For the year ended 31 March 2005

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate holding company is Ma's Holdings Limited, a private limited company incorporated in the British Virgin Islands.

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in note 14.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Recently issued accounting standards

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (the "New HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Group has not early adopted these New HKFRSs in the financial statements for the year ended 31 March 2005. The Group has already commenced an assessment of the impact of these New HKFRSs but is not yet in a position to state whether these New HKFRSs would have a significant impact on its results of operations and financial position.

(b) Basis of preparation

These financial statements have been prepared in accordance with applicable Hong Kong Financial Reporting Standards (which include Statements of Standard Accounting Practice ("SSAPs") and Interpretations), accounting principles generally accepted in Hong Kong and the Companies Ordinance. The financial statements are prepared under the historical cost convention as modified by the revaluation of properties as further explained below.

For the year ended 31 March 2005

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(d) Revenue recognition

(a) Revenue from sales of newspapers to distributors or customers is recognised when the products are delivered and title has passed.

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

(c) Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(d) Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rates applicable.

(e) Income from hotel operation is recognised upon provision of the services.

(e) Property, plant and equipment

Property, plant and equipment, other than land and buildings and property under development, are stated at cost less depreciation and accumulated impairment losses.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

For the year ended 31 March 2005

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(e) Property, plant and equipment *(Continued)*

Land and buildings are stated in the consolidated balance sheet at their revalued amount on an open market value basis or depreciated replacement cost basis, as appropriate, based on professional valuation performed by qualified valuers, less any subsequent accumulated depreciation and any subsequent impairment losses. The depreciated replacement cost approach is based on an estimate of the market value of the land in its existing use and an estimate of the new replacement cost of the buildings and structures, from which deductions are made to allow for the age, condition and functional obsolescence. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase arising on revaluation of land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in the net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is provided to write off the cost or valuation of property, plant and equipment, other than freehold land and property under development, over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method, at the following rates per annum:

Type	Basis
Leasehold land	Over the term of the lease
Buildings	2.0% – 5.8%
Plant, machinery and printing equipment	5.0% – 33.3%
Furniture, fixtures and equipment	20.0% – 33.3%
Motor vehicles	18.8% – 25.0%

Property under development is stated at cost less any identified impairment loss. This property will be reclassified as land and buildings upon completion of the development.

For the year ended 31 March 2005

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(f) Club membership

Club membership is stated at cost less any identified impairment loss.

(g) Investments in subsidiaries

Subsidiaries are those enterprises in which the Company controls more than half of the voting power, or holds more than half of the issued share capital, or controls the composition of the board of directors.

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable during the year.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value is calculated as the actual or estimated selling price less all further costs of completion and the estimated costs necessary to make the sale.

(i) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the impairment loss is treated as a revaluation decrease under that SSAP.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

For the year ended 31 March 2005

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(k) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(l) Foreign currencies

Transactions in currencies other than Hong Kong Dollars are translated into Hong Kong Dollars at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong Dollars are re-translated into Hong Kong Dollars at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

The balance sheets of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date and their income statements are translated at the average rates for the year. Gains and losses arising on exchange are dealt with as movements in reserve.

(m) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(n) Employee benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, which is available to all its Hong Kong employees. The MPF Scheme is generally funded by payments from employees and the Group. Contributions to which are calculated as a percentage of employees' basic salaries. The retirement benefit costs charged to the income statement represent the contributions payable by the Group to the MPF Scheme.

The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

For the year ended 31 March 2005

3. TURNOVER AND OTHER REVENUE

	2005 *HK$'000*	2004 *HK$'000*
Turnover		
Publication of newspapers	**2,009,533**	2,029,432
Property investment and building management	**2,422**	2,422
Income from hotel operation	**12,368**	–
	2,024,323	2,031,854

	2005 *HK$'000*	2004 *HK$'000*
Included in other revenue are:		
Interest earned on bank deposits	**14,134**	11,561
Sales of scrap materials	**11,724**	11,347
Sales revenue from staff canteen	**2,805**	76

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is primarily engaged in the publication of newspapers.

Over 90% of the Group's activities during the year are carried out in Hong Kong and over 90% of the Group's assets are located in Hong Kong. Accordingly, a business and geographical analysis is not presented.

