Hong Kong Economic Times Holdings Limited

Annual Report

2015/2016

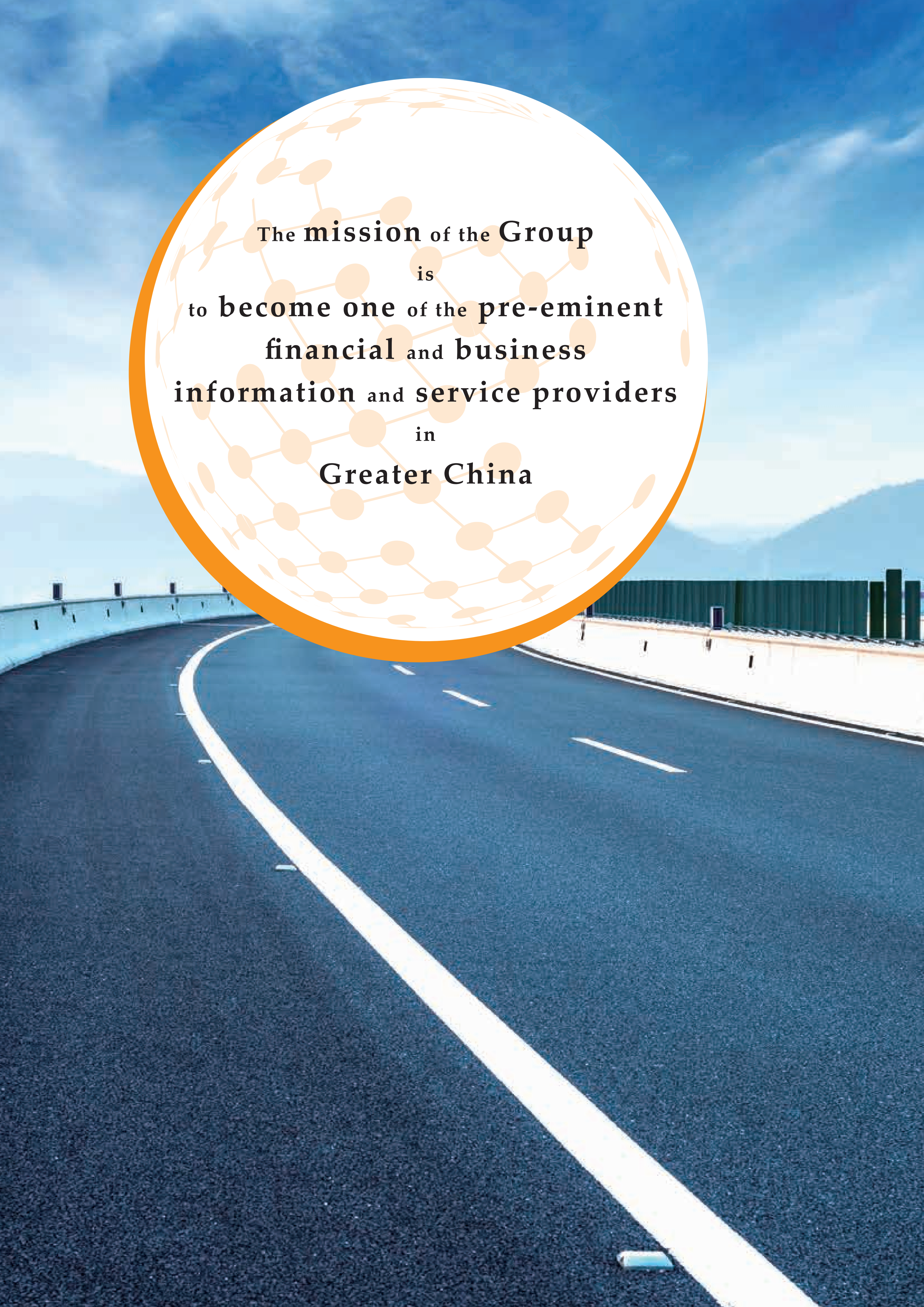
Printed Media

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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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

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

Ms. Wong Ching *CPA, ACS, ACIS*

Qualified Accountant

Ms. Chan Kit Man Fanny *FCPA*

Authorised Representatives

Mr. Fung Siu Por, Lawrence

Ms. Wong Ching

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

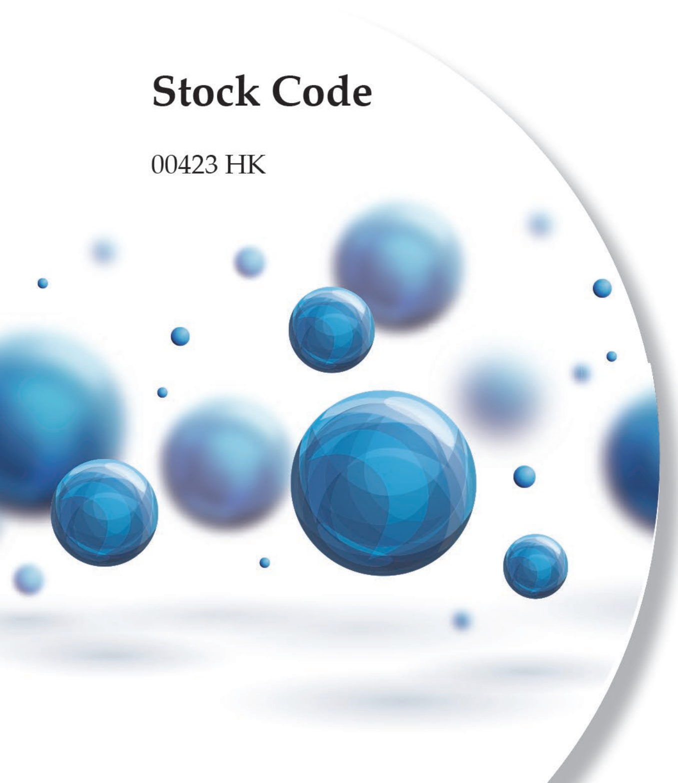
www.hketgroup.com

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

1 August 2016 to 4 August 2016

(for attending Annual General Meeting)

15 August 2016 to 17 August 2016

(for final dividend entitlement)

