1 GENERAL INFORMATION

Ming Pao Enterprise Corporation Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are the publication of Chinese newspapers, periodicals and books, and the provision of travel and travel related services.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 22nd March 1991.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 30th June 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted 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.

(a) (i) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The HKFRSs include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations ("HKAS-Int") issued by the Hong Kong Institute of Certified Public Accountants (''HKICPA") which are effective for accounting periods beginning on or after 1st January 2005. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 adoption of new HKFRSs

For the year ended 31st March 2006, the Group has adopted the new HKFRSs below, which are relevant to its operations, in the preparation of the financial statements. The 2005 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) (i) Basis of preparation (Continued)

HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HKAS-Int 12	Consolidation – Special Purpose Entities
HKAS-Int 15	Operating Leases – Incentives
HKAS-Int 31	Revenue – Barter Transactions Involving Advertising Services
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

In summary:

The adoption of HKASs 2, 7, 8, 10, 12, 14, 16, 19, 21, 23, 27, 28, 33, 38, HK-Int 4, HKAS-Int 12, 15 and 31 did not result in substantial changes to the Group's accounting policies.

HKAS 1 has affected the presentation of minority interests and disclosure of the financial statements.

HKAS 24 has expanded the definition of related parties to include key management of the Group.

The adoption of HKAS 17 has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings in Hong Kong and in Mainland China were previously carried at cost or valuation less accumulated depreciation and accumulated impairment losses. In accordance with the provisions of HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The lease of land should be classified as an operating lease and any premium paid thereon is stated at cost and amortised over the period of the lease. The leasehold building is stated at cost or valuation less accumulated depreciation and accumulated impairment losses and is included under the classification of property, plant and equipment in the balance sheet. The prepaid land premium and land use rights are presented in the balance sheet as a separate item under non-current assets. The effect of these changes has been reflected in the comparative figures and is summarised in note 2(a)(ii).

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets.

The adoption of HKAS 36 and HKFRS 3 has resulted in a change in accounting policy for goodwill. Prior to this, goodwill was amortised on a straight-line basis over a period of not exceeding 15 years and assessed for any indication of impairment at each balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) (i) Basis of preparation (Continued)

In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st April 2005 onwards and goodwill is tested annually for impairment as well as when there is indication of impairment. The accumulated amortisation as at 1st April 2005 has been offset against the cost of goodwill, with no comparatives restated. The Group's goodwill as at 31st March 2006 and 2005 amounted to HK$27,684,000 and HK$2,028,000 respectively.

The Group has newly adopted HKFRS 2 since 1st April 2005. Under HKFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the income statement and credited to employee share-based compensation reserve under equity.

In addition, share options were conditionally granted under a pre-IPO share option scheme of a subsidiary namely One Media Group Limited ("OMG") to certain employees of the Group on 26th September 2005. These share options were approved upon the listing of OMG on 18th October 2005 (the "Listing Date"), the vesting scales in relation to each option granted to the grantees shall begin on the Listing Date. The impact to the consolidated income statement of the Group for the year ended 31st March 2006 was HK$794,000.

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards, wherever applicable. All standards adopted by the Group require retrospective application except HKAS 39 and HKFRS 3, which are prospectively applied after 1st April 2005.

(a) (ii) Summary of effects of the changes in accounting policies

On consolidated income statement:

	Effect of adopting		
	HKAS 17	**HKFRS 2**	**Total**
	HK$'000	HK$'000	HK$'000
For the year ended 31st March 2006			
Decrease in depreciation	**6,486**	**–**	**6,486**
Increase in amortisation of leasehold land and land use rights	**(2,712)**	**–**	**(2,712)**
Increase in deferred income tax charge	**(624)**	**–**	**(624)**
Increase in employee benefit expense	**–**	**(794)**	**(794)**
Increase/(decrease) in profit for the year	**3,150**	**(794)**	**2,356**
Increase/(decrease) in basic earnings per share (HK cents)	**0.8**	**(0.2)**	**0.6**
Increase/(decrease) in diluted earnings per share (HK cents)	**0.8**	**(0.2)**	**0.6**
For the year ended 31st March 2005			
Decrease in depreciation	6,486	–	6,486
Increase in amortisation of leasehold land and land use rights	(2,712)	–	(2,712)
Increase in deferred income tax charge	(624)	–	(624)
Increase in profit for the year	3,150	–	3,150
Increase in basic earnings per share (HK cents)	0.8	–	0.8
Increase in diluted earnings per share (HK cents)	0.8	–	0.8

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) (ii) Summary of effects of the changes in accounting policies (Continued)

On consolidated balance sheet:

	Effect of adopting			
	HKAS 17 HK$'000	HKAS 32 and HKAS 39 HK$'000	HKFRS 2 HK$'000	Total HK$'000
As at 31st March 2006				
Increase/(decrease) in assets and liabilities				
Property, plant and equipment	**(177,206)**	**–**	**–**	**(177,206)**
Leasehold land and land use rights	**110,557**	**–**	**–**	**110,557**
Available-for-sale financial assets	**–**	**4,698**	**–**	**4,698**
Financial assets at fair value through profit or loss	**–**	**2,085**	**–**	**2,085**
Trading securities	**–**	**(2,085)**	**–**	**(2,085)**
Trade and other receivables	**–**	**(4,698)**	**–**	**(4,698)**
Deferred income tax liabilities	**(13,023)**	**–**	**–**	**(13,023)**
Increase/(decrease) in equity				
Revaluation reserves	**(85,715)**	**–**	**–**	**(85,715)**
Employee share-based compensation reserve	**–**	**–**	**794**	**794**
Accumulated losses	**32,089**	**–**	**(794)**	**31,295**
As at 31st March 2005				
Increase/(decrease) in assets and liabilities				
Property, plant and equipment	(183,692)	–	–	(183,692)
Leasehold land and land use rights	113,269	–	–	113,269
Deferred income tax liabilities	(13,647)	–	–	(13,647)
Increase/(decrease) in equity				
Revaluation reserves	(85,715)	–	–	(85,715)
Accumulated losses	28,939	–	–	28,939

As at the date of approval of these financial statements, the following standards relevant to the Group have been issued but were not yet effective:

	Effective for accounting periods of the Group beginning on or after
HKFRS-Int 4 Determining whether an Arrangement contains a Lease	1st April 2006
Amendments to HKAS 19 Employee benefits:	
– Actuarial Gains and Losses, Group Plans and Disclosures	1st April 2006
Amendments to HKAS 39 Financial instruments: Recognition and Measurement:	
– The Fair Value Option	1st April 2006
– Financial Guarantee Contracts	1st April 2006
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:	
– HKAS 1 Presentation of Financial Statements	1st April 2006
– HKAS 27 Consolidated and Separate Financial Statements	1st April 2006
– HKFRS 3 Business Combinations	1st April 2006
HKFRS 7 Financial Instruments: Disclosures	1st April 2007
Amendment to HKAS 1 Presentation of Financial Statements	
– Capital Disclosures	1st April 2007

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) (ii) Summary of effects of the changes in accounting policies (Continued)

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1st December 2005 and would be first applicable to the Group's financial statements for the period beginning 1st April 2006.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations would be in the period of initial application, but is not yet in a position to state whether these amendments, new standards and new interpretations would have a significant impact on the Group's results of operations and financial position.

(b) Group accounting

(i) Consolidation

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Group accounting (Continued)

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) 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 HK dollars, which is the Company's functional and presentation currency.

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

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

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

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Goodwill on acquisitions that occurred prior to 1st April 2005 was amortised on a straight-line basis over a period of not exceeding 15 years and assessed for any indication of impairment at each balance sheet date. The Group ceased amortisation of goodwill from 1st April 2005 onwards.

(ii) Others

Other intangible assets comprise archives, masthead and publishing right that are acquired by the Group and are stated in the balance sheet at cost less accumulated amortisation.

Amortisation of intangible assets is charged to the income statement on a straight-line basis over the assets' estimated useful lives. Intangible assets with an indefinite useful life are tested systematically for impairment at each balance sheet date. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Archives, masthead and publishing right	15 – 25 years

(d) Property, plant and equipment

(i) Other properties

Other properties are interests in freehold land and buildings and are stated at cost or fair value which is determined by the directors based on independent valuations. Effective from 30th September 1995, no further revaluations of the Group's freehold land and buildings have been carried out. The Group places reliance on paragraph 80A of HKAS 16 which provides exemption from the need to make regular revaluations for such assets.

Freehold land is not amortised. Freehold buildings are depreciated on a straight-line basis over their expected useful lives to the Group, and the principal annual rate used for this purpose is 2.5%.

Buildings, which are situated on leasehold land and held for own use, are stated at cost or valuation and are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates range from 2% to 2.6%.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

(ii) Other property, plant and equipment

Plant and equipment, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	15% – 33.33% or over remaining period of leases
Furniture, fixtures and office equipment	10% – 33.33%
Machinery and printing equipment	6.67% – 33.33%
Motor vehicles	25%

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. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(e)).

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement on the date of disposal.

(e) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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).

(f) Leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and long-term liabilities. The interest element of the finance cost is recognised in the income statement over the lease periods so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets are retained by the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investments

From 1st April 2004 to 31st March 2005

The Group classified its investments in securities as trading securities. Trading securities were carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of trading securities are recognised in the income statement. Gains or losses on disposals of trading securities, representing the differences between the net sales proceeds and the carrying amounts, are recognised in the income statement as they arise.

