			
Inventories	17	33,789	37,096
Trade receivables	18	213,896	219,436
Deposits, prepayments and other receivables		32,707	28,871
Tax recoverable		6,268	4,774
Pledged deposits	19	3,320	–
Term deposits with original maturities of over three months	19	223,348	198,613
Cash and cash equivalents	19	136,255	172,367
		649,583	661,157
Current liabilities			
Trade payables	20	38,975	38,126
Fees in advance		109,383	94,241
Accruals, other payables and provisions		102,934	96,205
Current income tax liabilities		294	4,337
Bank borrowings	21	38,306	29,504
		289,892	262,413
Net current assets		359,691	398,744
Total assets less current liabilities		951,110	933,378

	Note	As at 31 March 2015 HK$'000	2014 HK$'000
Equity attributable to owners of the Company			
Share capital	22	43,160	43,160
Reserves	23		
Proposed final dividend	12	25,896	21,580
Others		749,371	737,943
		818,427	802,683
Non-controlling interests		9,132	8,317
Total equity		827,559	811,000
Non-current liabilities			
Bank borrowings	21	81,937	81,857
Deferred income tax liabilities	16	31,951	31,072
Other non-current liabilities	13	9,663	9,449
		123,551	122,378
Total equity and non-current liabilities		951,110	933,378

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 43 to 96 are an integral part of these consolidated financial statements.

Audited Financial Statements

Balance Sheet

	Note	As at 31 March 2015 HK$'000	2014 HK$'000
Non-current assets			
Investments in subsidiaries	24	178,627	178,627
Current assets			
Deposits, prepayments and other receivables		165	154
Amounts due from subsidiaries	24	629,369	618,658
Cash and cash equivalents	19	21,158	31,255
		650,692	650,067
Current liabilities			
Accruals, other payables and provisions		856	1,223
Amounts due to subsidiaries	24	525,872	501,438
		526,728	502,661
Net current assets		123,964	147,406
Total assets less current liabilities		302,591	326,033
Equity			
Share capital	22	43,160	43,160
Reserves	23		
Proposed final dividend	12	25,896	21,580
Others		233,535	261,293
Total equity		302,591	326,033

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 43 to 96 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Currency translation reserve HK$'000	Investment revaluation reserve HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 April 2013	43,160	122,381	69,944	6,120	1,948	855	(8,491)	556,344	792,261	7,281	799,542
Profit for the year	–	–	–	–	–	–	–	28,138	28,138	1,317	29,455
Other comprehensive income											
Change in fair value of available-for-sale financial assets	–	–	–	–	–	147	–	–	147	–	147
Reclassification of revaluation reserve upon maturity of available-for-sale financial assets	–	–	–	–	–	(1,002)	–	–	(1,002)	–	(1,002)
Currency translation differences arising from foreign operations	–	–	–	–	(112)	–	–	–	(112)	–	(112)
Remeasurement of long service payment provision	–	–	–	–	–	–	9,147	–	9,147	–	9,147
Total comprehensive income	–	–	–	–	(112)	(855)	9,147	28,138	36,318	1,317	37,635
Transaction with owners											
Final dividend for the year ended 31 March 2013	–	–	–	–	–	–	–	(21,580)	(21,580)	(281)	(21,861)
Interim dividend for the year ended 31 March 2014	–	–	–	–	–	–	–	(4,316)	(4,316)	–	(4,316)
Balance at 31 March 2014	43,160	122,381	69,944	6,120	1,836	–	656	558,586	802,683	8,317	811,000
Balance at 1 April 2014	43,160	122,381	69,944	6,120	1,836	–	656	558,586	802,683	8,317	811,000
Profit for the year	–	–	–	–	–	–	–	45,377	45,377	1,096	46,473
Other comprehensive income											
Currency translation differences arising from foreign operations	–	–	–	–	(98)	–	–	–	(98)	–	(98)
Remeasurement of long service payment provision	–	–	–	–	–	–	677	–	677	–	677
Total comprehensive income	–	–	–	–	(98)	–	677	45,377	45,956	1,096	47,052
Transaction with owners											
Final dividend for the year ended 31 March 2014	–	(21,580)	–	–	–	–	–	–	(21,580)	(281)	(21,861)
Interim dividend for the year ended 31 March 2015	–	–	–	–	–	–	–	(8,632)	(8,632)	–	(8,632)
Balance at 31 March 2015	43,160	100,801	69,944	6,120	1,738	–	1,333	595,331	818,427	9,132	827,559

The notes on pages 43 to 96 are an integral part of these consolidated financial statements.

Audited Financial Statements

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Cash generated from operations	25	135,193	58,669
Interest paid	8	(2,681)	(2,829)
Long service payment made		(159)	(243)
Hong Kong profits tax paid		(14,947)	(10,490)
Net cash generated from operating activities		117,406	45,107
Cash flows from investing activities			
Bank interest received	8	7,732	6,503
Interest income received from available-for-sale financial assets		–	988
Purchase of property, plant and equipment and investment properties		(111,771)	(14,018)
Proceeds from disposal of property, plant and equipment	25	285	1,295
Redemption upon maturity of available-for-sale financial assets		–	16,575
Increase in term deposits with original maturities of over three months		(24,735)	(137,690)
(Increase)/decrease in pledged deposits		(3,320)	4,869
Net cash used in investing activities		(131,809)	(121,478)
Cash flows from financing activities			
Interim dividend paid to owners of the Company		(8,632)	(4,316)
Final dividend paid to owners of the Company		(21,580)	(21,580)
Final dividend paid to non-controlling interests of the Company		(281)	(281)
Proceeds from bank borrowings		40,400	23,100
Repayments of bank borrowings		(31,518)	(26,632)
Net cash used in financing activities		(21,611)	(29,709)
Net decrease in cash and cash equivalents		(36,014)	(106,080)
Effect of foreign exchange rate changes, net		(98)	(112)
Cash and cash equivalents at beginning of the year		172,367	278,559
Cash and cash equivalents at end of the year	19	136,255	172,367

Note: As at 31 March 2015, the total of cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits amounted to HK$362,923,000 (2014: HK$370,980,000) (note 19).

