東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

（Stock Code：18）

東方報業集團有限公司 ORIENTAL PRESS GROUP LTD

2011

ANNUAL REPORT

ORIENTAL PRESS GROUP LTD

ORIENTAL PRESS GROUP LTD ANNUAL REPORT 2011

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching-fat MA, *BBS*
Chairman

Mr. Ching-choi MA
Vice-Chairman

Mr. Shun-chuen LAM
Chief Executive Officer

Non-executive Director

Mr. Dominic LAI

Independent Non-executive Directors

Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*
Mr. Yat-fai LAM

AUDIT COMMITTEE

Mr. Yat-fai LAM *(Chairman)*
Mr. Dominic LAI
Mr. Ping-wing PAO, *JP*

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Mr. Yat-fai LAM *(Chairman)*
Mr. Ping-wing PAO, *JP*

INVESTMENT COMMITTEE

Mr. Ching-choi MA
Mr. Shun-chuen LAM
Mr. Yat-fai LAM

COMPANY SECRETARY

Ms. Trix Kam-ying NGAN

SOLICITORS

Iu, Lai & Li, Solicitors

AUDITORS

HLM & Co.
Certified Public Accountants

BANKERS

Hang Seng Bank
DBS Bank (Hong Kong)
Chong Hing Bank

REGISTERED OFFICE

Oriental Press Centre
23 Dai Cheong Street
Tai Po Industrial Estate
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Friendly Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited 18

Operation Statement

RESULTS

For the year ended 31 March 2011, the audited consolidated profit attributable to shareholders of the Group amounted to HK$291,277,000.

DIVIDENDS

The Directors recommend a final dividend of HK11 cents (2010: Nil) per share for the year ended 31 March 2011, payable to the shareholders whose names appear on the Register of Members on 3 August 2011. The proposed final dividend will be payable on 11 August 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 1 August 2011 to 3 August 2011, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify to receive the proposed final dividend and attend the Annual General Meeting of the Company to be held on 3 August 2011, all transfers accompanied with the relevant share certificates must be deposited at the Company's share registrar, Tricor Friendly Limited, whose address is 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 29 July 2011.

BUSINESS REVIEW

"**Oriental Daily News**" has continued to be the best-selling and most widely read newspaper in Hong Kong for the last 35 consecutive years, and is truly "The Paper for Hong Kong". According to research of one of the four largest international marketing research companies in Hong Kong, Oracle Added Value, the readership of "Oriental Daily News" hit a record high of 3,440,272 in March 2010 which was a 13%, that is, 404,739 readers, increment compared to the readership research reports in June 2008. Being recognised as the most truth-oriented and credible newspaper, "Oriental Daily News" has achieved an extensive readership successfully through its prompt approach in news reporting and its unbiased and balanced reporting. "Oriental Daily News" is popular with middle-income group of our readers because of simple and fresh layout, together with special reports on the hottest issues, lighthearted reporting of prominent public figures and features of events. During the year, "Oriental Daily News" published advertisements for a number of famous fashion clients, which helped expand the spectrum of readers to include luxury goods consumers. This contributed to an increase of more than 5% in advertisement revenue compared to that of the previous year.

"**The Sun**" is holding fast as the third best-selling Chinese newspaper in Hong Kong. According to research of one of the four largest international marketing research companies in Hong Kong, Oracle Added Value, the readership of "The Sun" hit 1,295,913 in March 2010 which was a 28%, that is, 284,069 readers, increment compared with the results in June 2008. "The Sun" is a newspaper for the young generation with its dynamic fashion, pursuit for the truth and refreshing and concise layout. "The Sun" constantly revamps its layout and has launched the supplement in tabloid size to include trendy elements for young people, featuring the latest digital products, travel, food, beauty and fashion trends. Therefore, "The Sun" is popular with the young generation, establishing a successful new model for "The Sun". "The Sun" recorded a steady growth in its advertising revenue during the year.