From 1st April 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) 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 arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets represented unlisted club debentures that were stated at fair value at 31st March 2006.

Purchases and sales of investments are recognised on 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. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

Inventories comprise raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost is calculated on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(i) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Profit sharing and bonus plans

The expected cost of profit sharing and bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

The Group operates a hybrid retirement benefit scheme (the “Scheme”) and a Mandatory Provident Fund Scheme (the ‘’MPF”) for its employees in Hong Kong. Overseas employees are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates. The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or employees.

The Group’s contributions to the defined benefit plans of the Scheme are made based on the periodic recommendations of independent qualified actuaries.

The Group’s contributions to the defined contribution plans of the Scheme and the MPF scheme are expensed as incurred. The Group’s contributions to the defined contribution plans of the Scheme are reduced by the Group’s contributions forfeited by those employees who leave the plans prior to vesting fully in the Group’s contributions.

For the defined benefit plans, the pension cost of the Scheme are assessed using the projected unit credit method. Under this method, the cost of providing retirement benefit is charged to the income statement so as to spread the regular pension costs over the service lives of employees in accordance with the advice of the actuaries who carry out a full valuation of the Scheme. The pension obligation is measured as the present value of the estimated future cash outflows of the Scheme by reference to market yields of Government securities which have similar terms as the terms of the related liabilities. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Employee benefits (Continued)

(iv) Long service payments

The Group's net obligations in respect of long service payments on cessation of 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 plans that are attributed to contributions made by the Group. The discount rate is the yield at balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

(v) Share-based compensation

The Group operates share-based compensation schemes. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. The Group recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

(l) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates (and laws), 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, are used to determine deferred income tax.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Revenue recognition

Advertising income, net of trade discounts, is recognised when the newspapers and periodicals are published.

Revenue from the circulation and subscription sales of newspapers, periodicals and books, net of trade discounts and returns, is recognised on the transfer of risks and rewards of ownership, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as subscriptions received in advance under trade and other payables in the balance sheet.

Revenue from packaged tour operations is recognised upon the departure of tours. Revenue from the provision of other travel related services is recognised upon the delivery of services.

Travel agency commission income earned from the provision of travel agency services is recognised in accordance with the respective agency agreements, which generally coincides with the time when the services are rendered.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Management fee income is recognised on an accrual basis.

Operating lease rental income is recognised in equal instalments over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

(n) Segment reporting

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

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated expenses represent corporate expenses. Segment assets consist primarily of property, plant and equipment, defined benefit plan's assets, inventories, receivables and operating cash, and exclude financial assets at fair value through profit or loss, income tax recoverable and corporate assets. Segment liabilities comprise operating liabilities and exclude items such as income tax liabilities and certain corporate borrowings. Capital expenditure comprises additions of property, plant and equipment.

In respect of geographical segment reporting, revenues and results are based on the location in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

3 FINANCIAL RISK MANAGEMENT

The Group's exposure to interest rate, credit and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Interest rate risk

The Group's cash balances are exposed to the risk arising from changing interest rates. The Group manages this risk by placing deposits at various maturities and interest rate terms.

The Group's bank loans and obligations under finance leases have exposure to risk arising from changing interest rates. The Group manages this risk by arranging various maturity periods and terms for its loans and obligations under finance leases.

(b) Credit risk

The Group manages its credit risk associated with trade receivables through the application of ongoing credit evaluations and monitoring procedures.

(c) Currency risk

The Group's revenues and costs are mainly denominated in Hong Kong dollars, Canadian dollars, US dollars and Renminbi ("RMB"). Since Hong Kong dollars is pegged to the US dollars and the RMB is pegged to a basket of foreign currencies, the Group does not foresee any substantial exposure to US dollars and RMB in this regard.

The Group's entities in Canada are not exposed to material foreign currency risks as all their major transactions and costs are denominated in Canadian dollars, the functional currency in which these entities operate.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Provision for impairment of receivables

The Group makes provision for impairment of receivables based on assessment of the recoverability of trade and other receivables. Provisions are made for any specific trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of such balances requires the use of judgement and estimates.

(b) Defined benefit plan's assets

Determination of the carrying amount of defined benefit plan's assets requires actuarial assumptions made in respect of discount rate, rate of return on plan assets and rate of future salary increase. Changes to these assumptions could have a significant risk of causing a material adjustment to the carrying amount in the balance sheet.

(c) Provision for long service payments

The provision 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 the balance sheet date. Actuarial assumptions made in respect of discount rate, rate of return on plan assets 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 balance sheet.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(d) Fair value of intangible assets

The fair value of intangible assets that are not traded in an active market is determined by independent valuation. The Group adopted the fair value provided by an independent valuation consultant as its best estimate of the fair value.

5 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the publication of Chinese newspapers, periodicals and books, provision of travel and travel related services. Revenues recognised during the year are as follows:

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Turnover		
Advertising income, net of trade discounts	**640,309**	585,989
Sales of newspapers, periodicals and books, net of trade discounts and returns	**188,467**	192,597
Travel and travel related services income	**416,724**	387,100
Travel agency commission income	**3,123**	2,993
	1,248,623	1,168,679
Other gains		
Interest income	**8,640**	2,949
Rental and management fee income	**558**	831
Dividend income	**75**	42
Deemed gain on disposal of partial interests in subsidiaries *(note (a))*	**33,102**	2,054
Gain on disposal of partial interests in subsidiaries *(note (b))*	**27,854**	–
Others	**–**	2,948
	70,229	8,824
Total revenues	**1,318,852**	1,177,503

Notes:

(a) On 18th October 2005, the shares of One Media Group Limited, a subsidiary of the Group, were listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited by the issuance of new ordinary shares. As a result, a gain on deemed disposal of partial interests in subsidiaries amounting to HK$33,102,000 was recognised by the Group.

(b) In March 2004, the Group and Redgate Media Inc. ("Redgate") entered into an agreement ("Redgate Agreement") such that 40% of the equity interest in Winmax Resources Limited ("Winmax"), a subsidiary of the Group that operates the Group's lifestyle magazine business, was transferred to Redgate. In return, Redgate transferred its 100% equity interest in Media2U Group together with a cash consideration of HK$8,921,000 to the Group. Details of the transaction were disclosed in the Company's announcement dated 9th March 2004. One of the conditions in the Redgate Agreement provided that if Media2U Group could not achieve an agreed pre-tax profit target for the two financial years commencing from 1st April 2004 to 31st March 2006 ("Pre-tax Profit") as prescribed therein, Redgate would at its discretion either pay to the Group a pre-determined cash amount or reduce its shareholding in Winmax. As Media2U Group did not achieve the Pre-tax Profit, a gain on disposal of partial interests in subsidiaries of HK$27,854,000 was recorded in the Group's consolidated income statement for the current year to reflect the probable adjustment to the value of consideration received on disposal of partial interests in Winmax in accordance with the Redgate Agreement.

5 TURNOVER AND SEGMENT INFORMATION (Continued)

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

Primary reporting format – business segments:

	Publishing 2006 HK$'000	Travel and travel related services 2006 HK$'000	Elimination 2006 HK$'000	Group 2006 HK$'000
Turnover	828,776	419,847	–	1,248,623
Segment results	15,418	1,994	–	17,412
Interest income				8,640
Other gains				60,956
Net unallocated expenses				(1,366)
Operating profit				85,642
Finance costs				(3,209)
Share of losses of associated companies				(2,909)
Profit before income tax				79,524
Income tax expense				(7,529)
Profit for the year				71,995
Segment assets	849,663	34,862	(33,102)	851,423
Unallocated assets				125,494
Total assets				976,917
Segment liabilities	(218,470)	(42,339)	33,102	(227,707)
Unallocated liabilities				(33,650)
Total liabilities				(261,357)
Capital expenditure on property, plant and equipment	11,053	760	–	11,813
Capital expenditure on intangible assets	67,631	–	–	67,631
Depreciation	24,961	789	–	25,750
Amortisation of leasehold land and land use rights	2,712	–	–	2,712
Amortisation of intangible assets	526	–	–	526
Net other non-cash expenses	5,767	(109)	–	5,658

5 TURNOVER AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments: (Continued)

	As restated Publishing 2005 HK$'000	Travel and travel related services 2005 HK$'000	Elimination 2005 HK$'000	As restated Group 2005 HK$'000
Turnover	778,586	390,093	–	1,168,679
Segment results	73,794	1,359	–	75,153
Interest income				2,949
Other gains				2,054
Net unallocated expenses				(1,205)
Operating profit				78,951
Finance costs				(2,325)
Share of losses of associated companies				(3,677)
Profit before income tax				72,949
Income tax expense				(21,776)
Profit for the year				51,173
Segment assets	647,440	42,168	(28,768)	660,840
Interests in associated companies	22,210	–	–	22,210
Unallocated assets				89,428
Total assets				772,478
Segment liabilities	(142,715)	(43,334)	28,768	(157,281)
Unallocated liabilities				(46,092)
Total liabilities				(203,373)
Capital expenditure on property, plant and equipment	15,411	592	–	16,003
Depreciation	25,352	794	–	26,146
Amortisation of leasehold land and land use rights	2,712	–	–	2,712
Amortisation of goodwill	137	–	–	137
Net other non-cash expenses	1,573	123	–	1,696