5. PROFIT FROM OPERATIONS

	2005 *HK$'000*	2004 *HK$'000*
Profit from operations has been arrived at after charging/(crediting):		
Auditors' remuneration	**1,061**	1,000
Allowance for bad and doubtful debts	**2,212**	2,584
Net exchange (gain)/loss	**(1,229)**	479
Operating lease charges on premises	**8,074**	8,074

6. FINANCE COSTS

	2005 *HK$'000*	2004 *HK$'000*
Interest on bank loans wholly repayable within 5 years	2,484	588

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

(a) Details of directors' emoluments are as follows:

	2005 *HK$'000*	2004 *HK$'000*
Fees		
Executive directors	100	150
Non-executive director	55	–
Independent non-executive directors	165	165
	320	315
Salaries and other benefits		
Executive directors	8,785	9,666
	9,105	9,981

The emoluments of the directors are within the following bands:

HK$		*HK$*	Number of directors 2005	Number of directors 2004
Nil	–	1,000,000	4	5
2,500,001	–	3,000,000	1	1
5,500,001	–	6,000,000	1	1

For the year ended 31 March 2005

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS *(Continued)*

(a) Details of directors' emoluments are as follows: *(Continued)*

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

During the year, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

(b) The emoluments of the top five highest paid individuals during the year included two (2004: two) directors, details of whose emoluments are set out in note 7(a) above. Details of the emoluments of the remaining three (2004: three) non-director, highest paid employees for the year are as follows:

	2005	2004
	HK$'000	*HK$'000*
Salaries and other benefits	**38,215**	37,648

The emoluments of the non-director, highest paid employees are within the following bands:

	Number of individuals	
	2005	2004
HK$* – *HK$		
2,500,001 – 3,000,000	**–**	1
3,000,001 – 3,500,000	**1**	–
5,500,001 – 6,000,000	**–**	–
15,500,001 – 16,000,000	**1**	1
19,500,001 – 20,000,000	**1**	1

During the year, no emoluments were paid by the Group to these three non-director, highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the year ended 31 March 2005

8. TAXATION

	The Group	
	2005	2004
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Current year	**57,035**	103,049
Overprovision in prior years	**(1,522)**	(686)
	55,513	102,363
Deferred taxation *(note 20)*	**9,249**	(13,703)
	64,762	88,660

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2005		2004	
	HK$'000	***%***	*HK$'000*	*%*
Profit before taxation	**364,400**		527,457	
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	**63,770**	**17.5**	92,305	17.5
Tax effect of income that are not taxable in determining taxable profit	**(2,940)**	**(0.8)**	(3,492)	(0.6)
Tax effect of expenses that are not deductible in determining taxable profit	**3,822**	**1.0**	421	0.0
Tax effect of overprovision in prior year	**(1,522)**	**(0.4)**	(686)	(0.1)
Tax effect of utilisation of tax losses not previously recognised	**(294)**	**(0.1)**	(36)	0.0
Others	**1,926**	**0.5**	148	0.0
Tax expenses and effective tax rate for the year	**64,762**	**17.7**	88,660	16.8

For the year ended 31 March 2005

9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders for the year ended 31 March 2005 dealt with in the financial statements of the Company was HK$240,567,000 (2004: HK$473,912,000).

10. DIVIDENDS

	2005 *HK$'000*	2004 *HK$'000*
Interim dividend paid: 2005: HK3.5 cents (2004: HK3 cents) per share	**83,927**	71,938
Proposed final dividend: 2005: HK7 cents (2004: HK9 cents) per share	**167,854**	215,813
Proposed special dividend: 2005: Nil (2004: HK2 cents per share)	**–**	47,958
	251,781	335,709

The final dividend of HK7 cents (2004: a final dividend of HK9 cents and a special dividend of HK2 cents) per share has been proposed by the board of directors (the "Directors") and is subject to the approval by the shareholders in the forthcoming annual general meeting. As such, the proposed final dividend has not been recognised as a liability as at the balance sheet date.

The Group previously disclosed the amount of proposed dividends in the notes to the financial statements under SSAP 1 "Presentation of financial statements". For the current year, the Group adopted the alternative disclosure requirement of proposed dividends under SSAP 1, in which the proposed dividends are disclosed on the face of the income statement and the balance sheet. To comply therewith, a prior year reclassification has been made to present the proposed final and special dividends on the face of the balance sheets and to disclose the proposed final and special dividends as an allocation of retained profits on a separate line within the shareholders' fund section of the balance sheets. Such prior year reclassification had no effect on the amount of the shareholders' equity of the Group and of the Company as at 31 March 2003 and 31 March 2004.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK$300,726,000 (2004: HK$438,797,000) and on 2,397,917,898 (2004: 2,397,917,898) ordinary shares in issue during the year.