Operation Statement

"**on.cc**", the flagship online portal of the Group, has committed to the mission of expanding readership and providing a better marketing platform for advertisers. "on.cc" has attracted up to 3.13 million monthly unique visitors. According to the report published in January 2011 by comScore Media Metrix, an international market research company, "on.cc" is the news portal of the highest page views in Hong Kong. This shows that "on.cc" has received extensive support from new media readers and become a preferred choice of advertisers. With a view to meeting the increasing need of readers for interactive Information, "on.cc" has launched Property.on.cc and Shop.on.cc to provide the latest information of second-hand properties, online retail and group purchase services, addressing the needs of netizens and expanding the sources of revenue. Given the fast development of global new media, "on.cc" has successfully launched Apps for iPhone and iPad platforms in response to the ever-changing environment. The App is the only application for iPhone and iPad available in Hong Kong that provides latest news, news clips and newspaper. The App is updated continuously to attract the new generation of mobile readers and is committed to creating a reliable and effective platform for new media promotion. Money 18 has become a leading portal in the financial sector since it launched its free Real Time Stock Quote in 2009, attracting 1.16 million monthly unique visitors. The website is now a preferred platform of new media promotion for financial and insurance advertisers. Up and Down Trend, the first of its kind in Hong Kong, has included HSI and CEI in addition to the existing classes of shares, providing investors with further detailed charts of stocks and their activities. During the year, "on.cc" recorded a significant income growth of over 35% compared to that of the previous year.

"**ontv**", provides news clips that keep track of the latest developments. For example, news on earthquake, tsunami and nuclear leak in Japan was updated quickly. These news clips became highlights discussed among netizens. "ontv" has attracted 1.36 million monthly unique visitors. The entertainment news clips are highly valued by local and overseas broadcasters and websites, who have initiated talks on the purchase and sales of these contents.

On overseas investments, the overseas properties held by the Group continued to bring in steady rental income.

BUSINESS OUTLOOK

Though Hong Kong economy has benefited from the strong economic growth in Mainland China, the nuclear leak resulted from the earthquake in Japan in March this year has dampened local consumer spending, making advertisers more cautious in product promotion. In addition, the political tension in the Middle East, which caused a sharp rise in the oil price and the uptrend in the price of newsprint, directly results in an increase in the Group's production cost. The Group will keep a close watch on the impact of economic trends on the market and take appropriate cost control measures when necessary. The Group will also consider various options to expand its sources of revenue, including reviewing a possible upward adjustment of the prices of its newspapers.

The Group will continue to consolidate the market shares of its two papers and in the meantime make efforts to expand the market of paperzines. "FLASH on Weekly" and "Luxe life", a free weekly magazine and a free monthly paper respectively, are distributed with and attached to our newspapers, or given out separately at designated spots. They have a considerable readership because of their elegant design, and have attracted advertisers of luxury consumer goods, which will generate significant advertising revenue and enhance the Group's competitive strength.

Operation Statement

The Group expected that online news will emerge as a new industry in place of traditional newspaper. To embrace the new era, the Group will strengthen the development of its online news business. Following the Apps for iPhone and iPad, we will also launch two papers namely, real-time news and Money 18 for Android, helping advertisers to aim at the new generation of audience and develop customised promotion solutions for advertisers. In addition, in response to the move of the Hong Kong Stock Exchange to provide free real-time quote beginning from 1 April 2011, "ontv" launched free real-time quote for all mobile platforms and through m.on.cc, the WAP version of the website, to allow readers to check free stock quotes anywhere anytime, read real-time news and make smart investment decisions. The Group also plans to develop smart phone applications with the function of classified advertisements to assist SMEs in expanding their business and customer base.

The Group is seeking suitable investment projects in the property market which may become another important business segment of the Group in addition to its media business. However, given the persistent risks in the global economy, the Group will perform careful research and analysis before deciding to invest in any investment projects, with a view to protecting investment returns to our shareholders.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The working capital at 31 March 2011 amounted to HK$2,186,274,000 (2010: HK$1,901,282,000), which includes time deposits, bank balances and cash amounting to HK$1,963,031,000 (2010: HK$1,695,667,000).

At 31 March 2011, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.3% (2010: 0.4%).

During the year, the Group's capital expenditure was approximately HK$24,245,000.

CONTINGENT LIABILITY

At 31 March 2011, the Group has no material contingent liability.