5 TURNOVER AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments:

	Hong Kong 2006 HK$'000	North America 2006 HK$'000	Mainland China 2006 HK$'000	Elimination 2006 HK$'000	Group 2006 HK$'000
Turnover	**754,909**	**459,484**	**34,230**	**–**	**1,248,623**
Segment results	**72,904**	**(29,727)**	**(17,549)**	**–**	**25,628**
Interest income					**8,640**
Other gains					**60,956**
Net unallocated expenses					**(9,582)**
Operating profit					**85,642**
Segment assets	**856,317**	**134,068**	**194,005**	**(332,967)**	**851,423**
Unallocated assets					**125,494**
Total assets					**976,917**
Segment liabilities	**(146,114)**	**(294,854)**	**(119,706)**	**332,967**	**(227,707)**
Unallocated liabilities					**(33,650)**
Total liabilities					**(261,357)**
Capital expenditure on property, plant and equipment	**7,144**	**2,268**	**2,401**	**–**	**11,813**
Capital expenditure on intangible assets	**67,631**	**–**	**–**	**–**	**67,631**

	As restated Hong Kong 2005 HK$'000	North America 2005 HK$'000	As restated Mainland China 2005 HK$'000	Elimination 2005 HK$'000	As restated Group 2005 HK$'000
Turnover	737,114	397,820	33,745	–	1,168,679
Segment results	108,255	(24,074)	(3,299)	–	80,882
Interest income					2,949
Other gains					2,054
Net unallocated expenses					(6,934)
Operating profit					78,951
Segment assets	763,340	132,342	80,355	(315,197)	660,840
Interests in associated companies					22,210
Unallocated assets					89,428
Total assets					772,478
Segment liabilities	(96,110)	(271,455)	(104,913)	315,197	(157,281)
Unallocated liabilities					(46,092)
Total liabilities					(203,373)
Capital expenditure on property, plant and equipment	6,086	9,057	860	–	16,003

6 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Crediting		
Net exchange gain	**1,818**	953
Fair value gains on financial assets at fair value through profit or loss	**137**	–
Unrealised gain on trading securities	**–**	149
Gain on disposals of property, plant and equipment	**–**	29
Write-back of over-provision for inventory obsolescence	**–**	164
Charging		
Auditors' remuneration		
Current year	**3,149**	2,094
(Over)/under provision in prior years	**(41)**	228
Cost of inventories sold	**220,294**	180,552
Depreciation		
Owned property, plant and equipment	**23,945**	24,581
Leased property, plant and equipment	**1,805**	1,565
Amortisation of leasehold land and land use rights	**2,712**	2,712
Amortisation of goodwill	**–**	137
Amortisation of intangible assets	**526**	–
Employee benefit expense (including directors' emoluments) *(note 12)*	**359,991**	322,699
Operating lease expenses		
Land and buildings	**12,218**	8,569
Machineries	**171**	143
Provision for impairment of receivables	**4,872**	1,860
Provision for inventory obsolescence	**786**	–
Loss on disposals of property, plant and equipment	**76**	–

7 FINANCE COSTS

	Group	
	2006	2005
	HK$'000	HK$'000
Interest on bank loans and overdrafts	**2,728**	1,695
Interest element of finance lease payments	**481**	630
	3,209	2,325

8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Hong Kong profits tax		
Current year	**8,975**	16,879
(Over)/under provision in prior years	**(337)**	9
Overseas taxation		
Current year	**3,001**	4,527
Over provision in prior years	**(334)**	(445)
Deferred income tax (credit)/charge *(note 32)*	**(3,776)**	806
	7,529	21,776

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rates of the countries in which the Group operates as follows:

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Profit before income tax	**79,524**	72,949
Notional tax calculated at the taxation rates applicable in the countries concerned	**8,103**	7,364
Income not subject to tax	**(14,376)**	(4,960)
Expenses not deductible for tax purposes	**3,854**	3,867
Utilisation of previously unrecogised tax losses	**(1,280)**	(1,463)
Recognition of deferred income tax assets arising from previously unrecognised tax losses	**(4,291)**	–
Temporary differences not recognised	**606**	1,513
Tax losses for which no deferred income tax asset was recognised	**15,644**	15,891
Over provision in prior years	**(671)**	(436)
Others	**(60)**	–
Tax expense	**7,529**	21,776

9 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK$79,133,000 (2005: HK$6,358,000).

10 DIVIDENDS

	Group and Company	
	2006	2005
	HK$'000	HK$'000
Interim, paid, of HK3 cents (2005: HK3 cents) per ordinary share	**11,805**	11,858
Final, proposed, of HK4 cents (2005: HK4 cents, paid) per ordinary share *(notes (a) & (b))*	**16,206**	15,761
	28,011	27,619

Notes:

(a) The board of directors has resolved to recommend a final dividend of HK4 cents (2005: HK4 cents) per ordinary share for the year ended 31st March 2006. Upon approval by the shareholders, the final dividend will be paid on 20th September 2006 to shareholders whose names appear on the register of members of the Company on 8th September 2006. These financial statements do not reflect this dividend payable.

(b) The actual 2005 final dividend paid during the year ended 31st March 2006 was different from the proposed 2005 final dividend as disclosed in the 2005 Annual Report as 413,000 ordinary shares were repurchased by the Company between the financial statements approval date and the ex-dividend date.

11 EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group and Company	
		As restated
	2006	2005
Profit attributable to equity holders of the Company (HK$'000)	**68,514**	43,340
Weighted average number of ordinary shares in issue	**393,864,156**	395,924,441
Basic earnings per share (HK cents)	**17**	11

(ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, which is the share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Group and Company	
		As restated
	2006	2005
Profit attributable to equity holders of the Company used to determine diluted earnings per share (HK$'000)	**68,514**	43,340
Weighted average number of ordinary shares in issue	**393,864,156**	395,924,441
Adjustment for share options	**127,086**	141,522
Weighted average number of ordinary shares for diluted earnings per share	**393,991,242**	396,065,963
Diluted earnings per share (HK cents)	**17**	11

12 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	Group	
	2006 **HK$'000**	2005 HK$'000
Wages and salaries	**323,358**	293,369
Unutilised annual leave	**1,298**	1,618
Share compensation costs on share options granted by a listed subsidiary	**794**	–
Pension costs – defined contribution plans	**7,072**	7,021
Pension costs – defined benefit plans *(note 19)*	**517**	685
Other staff costs	**26,952**	20,006
	359,991	322,699

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Details of directors' emoluments for the year ended 31st March 2006 are set out below:

Name of Director	**Fees HK$'000**	**Salaries, allowances and benefits in kind HK$'000**	**Discretionary bonuses HK$'000**	**Employer's contributions to pension schemes HK$'000**	**Total HK$'000**
Executive directors					
Tan Sri Datuk TIONG Hiew King	**–**	**–**	**–**	**–**	**–**
Mr TIONG Kiu King	**–**	**–**	**–**	**–**	**–**
Dr TIONG Ik King	**–**	**–**	**–**	**–**	**–**
Mr TIONG Kiew Chiong	**–**	**1,862**	**54**	**93**	**2,009**
Independent non-executive directors					
Mr TANG Ying Yu	**130**	**–**	**–**	**–**	**130**
Mr David YU Hon To	**160**	**–**	**–**	**–**	**160**
Mr Victor YANG	**140**	**–**	**–**	**–**	**140**
Total	**430**	**1,862**	**54**	**93**	**2,439**

Details of directors' emoluments for the year ended 31st March 2005 are set out below:

Name of Director	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Employer's contributions to pension schemes HK$'000	Total HK$'000
Executive directors					
Tan Sri Datuk TIONG Hiew King	–	–	–	–	–
Mr TIONG Kiu King	–	–	–	–	–
Dr TIONG Ik King	–	–	–	–	–
Mr TIONG Kiew Chiong	–	1,769	54	93	1,916
Independent non-executive directors					
Mr TANG Ying Yu	120	–	–	–	120
Mr David YU Hon To	120	–	–	–	120
Mr Victor YANG	63	–	–	–	63
Total	303	1,769	54	93	2,219

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) No directors waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31st March 2006 and 2005.

During the year, no option (2005: nil) was granted to the directors under the share option scheme of the Company approved by the shareholders at the Special General Meeting held on 21st August 2001.

As at 31st March 2006, no option was granted to the directors under the Post-IPO Scheme of OMG. During the year, 5,200,000 share options were conditionally granted to the directors of the Company under the Pre-IPO Scheme of OMG on 27th September 2005.