No diluted earnings per share has been presented as there were no dilutive potential ordinary shares in issue for both years.

12. PROPERTY, PLANT AND EQUIPMENT

The Group

	Land and buildings	Property under development	Plant, machinery and printing equipment	Furniture, fixtures and equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At cost or valuation						
At 1 April 2004	362,650	490,474	913,924	236,759	15,231	2,019,038
Additions	73,242	112,441	247,256	8,913	6,820	448,672
Disposals	–	–	(275,342)	(6,906)	(2,817)	(285,065)
Net surplus on revaluation	87,032	–	–	–	–	87,032
Transfer	579,796	(602,915)	–	23,119	–	–
At 31 March 2005	1,102,720	–	885,838	261,885	19,234	2,269,677
Depreciation and impairment						
At 1 April 2004	–	–	387,363	219,899	10,537	617,799
Provided for the year	20,790	–	46,438	20,881	3,783	91,892
Eliminated on disposals	–	–	(118,903)	(6,822)	(2,756)	(128,481)
Eliminated on revaluation	(20,790)	–	–	–	–	(20,790)
At 31 March 2005	–	–	314,898	233,958	11,564	560,420
Net book value						
At 31 March 2005	1,102,720	–	570,940	27,927	7,670	1,709,257
At 31 March 2004	362,650	490,474	526,561	16,860	4,694	1,401,239

For the year ended 31 March 2005

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The analysis of cost or valuation of the above assets at 31 March 2005 and 2004 is as follows:

	Land and buildings	Property under development	Plant, machinery and printing equipment	Furniture, fixtures and equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At cost	–	–	885,838	261,885	19,234	1,166,957
At 2005 valuation	1,102,720	–	–	–	–	1,102,720
At 31 March 2005	1,102,720	–	885,838	261,885	19,234	2,269,677
At cost	–	490,474	913,924	236,759	15,231	1,656,388
At 2004 valuation	362,650	–	–	–	–	362,650
At 31 March 2004	362,650	490,474	913,924	236,759	15,231	2,019,038

The land and buildings situated in Hong Kong were revalued individually at 31 March 2005 by DTZ Debenham Tie Leung Limited, an independent professional valuer, on an open market value basis or on a depreciated replacement cost basis, as appropriate. The land and building situated in Australia were revalued at 31 March 2005 by Knight Frank, an independent professional valuer, on an open market value basis. The revaluation surplus of HK$93,206,000, net of applicable deferred income taxes, and the net revaluation deficit of HK$4,821,000, resulting from the above valuations were credited to the properties revaluation reserve in the shareholders' equity and charged to the income statement, respectively. If these land and buildings had not been revalued, they would have been included in these financial statements at historical costs less accumulated depreciation of approximately HK$941,386,000 (2004: HK$309,090,000).

Included in land and buildings of the Group are assets carried at carrying amount of HK$9,077,440 (2004: HK$6,210,980) being held for generating rental income. Included in land and buildings of the Group are assets carried at carrying amount of HK$52,920,000 (2004: Nil) being held for generating income from hotel operation in Australia.

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group's land and buildings included above are held under the following lease terms:

	Hong Kong *HK$'000*	Australia *HK$'000*	Total *HK$'000*
At 31 March 2005:			
At valuation:			
Medium-term leases	1,049,000	–	1,049,000
Long-term leases	800	–	800
Freehold	–	52,920	52,920
	1,049,800	52,920	1,102,720
At 31 March 2004:			
At valuation:			
Medium-term leases	362,000	–	362,000
Long-term leases	650	–	650
	362,650	–	362,650

At 31 March 2004, the Group's property under development situated in Hong Kong was held under medium-term lease.

For the year ended 31 March 2005

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Company

	Motor vehicles
	HK$'000
At cost	
At 1 April 2004	15,231
Additions	6,647
Disposals	(2,817)
At 31 March 2005	**19,061**
Depreciation	
At 1 April 2004	10,537
Provided for the year	3,781
Eliminated on disposals	(2,756)
At 31 March 2005	**11,562**
Net book value	
At 31 March 2005	**7,499**
At 31 March 2004	4,694

13. CLUB MEMBERSHIP

	The Group and The Company	
	2005	2004
	HK$'000	*HK$'000*
At cost	**4,745**	4,745

For the year ended 31 March 2005

14. INTERESTS IN SUBSIDIARIES

	The Company	
	2005	2004
	HK$'000	*HK$'000*
Unlisted shares, at cost	**43,747**	43,747
Advances to subsidiaries	**2,035,845**	2,149,414
	2,079,592	2,193,161
Impairment losses recognised	**(695)**	(695)
	2,078,897	2,192,466

The advances are unsecured, interest free and have no fixed repayment terms. In the opinion of the Directors, the Company will not demand repayment within twelve months of the balance sheet date and the amounts are therefore shown as non-current.