Annual General Meeting

4 August 2016

Proposed Payment of Final Dividend

30 September 2016

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

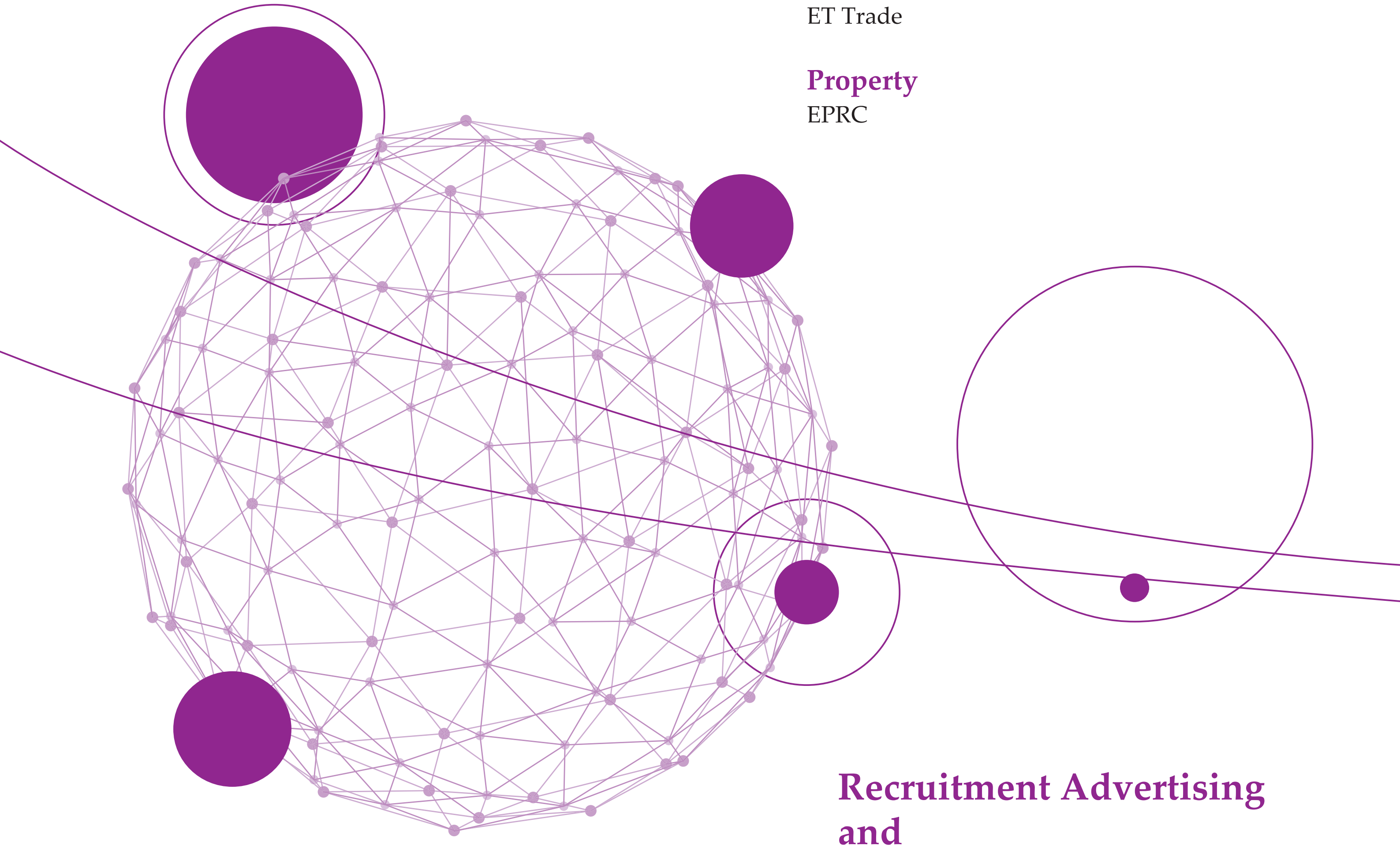
Financial News Agency, Information and Solutions

Finance

ET Net
ET Wealth
ET Trade

Property

EPRC



Recruitment Advertising and Training

Recruitment Advertising

CTgoodjobs.hk

Training

ET Business College

Lifestyle Portals

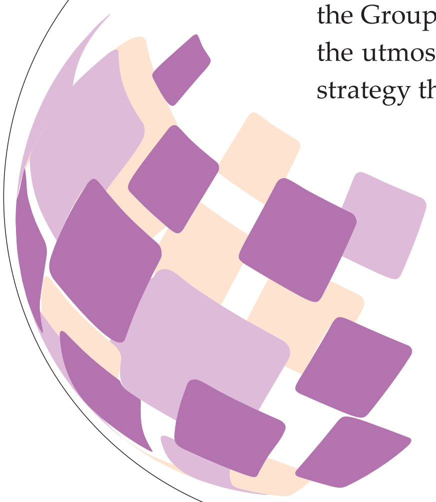
Health Smart
U Lifestyle
- U Travel
- U HK
- U Beauty
- U Food

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 and the retail investors community at large, 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:

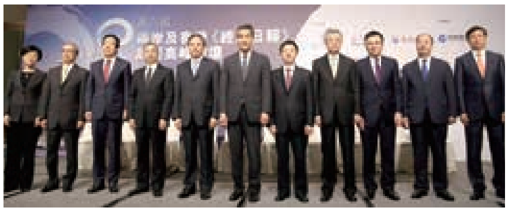


- **Finance**
- **Property**
- **Human Resources**
- **Education**
- **Lifestyle**

The Leading Edges

With extensive market network and thorough understanding of our readers, the Group consistently provides content and services of high quality which matches its strong brand. In this financial year, members of the Group took part in a number of remarkable events, which again elaborated strengths of the Group.

The annual Economic and Financial Forum



Hong Kong Economic Times, *Economic Daily* of China and *Economic Daily News* of Taiwan jointly organized their sixth titled Economic and Financial Forum in April 2016. 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.

U Magazine Travel Awards

"U Magazine Travel Awards" is the most comprehensive and the largest scale travel competition in Hong Kong. It rewards and celebrates excellence across all sectors of the travel and tourism industry.

CTgoodjobs HR Congress

"HR Congress 2015" organized by the ctgoodjobs.hk, the recruitment portal, attracted over 1,000 HR professionals to attend. This annual congress was first held in 2012.

Forward Thinking

With proliferation of diverse media, interactive content and ever-changing needs of customers under this fast-moving market environment, the Group reacts fast to continuously develop and enhance our reading platforms and digital applications 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

U Magazine and ET Net won in Media Convergence Awards 2015

- Weekly Magazine Category (Website) – Bronze Award (*U Magazine*)
- 10 Favourite Facebook Fan Pages (*U Magazine*)
- 10 Favourite Media Website (ET Net)

HKET won in Hong Kong Jun-zi Corporation Award 2015

U Magazine, *e-zone* and *iMoney* won in Magazine of the Year 2015

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

HKET won in Newspaper of the Year 2015

- 3rd in "Newspaper of the Year"

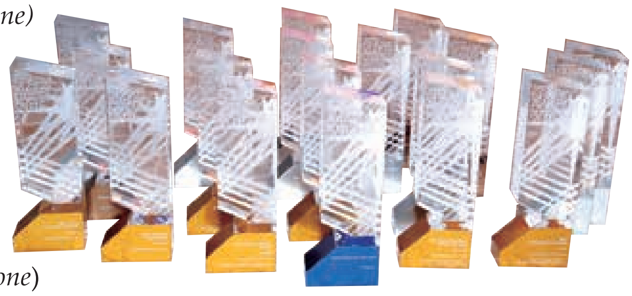
hket.com and *e-zone* won in Digital Media of the Year 2015

- 1st in "Local Business & Finance" (hket.com)
- 3rd in "Consumer Electronics" *(e-zone)*

HKET won in Consumer Rights Reporting Awards 2015

- Bronze Award in "News"

U Magazine, *Sky Post*, *e-zone* and *Property Times* won in Spark Awards 2015



- Media Brand of the Year *(U Magazine)*
- Most Improved Media Owner – Gold *(Sky Post)* and Silver *(e-zone)*
- Best Programme Promotion – Gold *(U Magazine)*
- Best Online Community Platform – Gold *(U Magazine)*
- Best Sponsorship Campaign – Gold *(e-zone)*
- Best Use of Content – Silver *(U Magazine* and *e-zone)*
- Best Content Team – Silver *(U Magazine)*
- Best Engagement Strategy – Silver *(U Magazine)*
- Best Partnership Strategy – Silver *(U Magazine)* and Bronze *(e-zone)*
- Best Event – Silver *(Property Times)*
- Best Custom Event – Bronze *(Sky Post)*
- Best Acquisition Strategy – Bronze *(Sky Post)*
- Best Media Campaign – Digital – Gold *(Sky Post)*
- Best Media Campaign – Integrated Media – Gold *(Sky Post)*
- Best Media Campaign – Social Media – Gold *(U Magazine)*
- Best Media Campaign – Print – Bronze *(Sky Post)*

Chairman's Statement

Dear Shareholders,

The global economy remains sluggish and has currently experienced the slowest growth since the global financial crisis in 2008. The highly volatile global financial conditions, sharp decline in commodity prices, weak trade demand and the challenging economic condition in Mainland, all lead to a difficult operating environment for general businesses in Hong Kong.