(b) The five highest paid individuals during the year include one executive director whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining four (2005: four) individuals during the year are as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Basic salaries, other allowances and benefits in kind	**6,670**	6,047
Contributions to pension scheme	**208**	287
Share compensation costs on share options granted by a listed subsidiary	**100**	–
	6,978	6,334

The emoluments of the four individuals fell within the following bands:

	Number of individuals	
	2006	2005
	HK$'000	HK$'000
From HK$1,000,001 to HK$1,500,000	**–**	2
From HK$1,500,001 to HK$2,000,000	**4**	2

14 PROPERTY, PLANT AND EQUIPMENT

	Group							
	Other properties							
	Freehold land and buildings outside Hong Kong	Buildings held on long term leases outside Hong Kong	Buildings held on medium term leases in Hong Kong	Buildings held on medium term leases outside Hong Kong	Leasehold improvements, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost or valuation								
At 1st April 2004, as previously reported	21,779	7,067	282,638	35,346	117,276	234,557	4,321	702,984
Transfer to leasehold land and land use rights *(note 15)*	–	(5,153)	(119,269)	(22,089)	–	–	–	(146,511)
Effect of adopting HKAS 17	–	135	(95,235)	(974)	–	–	–	(96,074)
At 1st April 2004, as restated	21,779	2,049	68,134	12,283	117,276	234,557	4,321	460,399
Additions	–	–	–	–	11,987	3,734	282	16,003
Acquisition of subsidiaries	–	–	–	–	242	–	–	242
Exchange adjustment	1,686	–	–	–	3,472	4,802	42	10,002
Disposals	–	–	–	–	(2,575)	(2,572)	(619)	(5,766)
At 31st March 2005, as restated	23,465	2,049	68,134	12,283	130,402	240,521	4,026	480,880
At 1st April 2005, as previously reported	**23,465**	**7,067**	**282,638**	**35,346**	**130,402**	**240,521**	**4,026**	**723,465**
Transfer to leasehold land and land use rights *(note 15)*	**–**	**(5,153)**	**(119,269)**	**(22,089)**	**–**	**–**	**–**	**(146,511)**
Effect of adopting HKAS 17	**–**	**135**	**(95,235)**	**(974)**	**–**	**–**	**–**	**(96,074)**
At 1st April 2005, as restated	**23,465**	**2,049**	**68,134**	**12,283**	**130,402**	**240,521**	**4,026**	**480,880**
Additions	**–**	**–**	**–**	**–**	**9,482**	**2,326**	**5**	**11,813**
Exchange adjustment	**749**	**–**	**–**	**–**	**1,653**	**3,100**	**31**	**5,533**
Disposals	**–**	**–**	**–**	**–**	**(2,612)**	**(623)**	**–**	**(3,235)**
At 31st March 2006	**24,214**	**2,049**	**68,134**	**12,283**	**138,925**	**245,324**	**4,062**	**494,991**

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Group							
	Other properties							
	Freehold land and buildings outside Hong Kong	Buildings held on long term leases outside Hong Kong	Buildings held on medium term leases in Hong Kong	Buildings held on medium term leases outside Hong Kong	Leasehold improvements, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Accumulated depreciation								
At 1st April 2004, as previously reported	1,968	895	62,296	6,532	101,095	154,185	2,815	329,786
Transfer to leasehold land and land use rights *(note 15)*	–	(777)	(25,038)	(4,715)	–	–	–	(30,530)
Effect of adopting HKAS 17	–	141	(22,464)	446	–	–	–	(21,877)
At 31st March 2004, as restated	1,968	259	14,794	2,263	101,095	154,185	2,815	277,379
Charge for the year, as restated	247	30	1,887	267	9,481	13,717	517	26,146
Exchange adjustment	235	–	–	–	3,043	2,778	39	6,095
Disposals	–	–	–	–	(2,528)	(1,569)	(582)	(4,679)
At 31st March 2005, as restated	2,450	289	16,681	2,530	111,091	169,111	2,789	304,941
At 1st April 2005, as previously reported	**2,450**	**1,000**	**70,093**	**7,300**	**111,091**	**169,111**	**2,789**	**363,834**
Transfer to leasehold land and land use rights *(note 15)*	**–**	**(852)**	**(27,217)**	**(5,173)**	**–**	**–**	**–**	**(33,242)**
Effect of adopting HKAS 17	**–**	**141**	**(26,195)**	**403**	**–**	**–**	**–**	**(25,651)**
At 31st March 2005, as restated	**2,450**	**289**	**16,681**	**2,530**	**111,091**	**169,111**	**2,789**	**304,941**
Charge for the year	**262**	**31**	**1,888**	**266**	**9,440**	**13,399**	**464**	**25,750**
Exchange adjustment	**114**	**–**	**–**	**–**	**1,459**	**2,024**	**24**	**3,621**
Disposals	**–**	**–**	**–**	**–**	**(2,539)**	**(613)**	**–**	**(3,152)**
At 31st March 2006	**2,826**	**320**	**18,569**	**2,796**	**119,451**	**183,921**	**3,277**	**331,160**
Net book value								
At 31st March 2006	**21,388**	**1,729**	**49,565**	**9,487**	**19,474**	**61,403**	**785**	**163,831**
At 31st March 2005, as restated	21,015	1,760	51,453	9,753	19,311	71,410	1,237	175,939

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Group							
		Other properties						
	Freehold land and buildings outside Hong Kong	Buildings held on long term leases outside Hong Kong	Buildings held on medium term leases in Hong Kong	Buildings held on medium term leases outside Hong Kong	Leasehold improvements, furniture, fixtures and office equipment	Machinery and printing equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
The analysis of the cost or valuation at 31st March 2006 of the above assets is as follows:								
At cost	**6,206**	**–**	**971**	**–**	**138,925**	**245,324**	**4,062**	**395,488**
At professional valuation in 1995	**18,008**	**2,049**	**67,163**	**12,283**	**–**	**–**	**–**	**99,503**
At 31st March 2006	**24,214**	**2,049**	**68,134**	**12,283**	**138,925**	**245,324**	**4,062**	**494,991**
The analysis of the cost or valuation at 31st March 2005 of the above assets is as follows:								
At cost, as restated	5,457	–	971	–	130,402	240,521	4,026	381,377
At professional valuation in 1995, as restated	18,008	2,049	67,163	12,283	–	–	–	99,503
At 31st March 2005, as restated	23,465	2,049	68,134	12,283	130,402	240,521	4,026	480,880

(a) The freehold land and buildings stated at professional valuation in 1995 were revalued by Vigers Hong Kong Limited and Royal LePage Appraisal & Consulting Services, independent international property consultants, on an open market value basis at 30th September 1995.

(b) The carrying values of machines purchased under finance leases are HK$13,152,000 (2005: HK$15,132,000).

(c) The carrying amounts of other properties would have been HK$47,137,000 (2005: HK$48,880,000, as restated) had they been stated at cost less accumulated depreciation.

(d) Certain property, plant and equipment were pledged as securities for the Group's banking facilities. The details are set out in note 31 to the financial statements.

15 LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Cost		
At 1st April		
As previously reported	**–**	–
Prior period adjustment arising from adoption of new accounting standard for lease *(note 14)*	**146,511**	146,511
At 31st March	**146,511**	146,511
Accumulated amortisation		
At 1st April		
As previously reported	**–**	–
Prior period adjustment arising from adoption of new accounting standard for lease *(note 14)*	**33,242**	30,530
At 1st April	**33,242**	30,530
Charge for the year *(note 6)*	**2,712**	2,712
At 31st March	**35,954**	33,242
Net book value		
At 31st March	**110,557**	113,269

(a) The net book value of the Group's interests in leasehold land and land use rights is analysed as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
In Hong Kong, held on:		
Leases of between 10 to 50 years	**89,873**	92,052
Outside Hong Kong, held on:		
Leases of between 10 to 50 years	**16,458**	16,916
Leases of over 50 years	**4,226**	4,301
	110,557	113,269

(b) Certain leasehold land and land use rights were pledged as securities for the Group's banking facilities. The details are set out in note 31 to the financial statements.

16 INTANGIBLE ASSETS

	Goodwill HK$'000	Archives, masthead and publishing right HK$'000	Total HK$'000
At 1st April 2004			
Cost and net book amount	–	–	–
Year ended 31st March 2005			
Opening net book amount	–	–	–
Acquisition of subsidiaries	2,165	–	2,165
Amortisation and impairment *(note (a))*	(137)	–	(137)
Closing net book amount	2,028	–	2,028
At 31st March 2005			
Cost	2,165	–	2,165
Adjustment to eliminate accumulated amortisation and impairment against cost	(137)	–	(137)
	2,028	–	2,028
Accumulated amortisation and impairment	137	–	137
Adjustment to eliminate accumulated amortisation and impairment against cost	(137)	–	(137)
	–	–	–
Net book amount	2,028	–	2,028
Year ended 31st March 2006			
Opening net book amount	**2,028**	**–**	**2,028**
Acquisition of subsidiaries *(notes (b), (c) & 34)*	**25,656**	**41,975**	**67,631**
Amortisation expense *(note (a))*	**–**	**(526)**	**(526)**
Closing net book amount	**27,684**	**41,449**	**69,133**
At 31st March 2006			
Cost	**27,684**	**41,975**	**69,659**
Accumulated amortisation and impairment	**–**	**(526)**	**(526)**
Net book amount	**27,684**	**41,449**	**69,133**

Notes:

(a) Amortisation of HK$526,000 (2005: HK$137,000) is included in other operating expenses in the consolidated income statement.

(b) On 20th March 2006, Skyland International Investment Limited ("Skyland"), an indirect non-wholly-owned subsidiary of the Company, entered into a sale and purchase agreement relating to the acquisition of 50% issued share capital of Yazhou Zhoukan Holdings Limited ("YZH") from Energetic Assets Limited, a wholly-owned subsidiary of TOM Group Limited at a consideration of HK$16,200,000. YZH's wholly-owned subsidiary, Yazhou Zhoukan Limited, is principally engaged in the operation of the magazine "Yazhou Zhoukan" with distribution network in all major cities in the Southeast Asia region.