The notes on pages 43 to 96 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

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 printing and publishing of newspapers, magazines and books, the provision of electronic financial and property market information services, the provision of recruitment advertising and training services, and operation of portals in lifestyle focus.

These consolidated financial statements have been approved for issue by the Board of Directors on 22 June 2015.

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. The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

The following amendments to standards and new interpretations are relevant to the Group's operation and are mandatory for financial year ended 31 March 2015:

HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
HKFRS 10, HKFRS 12 and HKFRS 27 (2011) (Amendments)	Investment entities
HK(IFRIC)-Int 21	Levies

These amendments to standards and new interpretations had no material impact on the presentation of the Group's financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The following new or revised standards and amendments to standards are relevant to the Group's operation but are not effective for the Group's financial year beginning 1 April 2014 and have not been early adopted in these consolidated financial statements:

		Effective for accounting period beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 19 (2011) (Amendment)	Defined benefit plans – Employee contributions	1 July 2014
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statement	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
Annual improvements project	Annual improvements 2010-2012 cycle	1 July 2014
Annual improvements project	Annual improvements 2011-2013 cycle	1 July 2014
Annual improvements project	Annual improvements 2012-2014 cycle	1 January 2016

The Group has commenced the assessment of the impact of these new or revised standards and amendments to standards but is not yet in a position to state whether they would have a significant impact on the Group's consolidated financial statements.

2. Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

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.

2.3 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. Summary of significant accounting policies (Continued)

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$" or "HK dollars"), which is the Company's functional and the Group's 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 remeasured. 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 income statement. Foreign exchange gains and losses are presented in the consolidated income statement within 'general and administrative expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated income statement, and other changes in carrying amount are recognised in other 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 income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

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. Currency translation differences arising are recognised in other comprehensive income.

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Leasehold land classified as finance lease and all other 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 to the consolidated income statement during the financial period in which they are incurred.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Remaining lease term
Leasehold buildings	20 to 50 years or over the unexpired period of the lease, whichever is shorter
Leasehold improvements	5 to 30 years or over the unexpired period of the lease, whichever is shorter
Plant and machinery	3 to 15 years
Furniture, fixtures and equipment	3 to 10 years
Motor vehicles	2 to 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 2.8).

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 income statement.

2. Summary of significant accounting policies (Continued)

2.6 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields, and that are not occupied by the Group.

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

Investment properties are stated at historical cost less accumulated depreciation and impairment loss, if any. They are depreciated using the straight-line method over its estimated useful life or over the unexpired period of the lease, whichever is shorter.

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 income statement.

2.7 Intangible assets

(a) *Goodwill*

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

2.7 Intangible assets (Continued)

(b) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. 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 five years expected life of the contractual customer relationships.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 balance sheet date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) 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 the amounts that are settled or expected to be settled more than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise '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)

2.9 Financial assets (Continued)

2.9.1 Classification (Continued)

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the balance sheet date.

2.9.2 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. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of 'other income'.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at each balance sheet date 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan 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 income statement.

2. Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement – is removed from equity and recognised in the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement, the impairment loss is reversed through the consolidated income statement.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. 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

In the consolidated cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

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.

2.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18 Borrowing costs

Borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2. Summary of significant accounting policies (Continued)

2.19 Current and deferred income tax

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

(a) *Current income tax*

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.

(b) *Deferred income tax*

Inside basis differences

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.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability 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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

2.19 Current and deferred income tax (Continued)

(c) *Offsetting*

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 tax 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.

2.20 Employee benefits

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual 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) *Long service payments*

The Group's net obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at each balance sheet date of Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in consolidated income statement.

2. Summary of significant accounting policies (Continued)

2.20 Employee benefits (Continued)

(c) 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.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. 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 People's Republic of China ("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. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund on a reduction in the future payments is available.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

2. Summary of significant accounting policies (Continued)

2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts, returns and rebates.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return 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 printing services and 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 income from investment properties 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.

2.23 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 income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2. Summary of significant accounting policies (Continued)

2.23 Leases (Continued)

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders 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 shareholders or directors, where appropriate.

2.25 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. Related parties may be individuals (being members of key management personnel, significant owners 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. The Group has not used derivative financial instruments to hedge its risk exposures to changes in foreign currency exchange rates and interest rates.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(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") mainly arises from bank deposits. At 31 March 2015, if the HK dollar had weakened/strengthened by 1% against the RMB with all other variables held constant, the Group's profit for the year would have been increased/decreased by approximately HK$2,008,000 (2014: HK$1,947,000).

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 2015 the Group did not have any outstanding hedging instruments (2014: nil).

Most of the income and expenditures of the Company are denominated in HK dollars and hence, the Company does not have any material foreign exchange exposure. The Company 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 2015, the Company did not have any outstanding hedging instruments (2014: nil).