The poor market sentiment has accelerated the transformation of the media industry, with more advertising spending shifting from print to digital. Under such challenging environment, the Group has continued to make reasonable progress on our strategic objectives and recorded growth for the financial year under review. Revenue increased moderately from HK$1,122 million to HK$1,176 million, a rise of 5%. Profit attributable to shareholders rose by 27%, from HK$45 million to HK$57 million. The revenue growth was mainly contributed by *Sky Post*, the Group's Chinese free daily and the Group's financial news agency, information and solutions businesses. The Board also recommends the payment of a final dividend of HK7.0 cents per share for the financial year ended 31 March 2016.

Against this backdrop, the performance of the Group's paid daily, *Hong Kong Economic Times*, our flagship newspaper, being ranked as number one in media creditability among all Chinese newspapers in Hong Kong, and the paid weeklies, *U Magazine*, *e-zone* and *iMoney*, were stable and able to preserve their advertising income and contributed positively to the Group for the financial year under review. *Sky Post*, targeting the mass young middle-class audience and the second largest circulation newspaper in Hong Kong, positions itself as a positive thinking, objective and energetic middle-class free daily makes good progress and continues its growth momentum in both readership figures and advertising volume. Thanks to our dedicated editorial teams and business teams, all our publications have received ongoing support from our target readers and advertisers.

The financial news agency, information and solutions segment, as the major profit contributor to the Group for the financial year under review, registered a remarkable growth of revenue and profit by 22% and 38% respectively, a record high since its establishment. This demonstrated the success of the Group's business diversification strategy and its continued effort to provide premium quality products to our customers. As the leading market players, ET Net, ET Trade and EPRC, the business units under this segment, offer a full stream of products and services to the financial and property industries respectively. ET Net's real-time financial terminals, equities content licensing services to banks and financial institutions, as well as ET Net's website and mobile products have all become the major growth engines. The high product quality, excellent product and servicing team, state-of-art technological infrastructure and extensive industry domain knowledge have won the trust of customers and secure a strong leading position in the market.

Digital innovation has become the big buzzwords in the marketing industry today. Advertisers are increasingly accepting the validity and persuasiveness of advertising on digital platforms. Online media, especially mobile platforms, will be perceived as the main driver of revenue growth in the coming years. Our investments in various digital platforms, including recruitment, finance and lifestyle, begin to contribute to the growth of the Group and will become the drivers in the medium and longer term. The Group will continue to increase its presence in the digital landscape across all of its business segments.

Economic challenges will persist in the coming years. In the absence of a strong recovery from the demand side, global economy is likely to remain sub-par for an extended period. An uneven recovery, wide divergence in monetary policies, fast flow of hot funds and the heightened geopolitical tensions will continue to create ongoing challenges and downside risks. Mainland's economy, under a structural transition towards services and local consumption, is moving towards a lower but more sustainable growth path under the National 13th Five-Year Plan. The further opening-up of Mainland's services and financial markets, internationalization of the Renminbi, and the "One Belt, One Road" strategy shall hopefully bring ample opportunities for Hong Kong's long term economic progress.

While the economic outlook remains unclear, we shall take a cautious and prudent approach in cost management and take effective steps to further streamline our cost structure and improve operational efficiency. The Group is in a strong cash flow position with a cash balance of around HK$370 million as at 31 March 2016, and we are well placed to ride through the cyclical swings and capitalize on the opportunities ahead. All indications point towards a challenging year to come, but we are confident that we will weather these changes as we build for the future.

Our good performance 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 and invaluable support, to our diligent and dedicated management team and staff at every level for their hard work, commitment, professionalism and inspirational teamwork. I am convinced that these qualities will continue to drive the Group forward 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, 20 June 2016

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 66, 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 and computer technology 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 66, 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 40 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, a member of Hong Kong Tourism Board 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 59, 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 30 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 68, 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 53, 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.

Board of Directors

Non-executive Director

Mr. CHU Yu Lun, aged 65, 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 Chairman 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 65, 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 Deputy 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 43, was appointed as an Independent Non-executive Director in 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 66, 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 53, was appointed as an Independent Non-executive Director in 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 Head of Investment Banking of CMBC International Holdings Limited ("CMBC"), a subsidiary of China Minseng Banking Corporation Limited. He has more than 26 years of experience in the accounting, finance and legal fields. Prior to joining CMBC, Mr. O'Yang worked for various international investment banks, including Kim Eng Securities (Hong Kong) Limited, a wholly-owned subsidiary of Malayan Banking Berhad, 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 2016, the Board comprised ten 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

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)	3/4				1/1
Chan Cho Biu	4/4				1/1
Shek Kang Chuen	4/4				1/1
See Sau Mei Salome	3/4				1/1
Chan Wa Pong	1/1				1/1
Non-executive Director:					
Chu Yu Lun	4/4	2/2	1/1		0/1
Independent Non-executive Directors:					
Chow On Kiu	2/4			1/1	0/1
Leung Gabriel Matthew	2/4		1/1	1/1	0/1
Lo Foo Cheung	4/4	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 2016, 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 2016, the Audit Committee met twice with the presence of all members. The Company's Chief Financial Officer and External Auditor were invited to attend the meetings. The Committee has reviewed the annual report for the financial year ended 31 March 2015, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2015. 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 2016, 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 2016 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.

The Nomination Committee met once during the financial year ended 31 March 2016 with the presence of all members to review the size, structure and composition of the Board and made its recommendations to the Board on the re-appointment of Directors (not less than one-third of the Board) who are subject to retirement by rotation and eligible for re-election at the forthcoming annual general meeting.

Remuneration of Directors

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

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

Securities Transactions of Directors

The Company confirmed the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). All Directors confirmed their compliance with the required standard set out in the Model Code regarding directors' securities transactions throughout the financial year ended 31 March 2016.

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 2016, 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$2,720,000 in relation to the interim review and audit services provided by PricewaterhouseCoopers for the financial year 2015/16, which was approved by the Audit Committee and the Board. A fee of HK$278,000 was also paid or payable to PricewaterhouseCoopers for other services.

PricewaterhouseCoopers will retire and offer themselves for re-appointment at the annual general meeting of the Company to be held on 4 August 2016.

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 2016, 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.

Shareholders 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 2016, 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 2016 HK$'000	2015 HK$'000	% Change
Revenue	**1,176,087**	**1,121,582**	**5%**
Cost of sales	(747,227)	(722,515)	3%
Gross profit	428,860	399,067	7%
Gross profit margin	**36.5%**	**35.6%**	
Selling and distribution expenses	(171,660)	(168,282)	2%
General and administrative expenses	(194,765)	(182,199)	7%
Other income	2,531	1,029	146%
Operating profit	64,966	49,615	31%
Finance income – net	6,229	5,051	23%
Profit before income tax	71,195	54,666	30%
Income tax expense	(12,061)	(8,193)	47%
Profit for the year	**59,134**	**46,473**	**27%**
Non-controlling interests	(1,652)	(1,096)	51%
Profit attributable to owners	**57,482**	**45,377**	27%
Net profit margin	**5.0%**	**4.1%**	

General

The Group's revenue for the financial year ended 31 March 2016 increased to HK$1,176.1 million, an increase of HK$54.5 million or 5% over the preceding financial year. Profit attributable to owners increased by 27% from HK$45.4 million to HK$57.5 million.