(c) The acquisition has been accounted for using the purchase method of accounting. An amount of HK$25,656,000, which represented the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities assumed, was recorded as goodwill. YZH has become a wholly-owned subsidiary and its results have been consolidated into the Group's financial statements effective from 1st January 2006.

The fair value of intangible assets arising from the acquisition, amounting to HK$41,975,000, was based on valuation by RHL Appraisal Ltd., an independent valuation consultant.

17 INTERESTS IN SUBSIDIARIES

	Company	
	2006	2005
	HK$'000	HK$'000
Unlisted shares, at cost	**745,171**	745,171
Less: provision for impairment	**(280,700)**	(280,700)
	464,471	464,471
Amounts due from subsidiaries *(note)*		
Interest-free	**16,199**	459,360
Interest-bearing	**608,440**	118,626
	1,089,110	1,042,457

Note: The amounts due from subsidiaries are unsecured and repayable on demand.

Details of the Company's principal subsidiaries are set out in note 38 to the financial statements.

18 INTERESTS IN ASSOCIATED COMPANIES

	Group	
	2006	2005
	HK$'000	HK$'000
Share of net liabilities other than goodwill *(note (b))*	–	(22,519)
Amounts due from associated companies *(note (c))*	–	44,729
	–	22,210

Notes:

(a) On 20th March 2006, Skyland entered into a sale and purchase agreement relating to the acquisition of 50% issued share capital of YZH from Energetic Assets Limited, a wholly-owned subsidiary of TOM Group Limited, details of which are set out in note 16 to the financial statements.

(b) The following is a list of the Group's associated companies at 31st March 2005:

Name	Place of incorporation and operation	Effective equity interest %	Particulars of issued share capital/ registered capital	Principal activities
Yazhou Zhoukan Holdings Limited	British Virgin Islands	49.72	10,000 ordinary shares of HK$1 each	Investment holding
Yazhou Zhoukan Limited	Hong Kong	49.72	9,500 ordinary shares of HK$1 each	Magazine publishing
亞週股份有限公司	Taiwan	49.72	500,000 ordinary shares of NT$10 each	Magazine distributing

(c) The amounts due from associated companies were unsecured, not repayable within the next twelve months and interest-bearing, except for an amount of HK$4,500,000 which was interest-free.

19 DEFINED BENEFIT PLAN'S ASSETS

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme (the "Scheme") for its employees in Hong Kong.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member.

Regular Member – defined contribution type of benefits based on accumulated contributions and investment gains and losses thereon.

Special Member – benefits based on final salary and service period or accumulated employer's contributions with credited investment gains and losses, whichever is higher.

DB Member – benefits based on final salary and service period only.

Members are also required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses will be paid to the members upon their leaving the employment in addition to the benefits described above.

(b) Defined benefit schemes for Special Member and DB Member

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the income statement 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 Watson Wyatt Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the income statement in accordance with its advice.

	Group	
	2006	2005
	HK$'000	HK$'000
Defined benefit plan's assets	**15,104**	14,687

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

	Group	
	2006	2005
	HK$'000	HK$'000
Fair value of plan assets	**40,820**	36,345
Present value of funded obligations	**(30,028)**	(28,053)
	10,792	8,292
Unrecognised actuarial losses	**4,312**	6,395
Assets in the balance sheet	**15,104**	14,687

19 DEFINED BENEFIT PLAN'S ASSETS (Continued)

(b) Defined benefit schemes for Special Member and DB Member (Continued)

The limit of net asset to be recognised is disclosed as follows:

	Group	
	2006 **HK$'000**	2005 HK$'000
Cumulative unrecognised net actuarial losses and past service cost	**4,312**	6,395
Present value of available future refunds or reductions in future contributions	**10,792**	8,292
	15,104	14,687

The amounts recognised in the income statement are as follows:

	Group	
	2006 **HK$'000**	2005 HK$'000
Current service cost	**(1,729)**	(1,776)
Interest cost	**(1,110)**	(997)
Expected return on plan assets	**2,558**	2,340
Net actuarial losses recognised in the year	**(236)**	(252)
Total pension costs, included in employee benefit expense *(note 12)*	**(517)**	(685)

The actual return on plan assets recognised as an asset was HK$5,457,000 (2005: HK$3,094,000).

Movements in the assets recognised in the balance sheet:

	Group	
	2006 **HK$'000**	2005 HK$'000
At 1st April	**14,687**	14,377
Total pension costs – as shown above	**(517)**	(685)
Contributions paid	**934**	995
At 31st March	**15,104**	14,687

The principal actuarial assumptions used were as follows:

	Group	
	2006 **%**	2005 %
Discount rate	**4.5**	4.0
Expected rate of return on plan assets	**7.0**	7.0
Expected rate of future salary increases		
2005 to 2007	**1.5**	1.5
2008 and onwards	**4.0**	4.0

20 INVENTORIES

	Group	
	2006 **HK$'000**	2005 HK$'000
Raw materials	**48,424**	46,917
Finished goods	**4,700**	4,126
	53,124	51,043

The cost of inventories recognised as expenses and included in cost of goods sold amounted to HK$220,294,000 (2005: HK$180,552,000).

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company **2006** **HK$'000**
Listed equity securities in Hong Kong, at market value	**2,085**

22 TRADING SECURITIES

	Group and Company 2005 HK$'000
Listed equity securities in Hong Kong, at market value	1,948

23 TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2006 **HK$'000**	2005 HK$'000	**2006** **HK$'000**	2005 HK$'000
Trade receivables	**183,332**	166,137	**–**	–
Less: provision for impairment of receivables	**(9,897)**	(4,795)	**–**	–
Trade receivables, net *(note)*	**173,435**	161,342	**–**	–
Deposits and prepayments	**37,495**	38,211	**388**	215
Other receivables	**27,854**	–	**–**	–
	238,784	199,553	**388**	215

The carrying amounts of trade and other receivables approximate their fair value.

23 TRADE AND OTHER RECEIVABLES (Continued)

Note: The Group allows in general a credit period ranging from 7 days to 90 days and 30 days to 180 days to its trade customers in Hong Kong and Mainland China respectively. At 31st March 2006, the ageing analysis of the Group's trade receivables is as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
0 to 60 days	**106,057**	96,999
61 to 120 days	**44,164**	44,124
121 to 180 days	**15,895**	16,093
Over 180 days	**7,319**	4,126
	173,435	161,342

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

The Group has recognised a loss of HK$4,872,000 (2005: HK$1,860,000) for the impairment of its trade receivables during the year ended 31st March 2006. The loss has been included in selling and distribution expenses in the income statement.

24 BANK BALANCES AND CASH

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**37,972**	38,170	**1,996**	682
Short-term bank deposits	**270,961**	151,988	**105,651**	80,235
	308,933	190,158	**107,647**	80,917

The effective interest rate on short-term bank deposits was 3.39% (2005: 0.99%) per annum; these deposits have an average maturity of 42 days (2005: 85 days).

Included in the bank balances and cash of the Group are cash and bank deposits denominated in Renminbi placed with banks in Mainland China amounting to HK$11,547,000 (2005: HK$8,507,000).

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables *(note)*	**66,577**	50,140	**–**	–
Accrued charges	**69,074**	49,219	**2,045**	695
Subscriptions received in advance	**47,779**	18,845	**–**	–
	183,430	118,204	**2,045**	695

The carrying amounts of trade and other payables approximate their fair value.

25 TRADE AND OTHER PAYABLES (Continued)

Note: At 31st March 2006, the ageing analysis of the Group's trade payables is as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
0 to 60 days	**57,114**	46,465
61 to 120 days	**6,050**	2,648
121 to 180 days	**2,985**	852
Over 180 days	**428**	175
	66,577	50,140

26 SHARE CAPITAL

	Group and Company Authorised share capital Ordinary shares of HK$0.10 each	
	Number of shares	HK$'000
At 31st March 2005 and 2006	500,000,000	50,000

	Issued and fully paid ordinary shares of HK$0.10 each			
	2006		2005	
	Number of shares	**HK$'000**	Number of shares	HK$'000
At 1st April	**394,431,000**	**39,442**	397,355,000	39,735
Repurchase of ordinary shares *(note (a))*	**(1,201,000)**	**(120)**	(2,924,000)	(293)
Issue of ordinary shares *(note (b))*	**12,000,000**	**1,200**	–	–
At 31st March	**405,230,000**	**40,522**	394,431,000	39,442

Notes:

(a) During the year, the Company repurchased a total of 1,201,000 of its listed shares on the Stock Exchange for the purpose of enhancing the net asset value per share of the Company. Details of the repurchases are summarised as follows:

Month/Year	Number of shares repurchased	Purchase price per share Highest HK$	Purchase price per share Lowest HK$	Aggregate purchase consideration HK$
July 2005	413,000	1.75	1.60	699,433
August 2005	153,000	1.62	1.58	243,750
September 2005	40,000	1.59	1.57	62,912
October 2005	330,000	1.50	1.40	478,480
January 2006	177,000	1.40	1.33	240,521
February 2006	30,000	1.40	1.38	41,480
March 2006	58,000	1.40	1.35	81,050
	1,201,000			1,847,626

All the repurchased shares were cancelled during the year. Accordingly, the issued share capital of the Company was reduced by the par value of the repurchased shares and the premiums paid on these shares were charged against the share premium account. An amount equivalent to the par value of the shares cancelled was transferred from the Company's retained profits to the capital redemption reserve.