Particulars of the principal subsidiaries of the Company at 31 March 2005 are as follows:

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary shares held by the Company	Principal activity
Brilliant City Company Limited	Hong Kong	HK$100	Property leasing
Dragon Asia Property Limited	Hong Kong	HK$100	Property holding
Long Joy Investments Limited	Hong Kong	HK$100	Property leasing
Long Universal Limited	Hong Kong	HK$1	Canteen operation
Lucky Million Limited	Hong Kong	HK$1	Transportation service
New Reform Limited	Hong Kong	HK$100	Property holding

For the year ended 31 March 2005

14. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary shares held by the Company	Principal activity
OPG Building Management Limited#	Hong Kong	HK$2	Building management
OPG Finance Limited	Hong Kong	HK$2	Treasury company
OPG Human Resources Limited	Hong Kong	HK$2	Human resources services
OPG Printing Limited	Hong Kong	HK$100	Printing services
Oriental Daily News Limited	Hong Kong	HK$100	Newspaper publication
Oriental Daily Publisher Limited#	Hong Kong	HK$100	Registered publisher
Oriental Press Centre Limited	Hong Kong	HK$2	Property holding
Oriental Publications Limited	Hong Kong	HK$100	Publication services
Orisun.com (HK) Limited#	Hong Kong	HK$2	Website service provider
Orisun.com Operations Limited#	Hong Kong	HK$2	Website service provider
Pertown Limited	Hong Kong	HK$100	Property leasing
Queen Glory Company Limited#	Hong Kong	HK$2	Property holding

For the year ended 31 March 2005

14. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary shares held by the Company	Principal activity
The Sun News Publisher Limited[#]	Hong Kong	HK$100	Registered publisher
The Sun Racing Journal Limited	Hong Kong	HK$2	Horse racing journal publication
Topever International Limited	Hong Kong	HK$100	Property leasing
United Master Limited	Hong Kong	HK$100	Property holding
Pan Profit Limited	Hong Kong/ Australia	HK$1	Investment holding
Pacific Resort Holding Pty Limited[##]*	Australia	AUD3,150,000	Hotel operation

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

All the subsidiaries are directly held and wholly-owned private limited companies except otherwise stated.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

100% of equity interest indirectly held by the Company

90% of equity interest indirectly held by the Company

* *Not audited by Grant Thornton Hong Kong or other Grant Thornton International member firms*

For the year ended 31 March 2005

15. INVENTORIES

	The Group	
	2005	2004
	HK$'000	*HK$'000*
Newsprint and printing materials	252,441	96,856
Spare parts and supplies	17,067	17,740
Others	1,731	1,305
	271,239	115,901

None of the above inventories were carried at net realisable value at 31 March 2005 and 2004.

16. TRADE RECEIVABLES

The Group has a policy of allowing an average credit period of 90 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

	The Group	
	2005	2004
	HK$'000	*HK$'000*
0 – 60 days	132,283	134,865
61 – 90 days	71,142	60,640
Over 90 days	96,271	87,207
	299,696	282,712

For the year ended 31 March 2005

17. TRADE PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	The Group	
	2005	2004
	HK$'000	*HK$'000*
0 – 60 days	62,048	61,894
61 – 90 days	2,377	1,560
Over 90 days	11,659	7,389
	76,084	70,843

	The Company	
	2005	2004
	HK$'000	*HK$'000*
0 – 60 days	228	507
61 – 90 days	–	–
Over 90 days	2,453	20
	2,681	527

18. BANK AND OTHER BORROWINGS

	The Group	
	2005	2004
	HK$'000	*HK$'000*
Bank loans, secured and repayable:		
– Within one year	–	22,404
– More than one year, but not exceeding two years	79,037	1,847
	79,037	24,251
Long term other loan	6,519	–
Total borrowings	85,556	24,251
Less: Portion classified as current liabilities	–	(22,404)
Non-current portion included under non-current liabilities	85,556	1,847

For the year ended 31 March 2005

18. BANK AND OTHER BORROWINGS *(Continued)*

At 31 March 2005, the bank loan was secured by a pledge of a bank deposit of the Group amounting to HK$98,798,000. At 31 March 2004, the bank loans were secured by a charge over certain printing equipment with an aggregate net book value of approximately HK$135,000,000 at the balance sheet date.