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from 'pledged deposits', 'term deposits with original maturities of over three months', 'cash and cash equivalents' and 'bank borrowings'. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

At 31 March 2015, 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$1,021,000 (2014: HK$790,000) and HK$12,000 (2014: HK$13,000) respectively, in respect of interest income on floating rate bank deposits.

At 31 March 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's profit for the year by approximately HK$1,202,000 (2014: HK$1,114,000) in respect of interest expense on floating rate bank borrowings.

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(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 subsidiaries. The management considers the credit risk for the amounts due from subsidiaries under the Company is low.

To mitigate the risk arising from banks, the Group and the Company place their deposits to certain reputable banks with a minimum rating of "investment grade" ranked by an independent party. See note 19 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 addition, trade receivables balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. See note 18 for further disclosure on credit risk.

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

(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.

As at 31 March 2015, the Group does not have undrawn borrowing facilities (2014: nil).

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) *Liquidity risk* (Continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000
Group			
At 31 March 2015			
Trade payables	38,975	–	–
Accruals and other payables	101,712	–	–
Bank borrowings	40,714	40,547	43,751
At 31 March 2014			
Trade payables	38,126	–	–
Accruals and other payables	94,590	–	–
Bank borrowings	31,911	31,911	52,787

	Less than 1 year HK$'000
Company	
At 31 March 2015	
Accruals and other payables	426
Amounts due to subsidiaries	525,872
At 31 March 2014	
Accruals and other payables	793
Amounts due to subsidiaries	501,438

3. Financial risk management (Continued)

3.2 Capital management

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

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

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as total interest bearing liabilities divided by total assets. Total interest bearing liabilities are calculated as total borrowings including current and non-current bank borrowings as shown in the consolidated balance sheet. Total assets are calculated as 'total assets' as shown in the consolidated balance sheet.

As at 31 March 2015, the gearing ratio was 9.7% (2014: 9.3%).

3.3 Fair value estimation

The carrying values of the Group's financial assets and financial liabilities are reasonable approximation of their fair values due to the relatively short term nature of these financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements 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 addressed below.

(a) Deferred income tax assets

Deferred income 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 income tax asset is realised or the deferred income tax liability is settled. Deferred income 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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

4. Critical accounting estimates and judgements (Continued)

(a) Deferred income tax assets (Continued)

The Group's management determines the deferred income 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 income tax assets are expected to be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, or changes in current tax regulations are enacted that would impact the timing or extent of the Group's ability to utilise the tax benefits of net operating loss carry forwards in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would need to be made. In addition, management will revisit the assumptions and profit projections at the balance sheet date.

(b) Provision for impairment of trade receivables

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

(c) Useful lives of property, plant and equipment

Property, plant and equipment used by the Group are long-lived. The annual depreciation charges are sensitive to the estimated useful lives the Group allocates to each type of property, plant and equipment.

The Group's management determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. Management performs annual reviews to assess the appropriateness of their estimated useful lives. Such reviews take into account the technological changes, prospective economic utilisation and physical condition of the assets concerned.

4. Critical accounting estimates and judgements (Continued)

(d) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgements and estimates.

Management's judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

(e) Provision for long service payments

The provision for long service payments is based on the best estimation of the probable future payments that have been earned by the employees from their services to the Group at each balance sheet date. Actuarial assumptions made in respect of discount rate and rate of future salary increase also determine the carrying amount of the provision for long service payments. Changes to these assumptions could have a significant risk of causing a material adjustment to the carrying amount in the consolidated balance sheet.

Other key assumptions for provision for long service payments are based in part on current market conditions. Additional information is disclosed in note 13.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

5. Revenue, other income and segment information

Turnover consists of revenue comprising the advertising income, circulation income, service income and enrolment income.

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

	2015 HK$'000	2014 HK$'000
Revenue		
Advertising income	636,951	590,855
Circulation income	112,717	115,860
Service income	358,339	344,296
Enrolment income	13,575	14,134
	1,121,582	1,065,145
Other income		
Rental income from investment properties	1,029	492
	1,029	492
Total revenue and other income	1,122,611	1,065,637

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.

5. Revenue, other income and segment information (Continued)

The Group has 4 reportable segments:

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

(b) 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.

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

(d) 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 by geographical basis for the relevant years is presented.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

5. Revenue, other income and segment information (Continued)

The segment results for the year ended 31 March 2015 are as follows:

	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE												
Revenue	805,179	766,638	255,868	244,046	44,249	41,987	22,948	20,829	–	–	1,128,244	1,073,500
Inter-segment transactions	(2,928)	(3,224)	(3,716)	(4,934)	(13)	(150)	(5)	(47)	–	–	(6,662)	(8,355)
Revenue – from external customers	802,251	763,414	252,152	239,112	44,236	41,837	22,943	20,782	–	–	1,121,582	1,065,145
RESULTS												
Profit/(loss) for the year	13,866	(11,052)	37,301	43,469	2,954	3,653	(7,597)	(6,648)	(51)	33	46,473	29,455

For the year ended 31 March 2015, revenue of approximately HK$83,435,000 (2014: HK$95,899,000) is derived from a single external customer. The revenue is attributable to the printed media segment.

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are HK$1,118,370,000 (2014: HK$1,059,972,000) and HK$3,212,000 (2014: HK$5,173,000), respectively. The Group's revenue by geographical location is determined by the respective places of domicile of the relevant group entities which include Hong Kong and the PRC.

The total non-current assets other than deferred income tax assets located in Hong Kong and other countries are HK$568,988,000 (2014: HK$514,257,000) and HK$228,000 (2014: HK$270,000), respectively.