(b) 12,000,000 ordinary shares of the Company were issued as consideration for the acquisition of YZH by Skyland. Details of which are set out in note 16 to the financial statements.

27 RESERVES

	Group							
	Share premium HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Exchange fluctuation reserve HK$'000	Difference arising on consolidation HK$'000	Reserve arising on consolidation HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April 2004, as previously reported	596,410	119,297	356	1,167	(22,400)	3,582	(137,015)	561,397
Effect of adopting HKAS 17	–	(103,663)	–	–	–	–	29,466	(74,197)
Effect of adopting HKAS 17 on deferred income tax	–	17,948	–	–	–	–	(3,677)	14,271
At 1st April 2004, as restated	596,410	33,582	356	1,167	(22,400)	3,582	(111,226)	501,471
Profit for the year, as restated	–	–	–	–	–	–	43,340	43,340
Goodwill written off due to disposal of partial interests in subsidiaries	–	–	–	–	–	1,973	–	1,973
Repurchase of ordinary shares	(3,943)	–	293	–	–	–	(293)	(3,943)
Exchange adjustment	–	–	–	2,185	–	–	–	2,185
2004 final dividend paid *(note 10)*	–	–	–	–	–	–	(11,868)	(11,868)
2004 special dividend paid *(note 10)*	–	–	–	–	–	–	(3,955)	(3,955)
2005 interim dividend paid *(note 10)*	–	–	–	–	–	–	(11,858)	(11,858)
At 31st March 2005, as restated	592,467	33,582	649	3,352	(22,400)	5,555	(95,860)	517,345
Representing:								
2005 final dividend paid *(note 10)*							15,761	
Others							(111,621)	
Accumulated losses at 31st March 2005, as restated							(95,860)	
Company and subsidiaries	592,467	33,582	649	3,352	(22,400)	5,555	(73,336)	539,869
Associated companies	–	–	–	–	–	–	(22,524)	(22,524)
At 31st March 2005, as restated	592,467	33,582	649	3,352	(22,400)	5,555	(95,860)	517,345

27 RESERVES (Continued)

	Group									
	Share premium HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Exchange fluctuation reserve HK$'000	Employee share-based compensation reserve HK$'000	Asset revaluation surplus HK$'000	Difference arising on consolidation HK$'000	Reserve arising on consolidation HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April 2005, as previously reported	**592,467**	**119,297**	**649**	**3,352**	–	–	**(22,400)**	**5,555**	**(124,799)**	**574,121**
Effect of adopting HKAS 17	–	**(103,663)**	–	–	–	–	–	–	**33,240**	**(70,423)**
Effect of adopting HKAS 17 on deferred income tax	–	**17,948**	–	–	–	–	–	–	**(4,301)**	**13,647**
At 1st April 2005, as restated	**592,467**	**33,582**	**649**	**3,352**	–	–	**(22,400)**	**5,555**	**(95,860)**	**517,345**
Profit for the year	–	–	–	–	–	–	–	–	**68,514**	**68,514**
Repurchase of ordinary shares *(note 26(a))*	**(1,728)**	–	**120**	–	–	–	–	–	**(120)**	**(1,728)**
Issue of ordinary shares *(note 26(b))*	**15,000**	–	–	–	–	–	–	–	–	**15,000**
Exchange adjustment	–	–	–	**305**	–	–	–	–	–	**305**
Share compensation costs on share options granted by a listed subsidiary	–	–	–	–	**794**	–	–	–	–	**794**
Asset revaluation surplus arising from acquisition of subsidiaries	–	–	–	–	–	**20,987**	–	–	–	**20,987**
2005 final dividend paid *(note 10)*	–	–	–	–	–	–	–	–	**(15,761)**	**(15,761)**
2006 interim dividend paid *(note 10)*	–	–	–	–	–	–	–	–	**(11,805)**	**(11,805)**
At 31st March 2006	**605,739**	**33,582**	**769**	**3,657**	**794**	**20,987**	**(22,400)**	**5,555**	**(55,032)**	**593,651**
Representing:										
2006 final dividend proposed *(note 10)*									**16,206**	
Others									**(71,238)**	
Accumulated losses at 31st March 2006									**(55,032)**	
Company and subsidiaries	**605,739**	**33,582**	**769**	**3,657**	**794**	**20,987**	**(22,400)**	**5,555**	**(55,032)**	**593,651**
Associated companies	–	–	–	–	–	–	–	–	–	–
At 31st March 2006	**605,739**	**33,582**	**769**	**3,657**	**794**	**20,987**	**(22,400)**	**5,555**	**(55,032)**	**593,651**

27 RESERVES (Continued)

	Company				
	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 1st April 2004	596,410	356	200,379	313,455	1,110,600
Repurchase of ordinary shares	(3,943)	293	–	(293)	(3,943)
Profit for the year	–	–	–	6,358	6,358
2004 final dividend paid *(note 10)*	–	–	–	(11,868)	(11,868)
2004 special dividend paid *(note 10)*	–	–	–	(3,955)	(3,955)
2005 interim dividend paid *(note 10)*	–	–	–	(11,858)	(11,858)
At 31st March 2005	592,467	649	200,379	291,839	1,085,334
Representing:					
2005 final dividend paid *(note 10)*				15,761	
Others				276,078	
Retained profits at 31st March 2005				291,839	
At 1st April 2005	**592,467**	**649**	**200,379**	**291,839**	**1,085,334**
Repurchase of ordinary shares *(note 26(a))*	**(1,728)**	**120**	**–**	**(120)**	**(1,728)**
Issue of ordinary shares *(note 26(b))*	**15,000**	**–**	**–**	**–**	**15,000**
Profit for the year	**–**	**–**	**–**	**79,133**	**79,133**
2005 final dividend paid *(note 10)*	**–**	**–**	**–**	**(15,761)**	**(15,761)**
2006 interim dividend paid *(note 10)*	**–**	**–**	**–**	**(11,805)**	**(11,805)**
At 31st March 2006	**605,739**	**769**	**200,379**	**343,286**	**1,150,173**
Representing:					
2006 final dividend proposed *(note 10)*				**16,206**	
Others				**327,080**	
Retained profits at 31st March 2006				**343,286**	

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the equity holders of the Company. At Group's level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

28 SHORT-TERM BANK LOANS

	Group	
	2006 HK$'000	2005 HK$'000
Trust receipt loans		
Secured	**18,626**	22,081
Unsecured	**338**	–
	18,964	22,081

Trust receipt loans have a term of up to 120 days. The effective interest rate on trust receipt loans was 5.79% (2005: 3.46%) per annum.

29 LONG-TERM LIABILITIES

	Group 2006 HK$'000	2005 HK$'000
Bank loans, secured *(note (a))*	**9,018**	10,693
Obligations under finance leases *(note (b))*	**8,681**	12,510
Provision for long service payments *(note (c))*	**5,454**	5,188
	23,153	28,391
Current portion of long-term liabilities	**(5,227)**	(5,943)
	17,926	22,448

Notes:

(a) At 31st March 2006, the Group's secured bank loans were repayable as follows:

	Group 2006 HK$'000	2005 HK$'000
Bank loans, secured		
Within one year	**1,910**	1,829
In the second year	**1,975**	1,890
In the third to fifth year	**3,699**	5,048
After the fifth year	**1,434**	1,926
	9,018	10,693

The carrying amounts of bank loans were denominated in the following currencies:

	Group 2006 HK$'000	2005 HK$'000
US dollars	**4,762**	6,047
Canadian dollars	**4,256**	4,646
	9,018	10,693

The effective interest rates on bank loans ranged from 4.80% to 5.75% per annum during the year ended 31st March 2006 (2005: from 4.50% to 5.27%).

The Group has the following bank loans:

	Group 2006 HK$'000	2005 HK$'000
Floating rate		
Within one year	**565**	544
In the second year	**565**	544
In the third to fifth year	**1,693**	1,632
After the fifth year	**1,434**	1,926
Fixed rate		
Within one year	**1,345**	1,285
In the second year	**1,410**	1,346
In the third to fifth year	**2,006**	3,416
	9,018	10,693

29 LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(b) At 31st March 2006, the Group's finance lease liabilities were repayable as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Finance lease liabilities minimum lease payments		
Within one year	**3,656**	4,657
In the second year	**2,813**	3,541
In the third to fifth year	**2,822**	5,446
	9,291	13,644
Future finance charges on finance leases	**(610)**	(1,134)
Present value of finance lease liabilities	**8,681**	12,510

The present value of finance lease liabilities was repayable as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Within one year	**3,317**	4,114
In the second year	**2,622**	3,211
In the third to fifth year	**2,742**	5,185
	8,681	12,510

The carrying amounts of finance lease liabilities were denominated in the following currencies:

	Group	
	2006	2005
	HK$'000	HK$'000
US dollars	**764**	1,111
Canadian dollars	**7,917**	11,399
	8,681	12,510

The effective interest rates on finance lease liabilities ranged from 5.75% to 9.43% per annum during the year ended 31st March 2006 (2005: from 4.50% to 9.43%).