Other loan, which was made by a minority shareholder of a subsidiary of the Company, was unsecured,interest-free and was not repayable within one year.

19. SHARE CAPITAL

	2005 and 2004	
	Number of shares	*HK$'000*
Ordinary shares of HK$0.25 each		
Authorised:		
At beginning and end of the year	5,000,000,000	1,250,000
Issued and fully paid:		
At beginning and end of the year	2,397,917,898	599,479

For the year ended 31 March 2005

20. DEFERRED TAXATION

The following are the components of the net deferred tax liabilities/(assets) recognised by the Group and the Company and movements thereon during the year and prior year.

The Group

	Accelerated tax depreciation	Allowance for bad and doubtful debts	Revaluation of properties	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2003	92,079	–	23,236	(4,351)	110,964
(Credited)/charged to income statement	(15,678)	(2,124)	–	4,099	(13,703)
Charged to equity	–	–	2,014	–	2,014
At 31 March 2004 and 1 April 2004	76,401	(2,124)	25,250	(252)	99,275
(Credited)/charged to income statement	27,479	(121)	–	(18,109)	9,249
Charged to equity	–	–	19,437	–	19,437
At 31 March 2005	**103,880**	**(2,245)**	**44,687**	**(18,361)**	**127,961**

At the balance sheet date, the Group had unprovided deferred assets in respect of tax losses of approximately HK$2,779,000 (2004: HK$3,664,000) due to the unpredictability of the future profit streams.

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2005	2004
	HK$'000	*HK$'000*
Deferred tax liabilities	**149,013**	121,904
Deferred tax assets	**(21,052)**	(22,629)
	127,961	99,275

For the year ended 31 March 2005

20. DEFERRED TAXATION *(Continued)*

The Company

	Accelerated tax depreciation *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
At 31 March 2003	298	(1,155)	(857)
Charged to income statement	300	1,155	1,455
At 31 March 2004 and 1 April 2004	598	–	598
Charged to income statement	300	–	300
At 31 March 2005	**898**	**–**	**898**

21. CONTINGENT LIABILITIES

At the balance sheet date, there were contingent liabilities, so far as not provided for in the financial statements, in respect of:

	2005 ***HK$'000***	2004 *HK$'000*
The Company		
Guarantees for banking facilities utilised by subsidiaries	**60,571**	118,679

22. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

At the balance sheet date, the Group had operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2005	2004
	HK$'000	*HK$'000*
Within one year	871	3,834
In the second to fifth year inclusive	–	691
	871	4,525

Operating lease payments represent rentals payable by the Group for certain of its printing and office premises. Leases are negotiated for terms ranging from one to three years and none of the leases include contingent rentals.

The Group as lessor

Property rental income earned during the year, net of negligible outgoings, was approximately HK$2,422,000 (2004: HK$2,422,000).

At the balance sheet date, the Group had no contract with any tenants for future minimum lease payments (2004: Nil).

For the year ended 31 March 2005

22. COMMITMENTS *(Continued)*

(b) Capital commitments

	The Group	
	2005	2004
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the financial statements	**2,029**	120,106

	The Company	
	2005	2004
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the financial statements	**–**	763

23. RELATED PARTY TRANSACTIONS

During the year, the Group paid legal fees amounting to approximately HK$1,954,000 (2004: HK$916,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, the non-executive director of the Company, is a senior partner of Messrs. Iu, Lai & Li. The transaction prices were considered by the Directors as estimated market value.

24. RETIREMENT BENEFIT SCHEME

The employees of the Group in Hong Kong were covered under the MPF Scheme which is a defined contribution scheme and the assets are managed by the trustee. The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% of the staff's relevant income. The maximum relevant income of each staff for contribution purpose is HK$20,000 per month. Staff members are entitled to 100% of the Group's contributions plus the accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65. During the year, contributions to the MPF Scheme amounted to approximately HK$21,313,000 (2004: HK$21,481,000).

25. OUTSTANDING LITIGATIONS

At the balance sheet date, there have been several outstanding defamatory litigations brought against the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date of these financial statements, the Directors are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

26. COMPARATIVE AMOUNTS

As explained in note 10 to the financial statements, certain comparative amounts have been reclassified to conform with the current year's presentation.

27. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Directors on 28 June 2005.