6. Expenses by nature

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

	2015 HK$'000	2014 HK$'000
Crediting		
(Loss)/gain on disposal of property, plant and equipment (note 25)	(254)	21
Charging		
Cost of inventories sold or consumed in operation (note 17)	200,907	219,734
Auditors' remuneration	2,680	2,600
Bad debts written off	147	195
Property, plant and equipment written off (note 14)	–	14
Depreciation of property, plant and equipment and investment properties (notes 14 and 15)	58,574	56,235
Inventories written off	153	141
Operating lease rentals on land and buildings	24,207	22,020
Provision for impairment of trade receivables	572	21
Provision for obsolete inventories	498	508
Staff costs including Directors' and CEO's remuneration (note 7)	495,715	473,876

7. Staff costs including Directors' and CEO's remuneration

	2015 HK$'000	2014 HK$'000
Wages, salaries and bonuses	472,889	451,090
Unutilised leave pay	37	96
Pension costs – defined contribution plans (note a)	21,739	20,458
Long service payment (note 13)	1,050	2,232
Total including Directors' and CEO's remuneration	495,715	473,876

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

7. Staff costs including Directors' and CEO's remuneration (Continued)

(a) Pensions – defined contribution plans

Forfeited contributions of approximately HK$448,000 (2014: HK$397,000) for the year ended 31 March 2015 were utilised during the year leaving no forfeited contributions were available at the year end to reduce future contributions (2014: nil).

Contributions totalling approximately HK$2,643,000 (2014: HK$2,479,000) were payable to the MPF and another occupational retirement scheme at the year end.

(b) Directors' and CEO's remuneration

The remuneration of each Director and the CEO for the year ended 31 March 2015 is set out below:

	Salary HK$'000	Fees HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence (note (i))	3,319	–	387	166	3,872
Mr. MAK Ping Leung	3,637	–	424	182	4,243
Mr. CHAN Cho Biu	3,177	–	371	159	3,707
Mr. SHEK Kang Chuen	2,690	–	314	135	3,139
Ms. SEE Sau Mei Salome	2,962	–	345	148	3,455
Mr. CHAN Wa Pong	2,117	–	176	106	2,399
Non-executive Director					
Mr. CHU Yu Lun	–	161	–	–	161
Independent Non-executive Directors					
Mr. CHOW On Kiu	–	161	–	–	161
Professor LEUNG Gabriel Matthew	–	161	–	–	161
Mr. LO Foo Cheung	–	161	–	–	161
Mr. O'YANG Wiley	–	195	–	–	195
Total	17,902	839	2,017	896	21,654

7. Staff costs including Directors' and CEO's remuneration (Continued)

(b) Directors' and CEO's remuneration (Continued)

The remuneration of each Director and the CEO for the year ended 31 March 2014 is set out below:

	Salary HK$'000	Fees HK$'000	Discretionary bonuses HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence (note (i))	3,192	–	266	160	3,618
Mr. MAK Ping Leung	3,497	–	291	175	3,963
Mr. CHAN Cho Biu	3,055	–	255	153	3,463
Mr. SHEK Kang Chuen	2,587	–	216	129	2,932
Ms. SEE Sau Mei Salome	2,848	–	237	142	3,227
Mr. CHAN Wa Pong	2,035	–	169	102	2,306
Non-executive Director					
Mr. CHU Yu Lun	–	148	–	–	148
Independent Non-executive Directors					
Mr. CHOW On Kiu	–	148	–	–	148
Mr. KWAN Ka Ming (note (ii))	–	29	–	–	29
Professor LEUNG Gabriel Matthew (note (iii))	–	86	–	–	86
Mr. LO Foo Cheung	–	148	–	–	148
Mr. O'YANG Wiley (note (iv))	–	180	–	–	180
Total	17,214	739	1,434	861	20,248

Note (i): The Director is also the CEO, hence no separate disclosure in respect of the remuneration of the CEO has been made (2014: same).

Note (ii): Mr. Kwan Ka Ming was appointed as independent non-executive director of the Company on 31 December 2012 and subsequently resigned on 10 June 2013.

Note (iii): Professor Leung Gabriel Matthew was appointed as independent non-executive director of the Company on 1 September 2013.

Note (iv): Mr. O'Yang Wiley was appointed as independent non-executive director of the Company on 1 October 2012.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

7. Staff costs including Directors' and CEO's remuneration (Continued)

(b) Directors' and CEO's remuneration (Continued)

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 (2014: nil). No Directors waived or agreed to waive any remuneration during the year (2014: nil).

(c) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include five (2014: five) Executive Directors whose remuneration 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' and CEO's 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 and costs

	2015 HK$'000	2014 HK$'000
Finance income		
– Bank interest income	7,732	6,503
– Interest income from available-for-sale financial assets	–	834
	7,732	7,337
Finance costs		
– Interest expense on bank borrowings	(2,681)	(2,829)
Finance income – net	5,051	4,508

9. Income tax expense

	2015 HK$'000	2014 HK$'000
Current income tax		
Hong Kong profits tax	9,310	10,374
PRC enterprise income tax	135	180
(Over)/under-provisions in prior years	(35)	68
Total current income tax	9,410	10,622
Deferred income tax (note 16)	(1,217)	(5,039)
Income tax expense	8,193	5,583

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

(b) The PRC enterprise income tax

The PRC enterprise income tax is calculated at the rate of 25% (2014: 25%) on the profits for the PRC statutory financial reporting purposes, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purposes.