29 LONG-TERM LIABILITIES (Continued)

Notes: (Continued)

(b) At 31st March 2006, the Group's finance lease liabilities were repayable as follows: (Continued)

The Group has the following finance lease liabilities:

	Group	
	2006	2005
	HK$'000	HK$'000
Floating rate		
Within one year	**2,935**	3,767
In the second year	**2,240**	2,829
In the third to fifth year	**2,742**	4,803
Fixed rate		
Within one year	**382**	347
In the second year	**382**	382
In the third to fifth year	**–**	382
	8,681	12,510

(c) The provision for long service payments represents present value of the obligation under long service payments and respective actuarial gains. The movement during the year is the net-off of current service costs and interest on obligation against long service payments paid during the year. Current service costs and interest on obligation have been recognised during the year and included in other staff costs *(note 12)*.

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

	Group	
	2006	2005
	HK$'000	HK$'000
Present value of the obligation	**2,894**	3,645
Net unrecognised actuarial gains	**2,560**	1,543
Net liabilities	**5,454**	5,188

Movements in the provision for long service payments are as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
At 1st April	**5,188**	6,902
Charged/(credited) to the income statement	**431**	(1,447)
Contributions paid	**(165)**	(267)
At 31st March	**5,454**	5,188

The principal actuarial assumption used was as follows:

	Group	
	2006	2005
Average future working lifetime (in years)	**13**	13

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
Operating profit	**85,642**	78,951
Fair value gains on financial assets at fair value through profit or loss	**(137)**	–
Unrealised gain on trading securities	**–**	(149)
Depreciation of property, plant and equipment	**25,750**	26,146
Amortisation of leasehold land and land use rights	**2,712**	2,712
Amortisation of goodwill	**–**	137
Amortisation of intangible assets	**526**	–
Dividend income	**(75)**	(42)
Interest income	**(8,640)**	(2,949)
Gain on disposal of partial interests in subsidiaries	**(27,854)**	–
Deemed gain on disposal of partial interests in subsidiaries	**(30,814)**	(2,054)
Loss/(gain) on disposals of property, plant and equipment	**76**	(29)
Share compensation costs on share options granted by a listed subsidiary	**794**	–
Increase in defined benefit plan's assets	**(417)**	(310)
Operating profit before working capital changes	**47,563**	102,413
(Increase)/decrease in inventories	**(1,860)**	2,008
Increase in trade and other receivables	**(2,381)**	(28,565)
Increase/(decrease) in provision for long service payments	**266**	(1,714)
Increase/(decrease) in trade and other payables	**25,709**	(10,823)
Cash generated from operations	**69,297**	63,319

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Acquisition of subsidiaries

	Group	
	2006 **HK$'000**	2005 HK$'000
Property, plant and equipment	**–**	242
Goodwill	**–**	2,165
Archives, masthead and publishing right (included in intangible assets *(note 16)*)	**41,975**	–
Inventories	**221**	84
Trade and other receivables	**13,943**	2,894
Bank balances and cash	**8,344**	216
Trade and other payables	**(83,397)**	(3,029)
Income tax liabilities	**–**	(123)
Net cash consideration	**–**	4,399
Minority interests	**9,458**	(2,739)
Net (liabilities)/assets acquired	**(9,456)**	4,109

The subsidiaries acquired during the year utilised HK$8,508,000 (2005: HK$5,881,000) and HK$nil (2005: HK$535,000) for operating activities and investing activities respectively, and paid HK$nil (2005: HK$7,000) in respect of income tax of the Group.

An analysis of the net cash inflow in respect of the acquisition of subsidiaries is as follows:

	Group	
	2006 **HK$'000**	2005 HK$'000
Net cash consideration	**–**	4,399
Bank balances and cash acquired	**8,344**	216
	8,344	4,615

(c) Analysis of changes in financing during the year

	Dividend payable		Short-term and long-term bank loans		Obligations under finance leases		Share capital and share premium	
	2006 **HK$'000**	2005 HK$'000	**2006** **HK$'000**	2005 HK$'000	**2006** **HK$'000**	2005 HK$'000	**2006** **HK$'000**	2005 HK$'000
At 1st April	**–**	–	**32,774**	28,122	**12,510**	8,403	**631,909**	636,145
Exchange differences	**–**	–	**174**	437	**427**	676	**–**	–
Net cash (outflow)/inflow from financing	**(27,566)**	(27,681)	**(4,966)**	4,215	**(4,256)**	(3,751)	**(1,848)**	(4,236)
Issuance of ordinary shares *(note (d)(i))*	**–**	–	**–**	–	**–**	–	**16,200**	–
Inception of finance leases	**–**	–	**–**	–	**–**	7,182	**–**	–
Dividends	**27,566**	27,681	**–**	–	**–**	–	**–**	–
At 31st March	**–**	–	**27,982**	32,774	**8,681**	12,510	**646,261**	631,909

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(d) Major non-cash transactions

(i) During the year ended 31st March 2006, the Group issued 12,000,000 ordinary shares as consideration for the acquisition as discussed in note 34.

(ii) The Group has not entered into any finance lease arrangements in respect of the acquisition of assets for the year ended 31st March 2006 (2005: HK$7,182,000).

31 BANKING FACILITIES AND PLEDGE OF ASSETS

At 31st March 2006, the Group's banking facilities were secured by the following:

(a) certain machinery and printing equipment with net book value of HK$12,972,000 at 31st March 2006 (2005: HK$17,164,000);

(b) first legal charges on certain of the Group's freehold and leasehold land and buildings and land use rights with an aggregate carrying value of HK$188,159,000 at 31st March 2006 (2005: HK$190,562,000, as restated) and assignment of rental income derived therefrom;

(c) first legal charges on the Group's publishing titles;

(d) general security agreements under which all the assets of certain subsidiaries with net book value of HK$113,527,000 at 31st March 2006 (2005: HK$111,706,000) were pledged to certain banks, including HK$22,073,000 (2005: HK$19,716,000) attributable to freehold properties disclosed under note (b) above; and

(e) corporate guarantees issued by the Company.

32 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

The movements in net deferred income tax liabilities/(assets) during the year are as follows:

	Group	
		As restated
	2006	2005
	HK$'000	HK$'000
At 1st April	**13,855**	13,049
Deferred income tax (credited)/charged to income statement *(note 8)*	**(3,776)**	806
At 31st March	**10,079**	13,855

32 DEFERRED INCOME TAX (Continued)

The components of deferred income tax liabilities/(assets) recognised in the consolidated balance sheet and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation HK$'000	General provision on doubtful debts HK$'000	Decelerated tax depreciation HK$'000	Tax losses HK$'000	Revaluation on other properties HK$'000	Total HK$'000
At 1st April 2004, as previously reported	34,605	(143)	(192)	(1,551)	(5,399)	27,320
Effect of adopting HKAS 17	(17,787)	–	–	–	3,516	(14,271)
At 1st April 2004, as restated	16,818	(143)	(192)	(1,551)	(1,883)	13,049
Charged/(credited) to income statement, as restated	345	110	31	448	(128)	806
At 31st March 2005, as restated	17,163	(33)	(161)	(1,103)	(2,011)	13,855
At 1st April 2005, as previously reported	**34,893**	**(33)**	**(180)**	**(1,103)**	**(6,075)**	**27,502**
Effect of adopting HKAS 17	**(17,730)**	**–**	**19**	**–**	**4,064**	**(13,647)**
At 1st April 2005, as restated	**17,163**	**(33)**	**(161)**	**(1,103)**	**(2,011)**	**13,855**
Charged/(credited) to income statement	**(258)**	**(206)**	**5**	**(3,188)**	**(129)**	**(3,776)**
At 31st March 2006	**16,905**	**(239)**	**(156)**	**(4,291)**	**(2,140)**	**10,079**

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK$283,850,000 (2005: HK$270,692,000) to carry forward against future taxable income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off and that the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

	Group	
	2006 HK$'000	As restated 2005 HK$'000
Deferred income tax assets:		
to be recovered within 12 months	**(3,521)**	(128)
to be recovered after more than 12 months	**(671)**	(621)
	(4,192)	(749)
Deferred income tax liabilities:		
to be recovered within 12 months	**878**	437
to be recovered after more than 12 months	**13,393**	14,167
	14,271	14,604

33 COMMITMENT

(a) Operating lease commitments

At 31st March 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Within one year	**9,543**	9,225
Later than one year and not later than five years	**11,954**	17,580
	21,497	26,805

(b) Capital commitments

Capital commitments outstanding at the balance sheet date were as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Property, plant and equipment		
Contracted but not provided for	**2,649**	–

34 BUSINESS COMBINATION

Details of net liabilities acquired and goodwill generated from the acquisition of 50% issued share capital of YZH by Skyland, details of which are set out in note 16 to the financial statements, are as follows:

	2006
	HK$'000
Purchase consideration	
Fair value of shares issued *(note 16(b))*	**16,200**
Fair value of net liabilities acquired – shown as below	**9,456**
Goodwill *(note 16)*	**25,656**

The goodwill is attributable to the significant synergies expected to arise after the Group's acquisition of YZH.

The fair value of the shares issued was based on the published share price.