EMPLOYEES AND REMUNERATION POLICIES

At 31 March 2011, the Group employed 2,129 employees. Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the current market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in Hong Kong and most of the Group's transactions are carried out in Hong Kong dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the group entities. The currencies giving rise to this risk are primarily US dollars, Australian dollars and Renminbi. During the year, the Group has acquired Renminbi with equivalent to HK$225,308,000 and deemed that Renminbi is relatively stable and can earn higher interest return. Currently the Group does not have foreign currency hedging policy but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

Operation Statement

CORPORATE GOVERNANCE

The Company has complied, throughout the financial year, with the code provision set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, except that independent non-executive directors of the Company were not appointed for a specific term, but are subject to retirement by rotation in accordance with the article of the Company's Articles of Association.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2011 with the management. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2011 have been agreed by the Group's auditors, HLM & Co., to the amounts set out in the Group's consolidated financial statements for the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiries by the Company, all Directors have confirmed that they have achieved full compliance with the required standards as laid down in the Model Code for the year ended 31 March 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

Ching-fat MA
Chairman

Hong Kong, 17 June 2011

Directors' Report

The directors of the Company (the "Directors") present their report and the audited financial statements for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in note 20 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2011 and the state of affairs of the Group and the Company at that date are set out in the financial statements on pages 20 to 78.

The Directors now recommend a final dividend of HK11 cents per share payable to the shareholders, whose names appear on the Register of Members on 3 August 2011, amounting to HK$263,771,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group and of the Company during the year are set out in note 15 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 25 and note 29 to the financial statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves including the proposed dividends of the Company at 31 March 2011 calculated under section 79B of the Companies Ordinance amounted to HK$1,358,929,000.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 79.

Directors' Report

DIRECTORS

The Directors in office during the year and up to the date of this report were:

Executive directors

Mr. Ching-fat MA, *BBS, Chairman*
Mr. Ching-choi MA, *Vice-Chairman*
Mr. Shun-chuen LAM, *Chief Executive Officer*

Non-executive director

Mr. Dominic LAI

Independent non-executive directors

Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*
Mr. Yat-fai LAM

In accordance with Article 103 of the Company's Articles of Association, Mr. Shun-chuen LAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

The Company has received from all the independent non-executive directors the written confirmation of independence and considered that their independence be appropriate.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

At 31 March 2011, the directors, the chief executive and their respective associates had interests in the shares and underlying shares of the Company as recorded in register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") as follows:

Interests in the Company

		Number of ordinary shares held					
Name of Director	**Capacity**	**Personal interests**	**Family interests**	**Corporate interests**	**Other interests**	**Total**	**Percentage of shareholding**
Ching-fat MA	Founder of a discretionary trust	—	—	—	1,798,437,284 *(Note)*	1,798,437,284	75.00%

Note:

Mr. Ching-fat MA is the founder of Marsun Trust, and Marsun Group Limited, as the trustee of Marsun Trust, holds approximately 57.3% interest in Magicway Investment Limited. Magicway Investment Limited in turn holds 1,222,941,284 shares in the Company, and 329,710,000 shares through Ever Holdings Limited, 149,870,000 shares through Perfect Deal Trading Limited and 95,916,000 shares through Prosper Time Trading Limited, all being its wholly-owned subsidiaries. Mr. Ching-fat MA, as the founder of Marsun Trust, is deemed to be interested in the same parcel of shares comprised in the trust assets of Marsun Trust under the SFO.

Other than the holdings disclosed above, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any director or chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein. None of the directors or the chief executive or their associates had, as at 31 March 2011, any interest in, or had been granted any right to subscribe for the securities and options of the Company and its abovementioned associated corporations, or had exercised any such rights.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 30 to the financial statements, there were no contracts of significance to which the Company, its holding companies or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

None of the directors has a service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rule 3.21 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises two independent non-executive directors and one non-executive director.

CODE OF BEST PRACTICE

The Company has complied, throughout the year ended 31 March 2011 with the Code of Best Practice as set out in Appendix 14 to the Listing Rules on the Stock Exchange.