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9. Income tax expense (Continued)

(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:

	2015 HK$'000	2014 HK$'000
Profit before income tax	54,666	35,038
Calculated at tax rate of 16.5% (2014: 16.5%)	9,020	5,781
Effect of difference on tax rate arising from the PRC operations	79	91
(Over)/under-provisions in prior years	(35)	68
Income not subject to tax	(2,489)	(2,444)
Expenses not deductible for tax purposes	776	1,291
Utilisation of previously unrecognised deferred tax assets	(99)	(88)
Tax losses for which no deferred income tax assets were recognised	941	884
Income tax expense	8,193	5,583

10. Profit attributable to owners of the Company

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of HK$6,770,000 (2014: HK$6,854,000).

11. Earnings per share

The calculation of basic earnings per share for current year is based on the profit attributable to owners of the Company of HK$45,377,000 (2014: HK$28,138,000) and number of 431,600,000 (2014: 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 for the year ended 31 March 2015 (2014: same).

12. Dividends – Group and Company

	2015 HK$'000	2014 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 2.0 cents (2014: HK 1.0 cent) per ordinary share	8,632	4,316
Proposed final dividend of HK 6.0 cents (2014: HK 5.0 cents) per ordinary share	25,896	21,580
	34,528	25,896
Dividends paid during the year	30,212	25,896

A final dividend in respect of the year ended 31 March 2015 of HK 6.0 cents per ordinary share, amounting to a total dividend of HK$25,896,000, is to be proposed at the annual general meeting on 6 August 2015. 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 2015 and 2014 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

13. Other non-current liabilities – Group

	2015 HK$'000	2014 HK$'000
Long service payment provision	9,663	9,449

Long service payment provision represented the long service payment obligations and respective actuarial (gains)/losses for its employees in Hong Kong.

Notes to the Consolidated Financial Statements

Year ended 31 March 2015

13. Other non-current liabilities – Group (Continued)

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the consolidated income statement (note 7) so as to spread the regular costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Mercer, an independent qualified actuary, and the pension costs are charged to the consolidated income statement in accordance with its advice.

The amounts recognised in the consolidated balance sheet are determined as follows:

	2015 HK$'000	2014 HK$'000
Present value of the long service payment provision	9,663	9,449

Movements in the present value of the long service payment provision are as follows:

	2015 HK$'000	2014 HK$'000
At beginning of the year	9,449	16,607
Current service costs	828	2,021
Interest cost	222	211
Actual benefits paid	(159)	(243)
Remeasurement of long service payment provision	(677)	(9,147)
At end of the year	9,663	9,449

The amounts recognised in the consolidated income statement are as follows:

	2015 HK$'000	2014 HK$'000
Current service costs	828	2,021
Interest cost	222	211
Total expenses recognised in the consolidated income statement	1,050	2,232

13. Other non-current liabilities – Group (Continued)

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	2015 HK$'000	2014 HK$'000
Cumulative amount of remeasurement of long service payment provision at the beginning of the year	(656)	8,491
Remeasurement for the year	(677)	(9,147)
At end of the year	(1,333)	(656)

The principal actuarial parameters used are as follows:

	2015	2014
Discount rate	1.70%	2.40%
Expected inflation rate	5.00%	4.00%

The sensitivity of the defined benefit obligation to changes in significant parameters is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease 2.20%	Increase 1.20%
Expected inflation rate	0.50%	Increase 5.50%	Decrease 4.50%

The above sensitivity analyses are based on a change in an assumption while holding all other parameters constant. In practises, it is unlikely to occur, and changes in some of the parameters may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial parameters the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the balance sheet date) has been applied as when calculating the pension liability recognised within the balance sheet.

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14. Property, plant and equipment – Group

	Leasehold land and 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	Machinery under installation HK$'000	Total HK$'000
At 1 April 2013								
Cost	204,764	45,615	311,748	132,093	2,452	49,191	128,903	874,766
Accumulated depreciation	(28,451)	(29,154)	(134,645)	(106,482)	(1,094)	(40,253)	–	(340,079)
Net book value at 1 April 2013	176,313	16,461	177,103	25,611	1,358	8,938	128,903	534,687
Net book value at 1 April 2013	176,313	16,461	177,103	25,611	1,358	8,938	128,903	534,687
Additions	–	2,129	1,776	8,213	750	3,496	–	16,364
Transfer	–	2,908	125,995	–	–	–	(128,903)	–
Transfer from investment properties	8,509	–	–	–	–	–	–	8,509
Depreciation	(3,321)	(4,931)	(33,413)	(9,789)	(466)	(4,227)	–	(56,147)
Write-off	–	–	–	(14)	–	–	–	(14)
Disposals	–	(34)	(988)	–	(252)	–	–	(1,274)
Net book value at 31 March 2014	181,501	16,533	270,473	24,021	1,390	8,207	–	502,125
At 31 March 2014								
Cost	213,410	50,582	437,913	140,069	2,482	52,315	–	896,771
Accumulated depreciation	(31,909)	(34,049)	(167,440)	(116,048)	(1,092)	(44,108)	–	(394,646)
Net book value at 31 March 2014	181,501	16,533	270,473	24,021	1,390	8,207	–	502,125
Net book value at 1 April 2014	181,501	16,533	270,473	24,021	1,390	8,207	–	502,125
Additions	14,831	7,678	4,133	7,054	194	19,066	–	52,956
Depreciation	(3,439)	(5,668)	(33,705)	(9,514)	(464)	(5,455)	–	(58,245)
Disposals	–	–	(351)	(116)	(72)	–	–	(539)
Net book value at 31 March 2015	192,893	18,543	240,550	21,445	1,048	21,818	–	496,297
At 31 March 2015								
Cost	228,240	58,260	441,380	146,503	2,458	71,213	–	948,054
Accumulated depreciation	(35,347)	(39,717)	(200,830)	(125,058)	(1,410)	(49,395)	–	(451,757)
Net book value at 31 March 2015	192,893	18,543	240,550	21,445	1,048	21,818	–	496,297