Management Discussion and Analysis

Revenue

	Year ended 31 March 2016 HK$'000	2015 HK$'000	% Change
Revenue:			
Advertising income	639,103	636,951	0%
Circulation income	108,941	112,717	-3%
Service income	412,375	358,339	15%
Enrolment income	15,668	13,575	15%
Total	1,176,087	1,121,582	5%

Advertising income for the year ended 31 March 2016 recorded HK$639.1 million, similar to the amount for the year ended 31 March 2015. The paradigm shift of promotion platform from print to digital focus, exacerbated by the slowdown in retail market and stock market particularly in the second half of current financial year, led to an adverse business environment for media players. The Group, however, was able to preserve and retain its core income category. *Hong Kong Economic Times*, with niche positioning in finance and property markets, recorded a slight drop in advertising revenue. *Sky Post*, the Group's free Chinese daily, continued its growth momentum in both readership figure and advertising volume. *U Magazine*, *e-zone* and *iMoney*, the Group's paid weeklies, were able to maintain the advertising income albeit the shrinking market trend. Advertising income from the Group's various portals, including recruitment, finance and lifestyle portals, registered double digit growth for the year ended 31 March 2016, an encouraging result for the Group's effort placed in digital businesses.

Circulation income recorded a moderate decrease of 3% from HK$112.7 million in the year ended 31 March 2015 to HK$108.9 million for the financial year under review. The trend of readers shifting to online platforms and free content continued. The Group's paid publications were able to contain the decline through editorial teams' insistence on credible and quality content.

Service income for the year ended 31 March 2016 increased significantly from HK$358.3 million recorded in preceding year to HK$412.4 million, an increase of 15%. The increase was mainly contributed by the increase of stock market transaction volume in the first half of current financial year and the full year effect from the launch of new products and projects of the financial news agency, information and solutions businesses, including the launch of real-time financial information services to support Shanghai Hong Kong Stock Connect and the new generation of trading systems in replacement of Hong Kong Stock Exchange's old trading systems.

Operating Costs

Gross profit margin for the year ended 31 March 2016 improved further by 0.9 percentage point to 36.5% from 35.6% for the year ended 31 March 2015. The increase in gross profit margin was mainly due to the improved top line performance.

Staff costs, representing approximately 47% of the Group's total operating costs, increased by 5% as compared to the year ended 31 March 2015. The increase was mainly due to general salary increment in line with the employment market.

Newsprint costs, constituting around 9% of the Group's total operating costs, decreased by 13% when compared to the year ended 31 March 2015. The decrease was mainly a result of material decrease in newsprint price during the year under review. Consumption volume increased slightly when compared to last financial year which was in line with the increase in number of advertising pages of *Sky Post*.

Income Tax Expense

The effective tax rates of the Group for the financial years ended 31 March 2016 and 2015 were 16.9% and 15.0% 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$57.5 million, an increase of HK$12.1 million or 27% as compared to HK$45.4 million recorded for the year ended 31 March 2015. Net profit margin increased by 0.9 percentage point to 5.0% for the current financial year.

Printed media segment recorded a decline in revenue and profit for the year under review. The Group's publications, both paid and free, would continue to preserve our existing revenue and broaden our customer and income bases by strengthening our competitive advantages and fostering readers' and customers' loyalty.

Financial news agency, information and solutions segment was the largest profit contributor to the Group for the year under review, recorded remarkable growth of revenue and profit by 22% and 38% respectively. The winning product team and the fulfilling customer service team earned the segment a record high revenue and profit for current financial year.

Recruitment advertising and training segment continued to expand market share in the online recruitment advertising and training businesses, contributing positively to the Group's operating results.

Lifestyle portals, leveraging on the strengths of the Group's publications, were gaining support from web and mobile surfers looking for quality content. Being one of the main drivers of revenue growth in the coming years, the Group would continue its investments in these portals which were necessary to sustain the continuous growth of the Group.

Management Discussion and Analysis

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2016	2015
Net current assets	361.0	359.7
Term deposits, pledged deposits and cash and cash equivalents	369.3	362.9
Bank borrowings	30.3	120.2
Owners' funds	837.0	818.4
Gearing ratio	2.5%	9.7%
Current ratio	2.26 times	2.24 times

The Group's net current assets as at 31 March 2016 was HK$361.0 million, similar to HK$359.7 million as at 31 March 2015. Contribution from the positive operating results of the Group was offset by repayment of bank loans and distribution of dividends during the year. The Group recorded net cash generated from operating activities of HK$154.2 million for the year under review.

Net cash used in investing activities was HK$39.5 million. During the year, the Group had purchased property, plant and equipment amounting to HK$22.5 million.

The Group had distributed the final dividend declared for the financial year ended 31 March 2015 and interim dividend for the six months period ended 30 September 2015 amounting to an aggregate total of HK$34.5 million. During the year, the Group had repaid HK$89.9 million bank loan. The outstanding loans were secured on the Group's certain investment properties with a total net book value of approximately HK$59.9 million as at 31 March 2016. Net cash used in financing activities for the year therefore amounted to HK$124.7 million.

Gearing ratio of the Group, being total interest bearing liabilities divided by total assets, was 2.5% as at 31 March 2016, a relatively low level.

As at 31 March 2016, the Group had a cash balance of HK$369.3 million as compared to HK$362.9 million as at 31 March 2015. 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 rate risk of Renminbi could be partly offset by the higher deposit interest rate received. The Group's exposure to foreign exchange fluctuations was considered controllable.

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 media industry is still underway. Advertisers are increasingly accepting the validity and persuasiveness of advertising on digital platforms. Online media, especially mobile platforms, will be perceived as the main driver of revenue growth in the coming years. Our investments in various digital platforms, including recruitment, finance and lifestyle, begin to contribute to the growth of the Group. We will continue to increase our presence in the digital landscape across all of our business segments and are confident that these initiatives will become the drivers in the medium and longer term.

Looking ahead, economic challenges will persist in the coming years. In the absence of a strong recovery from the demand side, global economy is likely to remain sub-par for an extended period. An uneven recovery, wide divergence in monetary policies, fast flow of hot funds and the heightened geopolitical tensions will continue to create ongoing challenges and downside risks. Mainland's economy, under a structural transition towards services and local consumption, is moving towards a lower but more sustainable growth path under the National 13th Five-Year Plan. The further opening-up of Mainland's services and financial markets, internationalization of the Renminbi, and the "One Belt, One Road" strategy shall hopefully bring ample opportunities for Hong Kong's long term economic progress.

While the economic outlook remains unclear, we shall take a cautious and prudent approach in cost management and take effective steps to further streamline our cost structure and improve operational efficiency. The Group is in a strong cash flow position with a cash balance of around HK$370 million as at 31 March 2016, and we are well placed to ride through the cyclical swings and capitalize on the opportunities ahead.

Employees

As at 31 March 2016, the Group had 1,499 employees (31 March 2015: 1,499 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 2016 (the "Financial Statements").

Principal Activities and Business Review

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 23 to the Financial Statements.

An analysis of the Group's performance for the year ended 31 March 2016 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" on pages 21 to 25 of 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 2016 are set out on pages 36 to 94.

Dividend Distributions

During the year, an interim dividend distribution from the distributable reserves of HK 2.0 cents per share, totalling HK$8,632,000 was paid on 18 December 2015.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 7.0 cents per share in respect of the year ended 31 March 2016 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 12 August 2016, amounting to HK$30,212,000. The final dividend, payable on 30 September 2016, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 4 August 2016.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 40 of and in note 27(b) to the Financial Statements.

Property, Plant and Equipment

Movements in property, plant and equipment of the Group are set out in note 13 to the Financial Statements.