Directors' Report

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

At 31 March 2011, shareholders (other than directors or chief executive of the Company) who had interests in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Interests in the Company

Name	Capacity	Number of ordinary shares	Percentage of Shareholding
Marsun Group Limited	Trustee	1,798,437,284 *(Note)*	75.00%
Marsun Holdings Limited	Interest of controlled corporations	1,798,437,284 *(Note)*	75.00%
Magicway Investment Limited	Beneficial owner and interest of controlled corporations	1,798,437,284 *(Note)*	75.00%
Ever Holdings Limited	Beneficial owner	329,710,000 *(Note)*	13.75%
Perfect Deal Trading Limited	Beneficial owner	149,870,000 *(Note)*	6.25%
Mui-fong HUNG	Interest of spouse	1,798,437,284 *(Note)*	75.00%

Note:

Marsun Group Limited, as the trustee of Marsun Trust, holds approximately 57.3% interest in Magicway Investment Limited through its wholly-owned subsidiary, Marsun Holdings Limited. Magicway Investment Limited in turn holds 1,222,941,284 shares in the Company, and 329,710,000 shares through Ever Holdings Limited, 149,870,000 shares through Perfect Deal Trading Limited and 95,916,000 shares through Prosper Time Trading Limited, all being its wholly-owned subsidiaries. Marsun Group Limited, as the trustee of Marsun Trust, is deemed to be interested in the same parcel of shares comprised in the trust assets of Marsun Trust under the SFO and Marsun Holdings Limited, by virtue of its interest in Magicway Investment Limited, is deemed to be interested in the same parcel of shares in which Magicway Investment Limited and its wholly-owned subsidiaries are interested.

Ms. Mui-fong HUNG, as the spouse of Mr. Ching-fat MA, is deemed to be interested in the same parcel of shares comprised in the trust assets of Marsun Trust under the SFO as Mr. Ching-fat MA is the founder of Marsun Trust and also a director of the Company.

Save as disclosed above, no other party had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Report

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK$1,062,000.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are shown in note 35 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2011, the five largest customers of the Group accounted for approximately 45% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer amounted to approximately 17%.

The percentage of purchases attributable to the Group's five largest suppliers is approximately 65% of the Group's total purchases for the year and the percentage of purchases attributable to the Group's largest supplier amounted to approximately 22%.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) has an interest in the share capital of any of those customers and suppliers.

AUDITORS

Grant Thornton resigned as auditors of the Company on 23 December 2010 and HLM & Co. were appointed as auditors of the Company on 24 December 2010 by the Directors to fill the casual vacancy following the resignation of Grant Thornton. There were no other changes of auditors by the Company in the past five years. A resolution for the Company to re-appoint HLM & Co. as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ching-fat MA
Chairman

17 June 2011

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ching-fat MA, *BBS*, aged 51, was appointed as an executive director and the Chairman of the Board on 17 May 2005. Mr. MA joined the Group in 1985 and was appointed as an executive director for the period from 11 December 1991 to 4 October 1999. During the period from 20 November 2004 to 17 May 2005, Mr. MA was the President of the Company. Mr. MA graduated from the Department of Journalism, Chu Hai College. Mr. MA is elder brother of Mr. Ching-choi MA and nephew of Mr. Shun-chuen LAM.

Mr. Ching-choi MA, aged 49, was appointed as an executive director and the Vice-Chairman of the Board on 28 September 2005. He assists mainly the Chairman in discharge of his duties. Mr. MA is also a member of the Investment Committee of the Company. Mr. MA joined the Group in 1986 and was appointed as an executive director of the Company from 20 February 1995 to 4 October 1999. During the period from 31 August 2002 to 28 September 2005, Mr. MA was a Senior Vice-President of the Company. Mr. MA was educated at Dominican College of California, U.S.A., majoring in business administration. Mr. MA is younger brother of Mr. Ching-fat MA and nephew of Mr. Shun-chuen LAM.

Mr. Shun-chuen LAM, aged 62, has been an executive director since October 1999 and is currently the Chief Executive Officer of the Company, responsible for the day-to-day management of the Group's business. Mr. LAM is also a member of the Investment Committee of the Company. Mr. LAM joined the Group in 1972 and was in charge of the distribution of the Group's publications. Mr. LAM is uncle of both Mr. Ching-fat MA and Mr. Ching-choi MA.