At 31 March, leasehold land held under finance leases and their net book value are analysed as follows:

	2015 HK$'000	2014 HK$'000
In Hong Kong, held on:		
Leases of over 50 years	87,597	77,463
Leases of between 10 and 50 years	37,872	38,502
	125,469	115,965

Bank borrowings are secured on leasehold improvements and plant and machinery with total net book value of approximately HK$5,202,000 (2014: HK$7,093,000) and HK$128,336,000 (2014: HK$138,375,000), respectively (note 21).

15. Investment properties – Group

	Total HK$'000
At 1 April 2013	
Cost	21,172
Accumulated depreciation	(173)
Net book value at 1 April 2013	20,999
Addition	–
Transfer to property, plant and equipment	(8,509)
Depreciation	(88)
Net book value at 31 March 2014	12,402
At 31 March 2014	
Cost	12,526
Accumulated depreciation	(124)
Net book value at 31 March 2014	12,402
In Hong Kong, held on:	
Leases of over 50 years	12,402
Net book value at 1 April 2014	12,402
Addition	60,846
Depreciation	(329)
Net book value at 31 March 2015	72,919
At 31 March 2015	
Cost	73,372
Accumulated depreciation	(453)
Net book value at 31 March 2015	72,919
In Hong Kong, held on:	
Leases of over 50 years	72,919

Bank borrowings are secured on investment properties with total net book value of approximately HK$60,605,000 (2014: nil).

The fair values of investment properties as at 31 March 2015 are approximately HK$73,250,000 (2014: HK$13,250,000) as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

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15. Investment properties – Group (Continued)

The following table analyses the investment properties carried at fair value, by valuation method.

	Fair value measurements at 31 March 2015 using			
Description	Quoted prices in active markets for identical assets (Level 1) HK$'000	Significant other observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurements				
Investment properties:				
Office buildings – Hong Kong	–	–	73,250	73,250

There were no transfers between Levels 1, 2 and 3 during the year.

Valuation techniques

Fair values of the office buildings are based on the market value of the property interests. The market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

There were no changes to the valuation techniques during the year.

16. Deferred income tax – Group

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

	2015 HK$'000	2014 HK$'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	22,203	20,107
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(31,951)	(31,072)
	(9,748)	(10,965)

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$'000	Fair value gain HK$'000	Total HK$'000
At 1 April 2013	35,915	8,551	44,466
Recognised in the consolidated income statement	(854)	(838)	(1,692)
At 31 March 2014	35,061	7,713	42,774
Recognised in the consolidated income statement	2,875	(774)	2,101
At 31 March 2015	37,936	6,939	44,875

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16. Deferred income tax – Group (Continued)

Deferred income tax assets

	Provisions HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2013	(403)	(28,059)	(28,462)
Recognised in the consolidated income statement	10	(3,357)	(3,347)
At 31 March 2014	(393)	(31,416)	(31,809)
Recognised in the consolidated income statement	(69)	(3,249)	(3,318)
At 31 March 2015	(462)	(34,665)	(35,127)

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 approximately HK$10,624,000 (2014: HK$10,164,000) in respect of tax losses amounting to HK$64,388,000 (2014: HK$60,620,000) that can be carried forward against future taxable income. The tax losses of HK$64,388,000 (2014:HK$58,715,000) solely arose from Hong Kong subsidiaries which have no expiry date and the tax losses of PRC subsidiaries amounting to HK$1,905,000 has been expired in 2014.

17. Inventories – Group

	2015 HK$'000	2014 HK$'000
Raw materials	29,623	33,271
Work in progress	648	434
Finished goods	8,669	8,044
Less: provision for obsolete inventories	(5,151)	(4,653)
	33,789	37,096

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$200,907,000 (2014: HK$219,734,000).

18. Trade receivables – Group

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

	2015 HK$'000	2014 HK$'000
0 to 30 days	126,812	137,167
31 to 60 days	29,222	27,567
61 to 90 days	20,907	20,888
Over 90 days	40,636	36,955
Trade receivables, gross	217,577	222,577
Less: provision for impairment of trade receivables	(3,681)	(3,141)
	213,896	219,436

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$79,191,000 (2014: HK$83,479,000). 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 the ageing analysis of trade receivables that are past due as at the balance sheet date but not impaired:

	2015 HK$'000	2014 HK$'000
1 to 30 days	47,621	53,688
31 to 60 days	29,222	27,567
61 to 90 days	20,907	20,888
Over 90 days	36,955	33,814
	134,705	135,957

Trade receivables past due but not impaired relate to a number of independent debtors for whom there is no significant financial difficulty and based on experience, the overdue amounts can be recovered.

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18. Trade receivables – Group (Continued)

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

	2015 HK$'000	2014 HK$'000
At beginning of the year	3,141	3,120
Provision made for impairment	572	21
Amounts written off as uncollectible	(32)	–
At end of the year	3,681	3,141

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

The maximum exposure to credit risk at the balance sheet date is the carrying value of trade receivables mentioned above. The Group does not hold any collateral as security.

19. Cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits – Group and Company

	Group		Company	
	2015	2014	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000
Cash at banks and on hand	102,571	79,387	1,158	1,255
Term deposits with original maturities of less than three months	33,684	92,980	20,000	30,000
Cash and cash equivalents	136,255	172,367	21,158	31,255
Pledged deposits with original maturity of over three months	3,320	–	–	–
Term deposits with original maturities of over three months	223,348	198,613	–	–
Total	362,923	370,980	21,158	31,255
Maximum exposure to credit risk	362,489	370,631	21,155	31,253
Denominated in:				
– HK dollars	142,130	158,234	21,158	31,255
– RMB	220,216	211,946	–	–
– Other currencies	577	800	–	–
	362,923	370,980	21,158	31,255

The pledged deposits were mainly used to secure banking facility for the printing contract entered into by the Group in the year ended 31 March 2015.

The Group's weighted effective interest rate on term deposits was 2.33% (2014: 1.52%) per annum with an average maturity of 310 (2014: 247) days, while the Company's weighted effective interest rate on term deposits was 0.63% (2014: 0.72%) per annum with an average maturity of 63 (2014: 10) days.

The Group's bank balances and cash of approximately HK$19,396,000 (2014: HK$17,310,000) as at 31 March 2015 were denominated in RMB and kept with banks in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

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20. Trade payables – Group

The ageing analysis of trade payables is as follows:

	2015 HK$'000	2014 HK$'000
0 to 30 days	35,591	34,738
31 to 60 days	1,863	1,772
61 to 90 days	195	559
Over 90 days	1,326	1,057
	38,975	38,126

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

21. Bank borrowings – Group

	2015 HK$'000	2014 HK$'000
Non-current		
Bank borrowings	81,937	81,857
Current		
Bank borrowings	38,306	29,504
Total	120,243	111,361

Movements in bank borrowings are analysed as follows:

	2015 HK$'000	2014 HK$'000
At beginning of the year	111,361	114,893
Proceeds from bank borrowings	40,400	23,100
Repayment of bank borrowings	(31,518)	(26,632)
At end of the year	120,243	111,361

21. Bank borrowings – Group (Continued)

Bank borrowings were repayable as follows:

	2015 HK$'000	2014 HK$'000
Within one year	38,306	29,504
Between one and two years	39,070	30,232
Between two and five years	42,867	51,625
Wholly repayable within five years	120,243	111,361

The carrying amounts of the floating rate bank borrowings are denominated in HK dollars and are secured by leasehold improvements, plant and machinery and investment properties of the Group (notes 14 and 15).

The bank borrowings are exposed to interest rate changes and the contractual repricing dates are 6 months or less at the balance sheet date. The effective interest rate of the bank borrowings at the balance sheet date was 2.23% (2014: 2.46%) per annum.

The fair values of the non-current bank borrowings are estimated using discounted cash flow calculations based on the borrowing rate of 2.34% (2014: 2.46%). The carrying amounts of current bank borrowings approximate their fair values, as the impact of discounting is not significant.

22. Share capital – Group and Company

	2015 HK$'000	2014 HK$'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

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23. Reserves – Group and Company

(a) Group

The movement in the Group's reserves for the year ended 31 March 2015 is presented in the consolidated statement of changes in equity on page 41.

(b) Company

	Share premium HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2013	269,808	6,120	25,987	301,915
Profit for the year	–	–	6,854	6,854
Final dividend for the year ended 31 March 2013	–	–	(21,580)	(21,580)
Interim dividend for the year ended 31 March 2014	–	–	(4,316)	(4,316)
At 31 March 2014	269,808	6,120	6,945	282,873
At 1 April 2014	269,808	6,120	6,945	282,873
Profit for the year	–	–	6,770	6,770
Final dividend for the year ended 31 March 2014	(21,580)	–	–	(21,580)
Interim dividend for the year ended 31 March 2015	–	–	(8,632)	(8,632)
At 31 March 2015	248,228	6,120	5,083	259,431

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

	Note	2015 HK$'000	2014 HK$'000
Investments in unlisted shares, at cost	(a)	178,627	178,627
Amounts due from subsidiaries	(b)	629,369	618,658
Amounts due to subsidiaries	(b)	(525,872)	(501,438)

(a) Particulars of the Company's principal subsidiaries at 31 March 2015 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%@
Apex Print Limited	Hong Kong	Provision of periodicals and magazines printing services in Hong Kong	Ordinary HK$75,000,000	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%
Culturecom Printing House Limited	Hong Kong	Property holding in Hong Kong	Ordinary HK$1,000 and non-voting deferred shares HK$800,000	100%

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24. Investments in and amounts due from/(to) subsidiaries – Company (Continued)
(a) Particulars of the Company's principal subsidiaries at 31 March 2015 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
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%
ETVision Multimedia Limited	Hong Kong	Provision of multimedia production services in Hong Kong	Ordinary HK$100	100%

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

(a) Particulars of the Company's principal subsidiaries at 31 March 2015 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
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 newspapers, 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. The balances mainly arose from funding from/to the subsidiaries. The carrying amounts of amounts due from/(to) subsidiaries approximate their fair values and are denominated in HK dollars.