Share Capital

Details of the number of authorised and issued shares of the Company are set out in note 21 to the Financial Statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2016, calculated under the Cayman Islands Companies Law, amounted to HK$223,625,000 (2015: HK$253,311,000) 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 *(retired on 6 August 2015)*

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. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chu Yu Lun, Mr. Lo Foo Cheung and Mr. O'Yang Wiley shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' Service Contracts

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

Directors' Interests in Contracts

Other than as disclosed under "Related Party Transactions" in note 26 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 2016, 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. CHU Yu Lun (Note 2)	Corporate	87,435,000	20.258%
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 2016, 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%
MaMa Charitable Foundation Limited	58,169,000	13.478%
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%

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 2016, 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

The Company adopted a share option scheme by a written resolution of the then sole shareholder of the Company on 19 July 2005 (the "Scheme") that 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 Scheme was valid and effective for a period of 10 years commencing on the date on which the Scheme becomes unconditional (its listing date) and was expired therefore on 2 August 2015.

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

Management Contracts

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

Major Suppliers and Customers

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

Purchases	
– the largest supplier	10%
– five largest suppliers combined	27%
Sales	
– the largest customer	7%
– five largest customers combined	17%

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.

Directors' Report

Connected Transactions

The Group has entered into certain related party transactions as disclosed in note 26 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 2016, 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 2016 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, 20 June 2016

Independent Auditor's Report

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 set out on pages 36 to 94, which comprise the consolidated balance sheet as at 31 March 2016, 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 Hong Kong Companies Ordinance, 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.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

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 financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 June 2016

Audited Financial Statements

Consolidated Income Statement

	Note	Year ended 31 March 2016 HK$'000	2015 HK$'000
Revenue	5	1,176,087	1,121,582
Cost of sales	6	(747,227)	(722,515)
Gross profit		428,860	399,067
Selling and distribution expenses	6	(171,660)	(168,282)
General and administrative expenses	6	(194,765)	(182,199)
Other income	5	2,531	1,029
Operating profit		64,966	49,615
Finance income	8	8,058	7,732
Finance costs	8	(1,829)	(2,681)
Finance income – net	8	6,229	5,051
Profit before income tax		71,195	54,666
Income tax expense	9	(12,061)	(8,193)
Profit for the year		59,134	46,473
Profit attributable to:			
Owners of the Company		57,482	45,377
Non-controlling interests		1,652	1,096
		59,134	46,473
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	10	13.32	10.51

The notes on pages 42 to 94 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2016 HK$'000	2015 HK$'000
Profit for the year		59,134	46,473
Other comprehensive (loss)/income:			
Item that may be reclassified to profit or loss			
Currency translation differences arising from foreign operations		(714)	(98)
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of long service payment provision	12	(3,696)	677
Other comprehensive (loss)/income for the year, net of tax		(4,410)	579
Total comprehensive income for the year		54,724	47,052
Total comprehensive income attributable to:			
Owners of the Company		53,072	45,956
Non-controlling interests		1,652	1,096
		54,724	47,052

The notes on pages 42 to 94 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	As at 31 March 2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment	13	456,269	496,297
Investment properties	14	72,109	72,919
Deferred income tax assets	15	23,701	22,203
Deposits paid for property, plant and equipment		4,325	–
		556,404	591,419
Current assets			
Inventories	16	29,843	33,789
Trade receivables	17	214,364	213,896
Deposits, prepayments and other receivables		34,484	32,707
Tax recoverable		344	6,268
Pledged deposits	18	3,320	3,320
Term deposits with original maturities of over three months	18	248,601	223,348
Cash and cash equivalents	18	117,344	136,255
		648,300	649,583
Current liabilities			
Trade payables	19	37,604	38,975
Fees in advance		128,491	109,383
Accruals, other payables and provisions		110,661	102,934
Current income tax liabilities		2,496	294
Bank borrowings	20	8,080	38,306
		287,332	289,892
Net current assets		360,968	359,691
Total assets less current liabilities		917,372	951,110

	Note	As at 31 March 2016 HK$'000	2015 HK$'000
Equity attributable to owners of the Company			
Share capital	21	43,160	43,160
Reserves			
Proposed final dividend	11	30,212	25,896
Others		763,599	749,371
	22	836,971	818,427
Non-controlling interests		10,586	9,132
Total equity		847,557	827,559
Non-current liabilities			
Bank borrowings	20	22,220	81,937
Deferred income tax liabilities	15	33,462	31,951
Other non-current liabilities	12	14,133	9,663
		69,815	123,551
Total equity and non-current liabilities		917,372	951,110

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 42 to 94 are an integral part of these consolidated financial statements.

Audited 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$'000	Other reserves HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'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 (loss)/income										
Currency translation differences arising from foreign operations	–	–	–	–	(98)	–	–	(98)	–	(98)
Remeasurement of long service payment provision	–	–	–	–	–	677	–	677	–	677
Total comprehensive (loss)/income	–	–	–	–	(98)	677	45,377	45,956	1,096	47,052
Transactions 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
Balance at 1 April 2015	43,160	100,801	69,944	6,120	1,738	1,333	595,331	818,427	9,132	827,559
Profit for the year	–	–	–	–	–	–	57,482	57,482	1,652	59,134
Other comprehensive loss										
Currency translation differences arising from foreign operations	–	–	–	–	(714)	–	–	(714)	–	(714)
Remeasurement of long service payment provision	–	–	–	–	–	(3,696)	–	(3,696)	–	(3,696)
Total comprehensive (loss)/income	–	–	–	–	(714)	(3,696)	57,482	53,072	1,652	54,724
Transactions with owners										
Final dividend for the year ended 31 March 2015	–	(25,896)	–	–	–	–	–	(25,896)	(198)	(26,094)
Interim dividend for the year ended 31 March 2016	–	–	–	–	–	–	(8,632)	(8,632)	–	(8,632)
Balance at 31 March 2016	43,160	74,905	69,944	6,120	1,024	(2,363)	644,181	836,971	10,586	847,557

The notes on pages 42 to 94 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2016 HK$'000	2015 HK$'000
Cash flows from operating activities			
Cash generated from operations	24	160,138	135,046
Interest paid	8	(1,829)	(2,681)
Long service payment made	12	(195)	(159)
Hong Kong profits tax paid		(3,922)	(14,947)
Net cash generated from operating activities		154,192	117,259
Cash flows from investing activities			
Bank interest received	8	8,058	7,732
Purchase of property, plant and equipment and investment properties		(18,192)	(111,771)
Proceeds from disposal of property, plant and equipment	24	215	285
Increase in term deposits with original maturities of over three months		(25,253)	(24,735)
Increase in pledged deposits		–	(3,320)
Deposits paid for purchase of property, plant and equipment		(4,325)	–
Net cash used in investing activities		(39,497)	(131,809)
Cash flows from financing activities			
Interim dividend paid to owners of the Company		(8,632)	(8,632)
Final dividend paid to owners of the Company		(25,896)	(21,580)
Final dividend paid to non-controlling interests of the Company		(198)	(281)
Proceeds from bank borrowings	20	–	40,400
Repayments of bank borrowings	20	(89,943)	(31,518)
Net cash used in financing activities		(124,669)	(21,611)
Net decrease in cash and cash equivalents		(9,974)	(36,161)
Effect of foreign exchange rate changes, net		(8,937)	49
Cash and cash equivalents at beginning of the year		136,255	172,367
Cash and cash equivalents at end of the year	18	117,344	136,255

Note: As at 31 March 2016, the total cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits amounted to HK$369,265,000 (2015: HK$362,923,000) (note 18).

The notes on pages 42 to 94 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

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 were approved for issue by the Board of Directors on 20 June 2016.

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 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 improvements and amendments to standards are relevant to the Group's operation and are mandatory for the financial year ended 31 March 2016:

Annual improvements project	Annual improvements 2010-2012 cycle
Annual improvements project	Annual improvements 2011-2013 cycle
HKAS 19 (Amendment)	Defined benefit plans: Employee contributions

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

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

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

The following improvements, 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 on or after 1 April 2015 and have not been early adopted in these consolidated financial statements:

		Effective for accounting period beginning on or after
Annual improvements project	Annual improvements 2012-2014 cycle	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
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 statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

The Group has commenced the assessment of the impact of these improvements, 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

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.