34 BUSINESS COMBINATION (Continued)

The assets and liabilities arising from the acquisition are as follows:

	Fair value HK$'000	Acquiree's carrying amount HK$'000
Cash and cash equivalents	8,344	8,344
Archives, masthead and publishing right (included in intangible assets) *(note 16)*	41,975	–
Inventories	221	221
Trade and other receivables	13,943	13,943
Trade and other payables	(83,397)	(83,397)
Net liabilities	(18,914)	(60,889)
Minority interests	9,458	
Net liabilities acquired	(9,456)	
Cash and cash equivalents in subsidiaries acquired		8,344
Cash inflow on acquisition		8,344

35 RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

	Group	
	2006 HK$'000	2005 HK$'000
Rental income received from an associated company	**311**	393
Charges for administrative and management services, EDP support and equipment rental received from an associated company	**1,210**	2,011
Interest income received from an associated company	**730**	1,123
Printing and advertising charges received from an associated company	**211**	312
Advertising charges paid to an associated company	**22**	101
Consideration received from a minority shareholder for the disposal of partial interests in subsidiaries	**–**	8,921

35 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Key management compensation

	Group	
	2006	2005
	HK$'000	HK$'000
Basic salaries, other allowances and benefits in kind	**12,000**	11,091
Contributions to pension scheme	**396**	275
Share compensation costs on share options granted by a listed subsidiary	**259**	–
	12,655	11,366

(c) Related party balances

At 31st March 2006, the outstanding loan due from Mr Keith KAM Woon Ting, a director of certain subsidiaries of the Company, amounted to HK$669,000 (31st March 2005: HK$790,000). The loan was unsecured, interest-bearing at 4% (2005: 3%) per annum and repayable by monthly installments. The maximum amount outstanding during the year was HK$790,000. No interest was due for the amounts outstanding at 31st March 2006 and 31st March 2005.

36 CONTINGENT LIABILITIES

At 31st March 2006, the Company had contingent liabilities in respect of guarantees issued in favour of certain of its subsidiaries totalling HK$164,866,000 (2005: HK$163,820,000) in connection with general banking facilities granted to those subsidiaries. At 31st March 2006, total facilities utilised amounted to HK$56,424,000 (2005: HK$48,595,000).

37 ULTIMATE HOLDING COMPANY

The directors regard Conch Company Limited, a company incorporated in British Virgin Islands, as being the ultimate holding company.

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of principal subsidiaries at 31st March 2006 that are incorporated in Hong Kong are as follows:

Name of subsidiary	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Centricon Enterprises Limited	2 ordinary shares of HK$1 each	100	Property investment
Charming Holidays Limited	1,000,000 ordinary shares of HK$1 each	100	Provision of travel and travel related services
Charming Online Travel Limited	800,000 ordinary shares of HK$1 each	98.89	Provision of travel and travel related services
Cheerlane Development Limited	2 ordinary shares of HK$1 each	100	Property investment
Holgain Limited	2 ordinary shares of HK$10 each	100	Property investment
Intelligent Printing Limited	2 ordinary shares of HK$1 each	100	Investment holding
Intelligent Publications (China) Limited	1,000,000 ordinary shares of HK$1 each	100	Investment holding
Kin Ming Printing Company Limited	100 ordinary shares of HK$100 each	100	Provision of printing services

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) Particulars of principal subsidiaries at 31st March 2006 that are incorporated in Hong Kong are as follows: (Continued)

Name of subsidiary	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Maribo Brief Limited	2 ordinary shares of HK$1 each	100	Property investment
Media2U Company Limited	101 ordinary shares of HK$1 each	44.33	Magazines advertising & operation
Ming Pao Holdings Limited	900 ordinary shares of HK$1,000 each and 100 non-voting deferred shares of HK$1,000 each	100	Investment holding
Ming Pao Holdings (North America) Limited (formerly known as Charming Holidays (North America) Limited)	2 ordinary shares of HK$1 each	100	Investment holding
Ming Pao Magazines Limited (formerly known as Lisport Company Limited)	165,000 ordinary shares of HK$10 each	44.33	Magazines publishing
Ming Pao Newspapers Limited	2 ordinary shares of HK$1 each	100	Newspaper publishing
Ming Pao Publications Limited	10 ordinary shares of HK$1 each	100	Books publishing
Mingpao.com Limited	2 ordinary shares of HK$1 each	97.78	Internet related businesses
Perfect Gain Development Limited	2 ordinary shares of HK$1 each	100	Property investment
Yazhou Zhoukan Limited	9,500 ordinary shares of HK$1 each	100	Magazine publishing

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Particulars of principal subsidiaries at 31st March 2006 that are incorporated outside Hong Kong are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Beijing OMG M2U Advertising Company Limited	The People's Republic of China	RMB11,000,000	44.33	Magazines advertising
Beijing Times Resource Advertising Company Limited *(notes (b) & (d))*	The People's Republic of China	RMB3,500,000	44.33	Magazines advertising
Beijing Times Resource Technology Consulting Limited *(notes (b) & (d))*	The People's Republic of China	RMB3,000,000	44.33	Magazines operation
Delta Tour & Travel Services (Canada), Inc.	Canada	850,000 common shares at no par value for CAD$530,000	100	Provision of travel and travel related services
Delta Tour & Travel Services (New York), Inc.	The United States of America	20 common shares at no par value for US$10,000	100	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America	461,500 common shares at no par value for US$300,500	100	Provision of travel and travel related services
First Collection Limited	British Virgin Islands	1 ordinary share of US$1	100	Investment holding
Guangzhou Kin Ming Printing Limited *(notes (c) & (d))*	The People's Republic of China	HK$25,000,000	100	Provision of printing services
Media2U (Beijing) Company Limited	The People's Republic of China	US$70,000	44.33	Magazines operation
Media2U (BVI) Company Limited	British Virgin Islands	1 ordinary share of US$1	44.33	Investment holding
Ming Pao Finance Limited	British Virgin Islands	10 ordinary shares of US$1 each	100	Publishing titles holding
Ming Pao Holdings (Canada) Limited	Canada	1 common share at no par value for CAD$1	100	Investment holding

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Particulars of principal subsidiaries at 31st March 2006 that are incorporated outside Hong Kong are as follows: (Continued)

Name of subsidiary	Place of incorporation and operation	Particulars of issued and fully paid share capital/ registered capital	Effective equity interest %	Principal activities
Ming Pao Holdings (USA) Inc.	The United States of America	1 common share of US$1	100	Investment holding
Ming Pao International Investment Limited	British Virgin Islands	10 ordinary shares of US$1 each	100	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada	1,001 common shares at no par value for CAD$11	100	Newspaper publishing
Ming Pao (New York) Inc.	The United States of America	1 common share of US$1	100	Newspaper publishing
Ming Pao (San Francisco) Inc.	The United States of America	1 common share of US$1	100	Newspaper publishing
Mingpao.com Holdings Limited	Cayman Islands	717,735 ordinary shares of HK$0.1 each	97.78	Investment holding
MP Printing Inc.	The United States of America	1 common share of US$1	100	Provision of printing services
One Media Group Limited	Cayman Islands	400,000,000 ordinary shares of HK$0.001 each	44.33	Investment holding
One Media Holdings Limited	British Virgin Islands	20,000 ordinary shares of US$0.01 each	44.33	Investment holding
Skyland International Investment Limited	British Virgin Islands	10,000 ordinary shares of HK$1 each	100	Investment holding
Winmax Resources Limited	British Virgin Islands	100,000 ordinary shares of US$0.01 each	60	Investment holding
Yazhou Zhoukan Holdings Limited	British Virgin Islands	12,000 ordinary shares of HK$1 each	100	Investment holding
亞週股份有限公司	Taiwan	500,000 ordinary shares of NT$10 each	100	Magazine distributing

38 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Particulars of principal subsidiaries at 31st March 2006 that are incorporated outside Hong Kong are as follows: (Continued)

Notes:

(a) All companies operate in their respective places of incorporation, except for First Collection Limited, Media2U (BVI) Company Limited, Ming Pao Finance Limited, Ming Pao International Investment Limited, Mingpao.com Holdings Limited, One Media Group Limited, One Media Holdings Limited, Skyland International Investment Limited, Winmax Resources Limited and Yazhou Zhoukan Holdings Limited, which operate principally in Hong Kong.

(b) Beijing Times Resource Advertising Company Limited (''TRA") and Beijing Times Resource Technology Consulting Limited (''TRT") are domestic enterprises in the People's Republic of China ("PRC") owned legally by PRC nationals. The Group has entered into contractual arrangements with the legal owners of these companies so that the decision-making rights, operating and financing activities of TRA and TRT are ultimately controlled by the Group. The Group is also entitled to substantially all of the operating profits and residual benefits generated by TRA and TRT under these arrangements. In particular, the legal owners of these companies are required under their contractual arrangements with the Group to transfer their interests in TRA and TRT to the Group or the Group's designee upon the Group's request at a pre-agreed nominal consideration. Further, the Group can receive the cash flow derived from the operations of TRA and TRT through the levying of service and consultancy fees. The ownership interests in TRA and TRT have also been pledged by the legal owners of these companies to the Group. Based on the above, the directors regard these companies as subsidiaries of the Company.

(c) The subsidiary was established in PRC in the form of a wholly-owned foreign enterprise.

(d) The subsidiaries have 31st December as their financial accounting year end date, which is not coterminous with that of the Group for the reason of compliance with local regulations.

The above table includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.