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25. Cash generated from operations – Group

	2015 HK$'000	2014 HK$'000
Profit before income tax	54,666	35,038
Adjustments for:		
– Depreciation of property, plant and equipment and investment properties (note 6)	58,574	56,235
– Loss/(gain) on disposal of property, plant and equipment (see below)	254	(21)
– Reclassification of revaluation reserve upon maturity of available-for-sale financial assets	–	(1,002)
– Finance income (note 8)	(7,732)	(7,337)
– Finance costs (note 8)	2,681	2,829
– Bad debts written off (note 6)	147	195
– Property, plant and equipment written off (note 6)	–	14
– Inventories written off (note 6)	153	141
– Provision for impairment of trade receivables (note 6)	572	21
– Provision for obsolete inventories (note 6)	498	508
– Provision for long service payment	1,050	2,232
Changes in working capital:		
– Decrease/(increase) in inventories	2,656	(2,827)
– Decrease/(increase) in trade receivables and deposits, prepayments and other receivables	985	(22,191)
– Increase/(decrease) in trade payables, fees in advance and accruals, other payables and provisions	20,689	(5,166)
Cash generated from operations	135,193	58,669

25. Cash generated from operations – Group (Continued)

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

	2015 HK$'000	2014 HK$'000
Net book amount (note 14)	539	1,274
(Loss)/gain on disposal of property, plant and equipment (note 6)	(254)	21
Proceeds from disposal of property, plant and equipment	285	1,295

Non-cash transactions

The principal non-cash transaction as at 31 March 2015 is the payable for acquisition of property, plant and equipment of approximately HK$2,031,000 (2014: HK$949,000).

26. Commitments – Group and Company

(a) Group

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

	2015 HK$'000	2014 HK$'000
Property, plant and equipment		
– contracted but not yet provided for	283	13,508
– authorised but not yet contracted for	511	560
	794	14,068

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26. Commitments – Group and Company (Continued)

(a) Group (Continued)

(ii) Commitments under operating leases

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

	2015 HK$'000	2014 HK$'000
Not later than one year	24,864	12,035
Later than one year and not later than five years	2,347	10,762
	27,211	22,797

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

	2015 HK$'000	2014 HK$'000
Not later than one year	1,882	–
Later than one year and not later than five years	2,013	–
	3,895	–

(b) Company

The Company had no capital and operating lease commitment as at 31 March 2015 (2014: nil).

27. Related party transactions – Group

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

		2015 HK$'000	2014 HK$'000
(a)	**Service income** (note (i))		
	– Roctec Credit Limited	346	406
	– Roctec International Limited	18	20
	– Roctec Securities Company Limited	171	186
		535	612
(b)	**Rental expenses on leased property** (note (i))		
	– Roctec Systems Limited	979	804
(c)	**Purchase of hardware** (note (i))		
	– Roctec Technology Limited	392	843
(d)	**Consultant royalty expenses** (note (i))		
	– Wayca Development Limited and Blessing Farm Limited	58	88
(e)	**Remuneration of contributor** (note (i))		
	– Mak Ping Leung, a Director of the Company	40	40
	– Wayca Development Limited and Blessing Farm Limited	288	148
		328	188

(f) **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.

Note (i):

These transactions are carried out at a rate mutually-agreed between the parties involved in the transactions. The terms of these transactions are no more favourable than those dealt with third parties.

Notes to the Consolidated Financial Statements
Year ended 31 March 2015

27. Related party transactions – Group (Continued)

Roctec Credit Limited is beneficially owned by Mr. CHU Yu Lun, the substantial shareholder and a Director of the Company.

Roctec International Limited, 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.

Mr. FUNG Siu Por, Lawrence is a Director and a shareholder of Roctec Technology Limited. Mr. CHU Yu Lun is a shareholder of Roctec Technology Limited.

Wayca Development Limited and Blessing Farm Limited are beneficially owned by Mr. SHEK Kang Chuen, the beneficial shareholder and a Director of the Company.

Five-year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2015	2014	2013	2012	2011
Operating Results					
Revenue	1,122	1,065	1,033	1,006	952
Gross profit	399	363	321	387	455
Operating profit	49	31	56	94	179
Finance income/(costs) – net	5	4	(0)	4	4
Profit before income tax	54	35	56	98	183
Income tax (expense)/credit	(8)	(6)	8	(15)	(25)
Profit for the year	46	29	64	83	158
Attributable to					
– equity holders of the Company	45	28	63	81	157
– non-controlling interests	1	1	1	2	1
	46	29	64	83	158
Earnings per share (in HK Cents)	10.51	6.52	14.50	18.95	36.34
Assets and Liabilities					
Non-current assets	591	535	573	565	339
Current assets	650	661	626	511	688
Total assets	1,241	1,196	1,199	1,076	1,027
Bank borrowings	(120)	(111)	(115)	–	–
Other liabilities	(293)	(274)	(285)	(312)	(249)
Total liabilities	(413)	(385)	(400)	(312)	(249)
Net assets	828	811	799	764	778
Equity holders' fund	819	803	792	757	772
Non-controlling interests	9	8	7	7	6
Total equity	828	811	799	764	778

Five-year Financial Summary

	Year ended 31 March				
	2015	2014	2013	2012	2011
Key Financial Ratio					
Gross profit margin	35.6%	34.1%	31.1%	38.5%	47.8%
Operating profit margin	4.4%	2.9%	5.4%	9.4%	18.8%
Net profit margin	4.1%	2.8%	6.2%	8.3%	16.6%
Gearing ratio	9.7%	9.3%	9.6%	–	–
Current ratio	2.24 times	2.52 times	2.40 times	2.00 times	3.10 times
Quick ratio	2.12 times	2.38 times	2.27 times	1.80 times	3.01 times