(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.

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.

(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.

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 received 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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

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.

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. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for 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).

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

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. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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.

2.11 Impairment of financial assets

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.

2. Summary of significant accounting policies (Continued)

2.11 Impairment of financial assets (Continued)

Assets carried at amortised cost (Continued)

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.

2.12 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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

2. Summary of significant accounting policies (Continued)

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.

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 2016

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 2016

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 2016

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 2016, 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$1,706,000 (2015: HK$2,008,000).

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 2016, the Group did not have any outstanding hedging instruments (2015: 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 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit for the year by approximately HK$1,168,000 (2015: HK$1,021,000), in respect of interest income on floating rate bank deposits.

At 31 March 2016, 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$303,000 (2015: HK$1,202,000) 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.

To mitigate the risk arising from banks, the Group places its deposits to certain reputable banks with a minimum rating of "investment grade" ranked by an independent party. See note 18 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 17 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 2016, the Group does not have undrawn borrowing facilities (2015: nil).

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) *Liquidity risk* (Continued)

The table below analyses the Group'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
At 31 March 2016			
Trade payables	37,604	–	–
Accruals and other payables	109,423	–	–
Bank borrowings	8,626	8,461	14,406
At 31 March 2015			
Trade payables	38,975	–	–
Accruals and other payables	101,712	–	–
Bank borrowings	40,714	40,547	43,751

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 2016, the gearing ratio was 2.5% (2015: 9.7%).

3. Financial risk management (Continued)

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.

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.

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Year ended 31 March 2016

4. Critical accounting estimates and judgements (Continued)

(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.

(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.

4. Critical accounting estimates and judgements (Continued)

(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 12.

5. Revenue, other income and segment information

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

	2016 HK$'000	2015 HK$'000
Revenue		
Advertising income	639,103	636,951
Circulation income	108,941	112,717
Service income	412,375	358,339
Enrolment income	15,668	13,575
	1,176,087	1,121,582
Other income		
Rental income from investment properties	2,531	1,029
	2,531	1,029
Total revenue and other income	1,178,618	1,122,611

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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

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.

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

The segment results for the year ended 31 March 2016 are as follows:

	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	796,423	805,179	312,517	255,868	49,735	44,249	24,714	22,948	–	–	1,183,389	1,128,244
Inter-segment transactions	(3,233)	(2,928)	(3,885)	(3,716)	(180)	(13)	(4)	(5)	–	–	(7,302)	(6,662)
Revenue – from external customers	793,190	802,251	308,632	252,152	49,555	44,236	24,710	22,943	–	–	1,176,087	1,121,582
RESULTS												
Profit/(loss) for the year	8,163	13,866	51,544	37,301	5,326	2,954	(5,921)	(7,597)	22	(51)	59,134	46,473

For the year ended 31 March 2016, revenue of approximately HK$84,318,000 (2015: HK$83,435,000) 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$1,173,870,000 (2015: HK$1,118,370,000) and HK$2,217,000 (2015: HK$3,212,000), 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$532,588,000 (2015: HK$568,988,000) and HK$115,000 (2015: HK$228,000), respectively.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

6. Expenses by nature

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

	2016 HK$'000	2015 HK$'000
Crediting		
Gain/(loss) on disposal of property, plant and equipment (note 24)	65	(254)
Charging		
Cost of inventories sold or consumed in operation (note 16)	194,023	200,907
Auditors' remuneration	2,720	2,680
Bad debts written off	11	147
Depreciation of property, plant and equipment and investment properties (notes 13 and 14)	59,314	58,574
Inventories written off	172	153
Operating lease rentals on land and buildings	25,761	24,207
Provision for impairment of trade receivables	438	572
Provision for obsolete inventories	422	498
Staff costs including Directors' and CEO's remuneration (note 7)	520,809	495,715

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

	2016 HK$'000	2015 HK$'000
Wages, salaries and bonuses	497,055	472,889
Unutilised leave pay	16	37
Pension costs – defined contribution plans (note a)	22,769	21,739
Long service payment (note 12)	969	1,050
Total including Directors' and CEO's remuneration	520,809	495,715

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

(a) Pensions – defined contribution plans

Forfeited contributions of approximately HK$393,000 (2015: HK$448,000) for the year ended 31 March 2016 were utilised during the year leaving no forfeited contributions were available at the year end to reduce future contributions (2015: nil).

Contributions totalling approximately HK$2,750,000 (2015: HK$2,643,000) were payable to the MPF and another occupational retirement scheme at the year end.

(b) Directors' and CEO's remuneration

The benefit and interests of each Director and the CEO for the year ended 31 March 2016, disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622), and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and the Listing Rules, 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))	3,485	–	436	174	4,095
Mr. MAK Ping Leung	3,820	–	477	191	4,488
Mr. CHAN Cho Biu	3,336	–	417	167	3,920
Mr. SHEK Kang Chuen	2,825	–	353	141	3,319
Ms. SEE Sau Mei Salome	3,139	–	393	157	3,689
Mr. CHAN Wa Pong (note (ii))	888	–	–	37	925
Non-executive Director					
Mr. CHU Yu Lun	–	165	–	–	165
Independent Non-executive Directors					
Mr. CHOW On Kiu	–	165	–	–	165
Professor LEUNG Gabriel Matthew	–	165	–	–	165
Mr. LO Foo Cheung	–	165	–	–	165
Mr. O'YANG Wiley	–	200	–	–	200
Total	17,493	860	2,076	867	21,296

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

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

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

The benefit and interests of each Director and the CEO for the year ended 31 March 2015, disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622), and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and the Listing Rules, 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

Note (i): The Director is also the CEO, hence no separate disclosure in respect of the remuneration of the CEO has been made (2015: same).

Note (ii): Mr. Chan Wa Pong retired as executive director on 6 August 2015.

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

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

During the year, no payments or benefits in respect of termination of directors' services, remuneration in respect of accepting office as director, emoluments in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries and other benefits were paid or made, directly or indirectly, to the directors; nor are any payable (2015: nil). No consideration was provided to or receivable by third parties for making available directors' services (2015: nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2015: nil).

No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2015: same).

(c) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include five (2015: 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

8. Finance income and costs

	2016 HK$'000	2015 HK$'000
Finance income		
– Bank interest income	8,058	7,732
Finance costs		
– Interest expense on bank borrowings	(1,829)	(2,681)
Finance income – net	6,229	5,051

9. Income tax expense

	2016 HK$'000	2015 HK$'000
Current income tax		
Hong Kong profits tax	11,806	9,310
PRC enterprise income tax	358	135
Over-provisions in prior years	(116)	(35)
Total current income tax	12,048	9,410
Deferred income tax (note 15)	13	(1,217)
Income tax expense	12,061	8,193

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 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% (2015: 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.

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:

	2016 HK$'000	2015 HK$'000
Profit before income tax	71,195	54,666
Calculated at tax rate of 16.5% (2015: 16.5%)	11,747	9,020
Effect of difference on tax rate arising from the PRC operations	122	79
Over-provisions in prior years	(116)	(35)
Income not subject to tax	(2,142)	(2,489)
Expenses not deductible for tax purposes	1,664	776
Utilisation of previously unrecognised deferred tax assets	–	(99)
Tax losses for which no deferred income tax assets were recognised	786	941
Income tax expense	12,061	8,193

10. 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$57,482,000 (2015: HK$45,377,000) and number of 431,600,000 (2015: 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 2016 (2015: same).