NON-EXECUTIVE DIRECTOR

Mr. Dominic LAI, aged 64, has been a director since August 1998 and is currently a non-executive director and a member of the Audit Committee of the Company. He is also a non-executive director of a number of public companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. LAI is a senior partner of the Hong Kong law firm of Iu, Lai & Li, legal advisers to the Group. He is a practising solicitor in Hong Kong and has also been admitted as a solicitor in England, Republic of Singapore, the States of New South Wales and Victoria, Australia.

Mr. LAI ceased to be an independent non-executive director of Winfoong International Limited (Stock Code: 63) with effect from 24 May 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau-nam CHAM, aged 64, was appointed as an independent non-executive director of the Company on 30 March 2006. Mr. CHAM has over 20 years of experience in the securities industry. Mr. CHAM is a member of Certified General Accountants Association of Canada. He obtained his Bachelor of Science degree from St. Mary's University, Bachelor of Engineering (Electrical) degree from Nova Scotia Technical College and Master of Business Administration degree from University of British Columbia, in Canada. Mr. CHAM is a non-executive director and the chairman of the audit committee of Deswell Industries, Inc., a public company listed on NASDAQ in U.S.A.

Biographical Details of Directors and Senior Management

Mr. Ping-wing PAO, *JP*, aged 63, has been a director since July 1987 and is currently an independent non-executive director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He is also an independent non-executive director of a number of public companies listed on the Stock Exchange. Mr. PAO was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past 20 years plus, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. PAO holds a Master of Science degree in human settlements planning & development.

Mr. Yat-fai LAM, aged 45, has been an independent non-executive director of the Company since September 2004. He is also the chairman of the Audit Committee, Remuneration Committee, Nomination Committee and a member of the Investment Committee of the Company. Mr. LAM is also an independent non-executive director of G-Prop (Holdings) Limited and Yunnan Enterprises Holdings Limited, both of which are public companies listed on the Stock Exchange. Mr. LAM is a Certified Public Accountant (Practising). He is a fellow member of the Hong Kong Institute of Certified Public Accountants and of the Association of Chartered Certified Accountants. He worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years and has over 21 years of experience in auditing, taxation, corporate finance and accounting.

The executive directors of the Company are also the senior managers of the Group.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices (the "Code") to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has applied the principles and complied with the code provisions set out in the Code for the year ended 31 March 2011 except that independent non-executive directors of the Company were not appointed for a specific term, but are subject to retirement by rotation in accordance with the Company's Articles of Association.

BOARD OF DIRECTORS

The Board of Directors (the "Board") is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and financial performances. The Board delegates to the management team the day-to-day management of the Group's business, including the preparation of annual and interim reports, and for implementation of internal control, business strategies and plans developed by the Board.

The Board comprises three executive directors, one non-executive director and three independent non-executive directors. More than one-third of the Board members is independent non-executive directors and two of them have appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

Each of the independent non-executive directors has made an annual confirmation of independence, and the Company considers that all of the independent non-executive directors are independent in accordance with the guidelines as set out in Rule 3.13 of the Listing Rules.

Board meetings are scheduled to be held at about quarterly interval. The attendance of the directors at the Board meetings for the year ended 31 March 2011 is as follows:

	Name of Directors	**Number of attendance**
	Mr. Ching-fat MA, *BBS (Chairman)*	4/4
	Mr. Ching-choi MA *(Vice-Chairman)*	3/4
	Mr. Shun-chuen LAM *(Chief Executive Officer)*	4/4
#	Mr. Dominic LAI	4/4
*	Mr. Yau-nam CHAM	4/4
*	Mr. Ping-wing PAO, *JP*	4/4
*	Mr. Yat-fai LAM	4/4

\# *Non-executive director*

* *Independent non-executive director*

During the year, the Board has convened four meetings and conducted, inter alia, the following activities:

(i) approved the interim and annual reports, and matters to be considered at annual general meeting;

(ii) reviewed and approved corporate strategies of the Group; and

(iii) reviewed the performance and financial position of the Group.