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Year ended 31 March 2016

11. Dividends

	2016 HK$'000	2015 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 2.0 cents (2015: HK 2.0 cents) per ordinary share	8,632	8,632
Proposed final dividend of HK 7.0 cents (2015: HK 6.0 cents) per ordinary share	30,212	25,896
	38,844	34,528
Dividends paid during the year	34,528	30,212

A final dividend in respect of the year ended 31 March 2016 of HK 7.0 cents per ordinary share, amounting to a total dividend of HK$30,212,000, is to be proposed at the annual general meeting on 4 August 2016. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but is reflected as an appropriation of retained earnings.

12. Other non-current liabilities

	2016 HK$'000	2015 HK$'000
Long service payment provision	14,133	9,663

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

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.

12. Other non-current liabilities (Continued)

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

	2016 HK$'000	2015 HK$'000
Present value of the long service payment provision	14,133	9,663

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

	2016 HK$'000	2015 HK$'000
At beginning of the year	9,663	9,449
Current service costs	807	828
Interest cost	162	222
Actual benefits paid	(195)	(159)
Remeasurement of long service payment provision	3,696	(677)
At end of the year	14,133	9,663

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

	2016 HK$'000	2015 HK$'000
Current service costs	807	828
Interest cost	162	222
Total expenses recognised in the consolidated income statement	969	1,050

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

12. Other non-current liabilities (Continued)

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

	2016 HK$'000	2015 HK$'000
Cumulative amount of remeasurement of long service payment provision at the beginning of the year	(1,333)	(656)
Remeasurement for the year	3,696	(677)
At end of the year	2,363	(1,333)

The principal actuarial parameters used are as follows:

	2016	2015
Discount rate	1.60%	1.70%
Expected inflation rate	4.00%	5.00%

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 21.06%	Increase 12.57%
Expected inflation rate	0.50%	Increase 4.32%	Decrease 5.17%

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.

13. Property, plant and equipment

	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	Total HK$'000
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
Net book value at 1 April 2015	192,893	18,543	240,550	21,445	1,048	21,818	496,297
Additions	–	1,691	620	8,473	682	7,160	18,626
Depreciation	(3,497)	(6,396)	(31,877)	(9,372)	(382)	(6,980)	(58,504)
Disposals	–	–	–	(23)	(127)	–	(150)
Net book value at 31 March 2016	189,396	13,838	209,293	20,523	1,221	21,998	456,269
At 31 March 2016							
Cost	228,240	59,951	441,983	154,863	2,380	78,190	965,607
Accumulated depreciation	(38,844)	(46,113)	(232,690)	(134,340)	(1,159)	(56,192)	(509,338)
Net book value at 31 March 2016	189,396	13,838	209,293	20,523	1,221	21,998	456,269

As at 31 March 2015, bank borrowings are secured on leasehold improvements and plant and machinery with total net book values of approximately HK$5,202,000 and HK$128,336,000, respectively (note 20). As at 31 March 2016, the relevant bank borrowings were fully repaid.

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Year ended 31 March 2016

14. Investment properties

	Total HK$'000
At 1 April 2014	
Cost	12,526
Accumulated depreciation	(124)
Net book value at 31 March 2014	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
Net book value at 1 April 2015	72,919
Depreciation	(810)
Net book value at 31 March 2016	72,109
At 31 March 2016	
Cost	73,372
Accumulated depreciation	(1,263)
Net book value at 31 March 2016	72,109

Bank borrowings are secured on investment properties with a total net book value of approximately HK$59,882,000 (2015: HK$60,605,000) (note 20).

The fair values of investment properties as at 31 March 2016 are approximately HK$75,440,000 (2015: HK$73,250,000) as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

14. Investment properties (Continued)

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

Description	Fair value measurements using 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
At 31 March 2016				
Recurring fair value measurements				
Investment properties:				
Office buildings – Hong Kong	–	–	75,440	75,440
At 31 March 2015				
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.

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

15. Deferred income tax

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

	2016 HK$'000	2015 HK$'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	23,701	22,203
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(33,462)	(31,951)
	(9,761)	(9,748)

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 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
Recognised in the consolidated income statement	8,740	(581)	8,159
At 31 March 2016	46,676	6,358	53,034

15. Deferred income tax (Continued)

Deferred income tax assets

	Provisions HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 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)
Recognised in the consolidated income statement	(62)	(8,084)	(8,146)
At 31 March 2016	(524)	(42,749)	(43,273)

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$11,410,000 (2015: HK$10,624,000) in respect of tax losses amounting to HK$69,154,000 (2015: HK$64,388,000) that can be carried forward against future taxable income and solely arose from Hong Kong subsidiaries which have no expiry date.

16. Inventories

	2016 HK$'000	2015 HK$'000
Raw materials	26,273	29,623
Work in progress	507	648
Finished goods	8,636	8,669
Less: provision for obsolete inventories	(5,573)	(5,151)
	29,843	33,789

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$194,023,000(2015: HK$200,907,000).

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

17. Trade receivables

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

	2016 HK$'000	2015 HK$'000
0 to 30 days	123,856	126,812
31 to 60 days	33,697	29,222
61 to 90 days	22,197	20,907
Over 90 days	38,733	40,636
Trade receivables, gross	218,483	217,577
Less: provision for impairment of trade receivables	(4,119)	(3,681)
	214,364	213,896

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$71,648,000 (2015: HK$79,191,000). 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:

	2016 HK$'000	2015 HK$'000
1 to 30 days	52,208	47,621
31 to 60 days	33,697	29,222
61 to 90 days	22,193	20,907
Over 90 days	34,618	36,955
	142,716	134,705

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.

17. Trade receivables (Continued)

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

	2016 HK$'000	2015 HK$'000
At beginning of the year	3,681	3,141
Provision made for impairment	438	572
Amounts written off as uncollectible	–	(32)
At end of the year	4,119	3,681

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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

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

	2016 HK$'000	2015 HK$'000
Cash at banks and on hand	117,344	102,571
Term deposits with original maturities of less than three months	–	33,684
Cash and cash equivalents	117,344	136,255
Pledged deposits with original maturity of over three months	3,320	3,320
Term deposits with original maturities of over three months	248,601	223,348
Total	369,265	362,923
Maximum exposure to credit risk	368,743	362,489
Denominated in:		
– HK dollars	181,448	142,130
– RMB	187,036	220,216
– Other currencies	781	577
	369,265	362,923

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 2016 (2015: same).

The Group's weighted effective interest rate on term deposits was 2.69% (2015: 2.33%) per annum with an average maturity of 271 (2015: 310) days.

The Group's bank balances and cash of approximately HK$16,374,000 (2015: HK$19,396,000) as at 31 March 2016 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.

19. Trade payables

The ageing analysis of trade payables is as follows:

	2016 HK$'000	2015 HK$'000
0 to 30 days	33,204	35,591
31 to 60 days	2,894	1,863
61 to 90 days	412	195
Over 90 days	1,094	1,326
	37,604	38,975

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

20. Bank borrowings

	2016 HK$'000	2015 HK$'000
Non-current		
Bank borrowings	22,220	81,937
Current		
Bank borrowings	8,080	38,306
Total	30,300	120,243

Movements in bank borrowings are analysed as follows:

	2016 HK$'000	2015 HK$'000
At beginning of the year	120,243	111,361
Proceeds from bank borrowings	–	40,400
Repayment of bank borrowings	(89,943)	(31,518)
At end of the year	30,300	120,243

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

20. Bank borrowings (Continued)

Bank borrowings were repayable as follows:

	2016 HK$'000	2015 HK$'000
Within one year	8,080	38,306
Between one and two years	8,080	39,070
Between two and five years	14,140	42,867
	30,300	120,243

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 13 and 14).

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% (2015: 2.23%) per annum.

The fair values of the non-current bank borrowings are estimated using discounted cash flow calculations based on the borrowing rate of 2.05% (2015: 2.34%). The carrying amounts of current bank borrowings approximate their fair values, as the impact of discounting is not significant.

21. Share capital

	2016 HK$'000	2015 HK$'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

22. Reserves

The movement in the Group's reserves for the year ended 31 March 2016 is presented in the consolidated statement of changes in equity on page 40.

23. Subsidiaries

Particulars of the principal subsidiaries at 31 March 2016 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%

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

23. Subsidiaries (Continued)
Particulars of the principal subsidiaries at 31 March 2016 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%

23. Subsidiaries (Continued)

Particulars of the principal subsidiaries at 31 March 2016 are as follows: (Continued)

Company name	Country/ place of incorporation/ establishment	Principal activities and country/place of operation	Issued and fully paid up share capital/ registered capital	Effective interest held
ETVision Multimedia Limited	Hong Kong	Provision of multimedia production services in Hong Kong	Ordinary HK$100	100%
Euron Limited	Hong Kong	Provision of printing services in Hong Kong	Ordinary HK$100	100%
HKET China Investment (BVI) Limited	British Virgin Islands	Investment holding in Hong Kong	Ordinary US$1	100%
Hong Kong Economic Times Limited	Hong Kong	Publication of 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 centre 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

Notes to the Consolidated Financial Statements

Year ended 31 March 2016

24. Cash generated from operations

	2016 HK$'000	2015 HK$'000
Profit before income tax	71,195	54,666
Adjustments for:		
– Depreciation of property, plant and equipment and investment properties (note 6)	59,314	58,574
– (Gain)/loss on disposal of property, plant and equipment (see below)	(65)	254
– Finance income (note 8)	(8,058)	(7,732)
– Finance costs (note 8)	1,829	2,681
– Bad debts written off (note 6)	11	147
– Inventories written off (note 6)	172	153
– Provision for impairment of trade receivables (note 6)	438	572
– Provision for obsolete inventories (note 6)	422	498
– Provision for long service payment	969	1,050
– Unrealised exchange loss/(gain)	8,223	(147)
Changes in working capital:		
– Decrease in inventories	3,352	2,656
– (Increase)/decrease in trade receivables and deposits, prepayments and other receivables	(2,694)	985
– Increase in trade payables, fees in advance and accruals, other payables and provisions	25,030	20,689
Cash generated from operations	160,138	135,046

24. Cash generated from operations (Continued)

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

	2016 HK$'000	2015 HK$'000
Net book amount (note 13)	150	539
Gain/(loss) on disposal of property, plant and equipment (note 6)	65	(254)
Proceeds from disposal of property, plant and equipment	215	285

Non-cash transactions

The principal non-cash transaction as at 31 March 2016 is the payable for acquisition of property, plant and equipment of approximately HK$434,000 (2015: HK$2,031,000).

25. Commitments

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

	2016 HK$'000	2015 HK$'000
Property, plant and equipment		
– contracted but not yet provided for	778	283
– authorised but not yet contracted for	506	511
	1,284	794

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

25. Commitments (Continued)

(b) Commitments under operating leases

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

	2016 HK$'000	2015 HK$'000
Not later than one year	12,131	24,864
Later than one year and not later than five years	8,681	2,347
	20,812	27,211

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

	2016 HK$'000	2015 HK$'000
Not later than one year	2,532	1,882
Later than one year and not later than five years	1,104	2,013
	3,636	3,895

26. Related party transactions

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

		2016 HK$'000	2015 HK$'000
(a)	**Service income** (note (i))		
	– Roctec Credit Limited	131	346
	– Roctec International Limited	10	18
	– Roctec Securities Company Limited	–	171
		141	535
(b)	**Rental expenses on leased property** (note (i))		
	– Roctec Systems Limited	979	979
(c)	**Purchase of hardware** (note (i))		
	– Roctec Technology Limited	730	392
(d)	**Consultant royalty expenses** (note (i))		
	– Wayca Development Limited	1	58
	– Shek Kang Chuen, a Director of the Company	73	–
		74	58
(e)	**Remuneration of contributor** (note (i))		
	– Mak Ping Leung, a Director of the Company	41	40
	– Shek Kang Chuen, a Director of the Company	168	–
	– Wayca Development Limited	171	288
		380	328

(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 2016

26. Related party transactions (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 is beneficially owned by Mr. SHEK Kang Chuen, the beneficial shareholder and a Director of the Company.

27. Balance sheet and reserve movements of the Company

(a) Balance sheet of the Company

	Note	As at 31 March 2016 HK$'000	2015 HK$'000
Non-current assets			
Investments in subsidiaries	23	178,627	178,627
Current assets			
Deposits, prepayments and other receivables		168	165
Amounts due from subsidiaries		649,527	629,369
Cash and cash equivalents		44,286	21,158
		693,981	650,692
Current liabilities			
Accruals, other payables and provisions		805	856
Amounts due to subsidiaries		598,898	525,872
		599,703	526,728
Net current assets		94,278	123,964
Total assets less current liabilities		272,905	302,591
Equity attributable to owner of the Company			
Share capital		43,160	43,160
Reserves	27(b)		
Proposed final dividend		30,212	25,896
Others		199,533	233,535
Total equity		272,905	302,591

The balance sheet of the Company was approved by the Board of Directors on 20 June 2016 and were signed on its behalf.

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

Notes to the Consolidated Financial Statements
Year ended 31 March 2016

27. Balance sheet and reserve movements of the Company (Continued)

(b) Reserve movements of the Company

	Share premium HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
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
At 1 April 2015	248,228	6,120	5,083	259,431
Profit for the year	–	–	4,842	4,842
Final dividend for the year ended 31 March 2015	(25,896)	–	–	(25,896)
Interim dividend for the year ended 31 March 2016	–	–	(8,632)	(8,632)
At 31 March 2016	222,332	6,120	1,293	229,745

Five-year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2016	2015	2014	2013	2012
Operating Results					
Revenue	1,176	1,122	1,065	1,033	1,006
Gross profit	429	399	363	321	387
Operating profit	65	49	31	56	94
Finance income/(costs) – net	6	5	4	(0)	4
Profit before income tax	71	54	35	56	98
Income tax (expense)/credit	(12)	(8)	(6)	8	(15)
Profit for the year	59	46	29	64	83
Attributable to					
– equity holders of the Company	57	45	28	63	81
– non-controlling interests	2	1	1	1	2
	59	46	29	64	83
Earnings per share (in HK Cents)	13.32	10.51	6.52	14.50	18.95
Assets and Liabilities					
Non-current assets	557	591	535	573	565
Current assets	648	650	661	626	511
Total assets	1,205	1,241	1,196	1,199	1,076
Bank borrowings	(30)	(120)	(111)	(115)	–
Other liabilities	(327)	(293)	(274)	(285)	(312)
Total liabilities	(357)	(413)	(385)	(400)	(312)
Net assets	848	828	811	799	764
Equity holders' fund	837	819	803	792	757
Non-controlling interests	11	9	8	7	7
Total equity	848	828	811	799	764

Five-year Financial Summary

	Year ended 31 March				
	2016	2015	2014	2013	2012
Key Financial Ratio					
Gross profit margin	36.5%	35.6%	34.1%	31.1%	38.5%
Operating profit margin	5.5%	4.4%	2.9%	5.4%	9.4%
Net profit margin	5.0%	4.1%	2.8%	6.2%	8.3%
Gearing ratio	2.5%	9.7%	9.3%	9.6%	–
Current ratio	2.26 times	2.24 times	2.52 times	2.40 times	2.00 times
Quick ratio	2.15 times	2.12 times	2.38 times	2.27 times	1.80 times