The independent non-executive directors of the Company are not appointed for a specific term. However, all directors shall be subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association at the Company's annual general meeting. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is Mr. Ching-fat MA while the Chief Executive Officer ("CEO") is Mr. Shun-chuen LAM. There is a clear division of responsibilities between the Chairman and the CEO, in that the Chairman bears primary responsibility for the functioning of the Board, by ensuring its effective operation, while the CEO bears executive responsibility for the management of the day-to-day operations of the Group.

BOARD COMMITTEE

The Board has established four committees with clearly-defined written terms of reference. The independent views and recommendations of these committees ensure proper control of the Group and the continual achievement of the high standard corporate governance practices.

Nomination Committee

The Nomination Committee comprises two independent non-executive directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. One meeting was held during the year ended 31 March 2011 and all members of the Committee attended the meeting to review the Board composition and the independence of the independent non-executive directors.

The Committee is principally responsible for selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships. It will apply certain criteria on selection such as the consideration of what business or financial experience that the nominated individual can bring into the Board, his or her capabilities to maintain and improve the competitiveness of the Company, and his or her ability to contribute to the Board in formulating the Company's policies and strategies, as well as to the effective ways of discharging the Board's responsibilities.

Remuneration Committee

The Remuneration Committee comprises two independent non-executive directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. One meeting was held during the year ended 31 March 2011 and all members of the Committee attended the meeting.

The brief duties of the Committee as per the terms of reference were as follows:

(i) to make recommendations to the Board on the Company's policy and structure for the remuneration of the directors;

(ii) to have the delegated responsibilities to determine the specific remunerations package of all executive directors; and

(iii) to review and approve compensation payable to directors in connection with loss or termination of office or compensation arrangement relating to dismissal or removal of director for misconduct.

The Committee has every right to access to professional advice relating to remuneration proposal if considered necessary.

Audit Committee

The Audit Committee comprises two independent non-executive directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO and one non-executive director, Mr. Dominic LAI. Three meetings were held during the year ended 31 March 2011 and all members of the Committee, except Mr. PAO who was absent in one meeting, attended all meetings. During the year, the Committee has reviewed the Company's annual report for the year ended 31 March 2010, the interim report for the six months ended 30 September 2010 and shared views on the issue of change of auditors.

The Committee is authorized by the Board to investigate any activity and seek any information it requires within its terms of reference. It is also authorized to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if necessary. The principal duties of the Committee include:

(i) monitoring integrity of the Company's financial statements, reports and accounts;

(ii) reviewing of financial controls, internal controls, and risk management system; and

(iii) reviewing of the Company's financial and accounting policies and practices.

Investment Committee

The Investment Committee comprises two executive directors, Mr. Ching-choi MA and Mr. Shun-chuen LAM and one independent non-executive director, Mr. Yat-fai LAM. The Committee was set up in October 2010.

The Committee is authorized by the Board and its duties include:

(i) to enhance the Company's risk management; and

(ii) to provide market information, advice and recommendations to the Board on the Company's proposed investments which are not in relation to the core business.

Corporate Governance Report

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the Code of Conduct regarding directors' securities transactions.

Following specific enquiries by the Company, all directors have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

AUDITORS' REMUNERATION

For the year ended 31 March 2011, the external auditors received approximately HK$812,000.

INTERNAL CONTROL

The Board, through the Audit Committee, regularly review the internal control system of the Company and will take any necessary and appropriate action to maintain an adequate internal control system to safeguard shareholders' investments and the Company's assets. Together with the Audit Committee, the Directors will conduct a review on the effectiveness of the system of internal control once a year.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the Group's results and cash flow for that period. The Directors ensure that the financial statements for the year ended 31 March 2011 were prepared in accordance with statutory requirements and applicable accounting standards.

Independent Auditors' Report

恒健會計師行

HLM & Co.

Certified Public Accountants

Room 305, Arion Commercial Centre
2–12 Queen's Road West, Hong Kong.
香港皇后大道西2–12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: hlm@hlm.com.hk

To the members of Oriental Press Group Limited
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Oriental Press Group Limited (the "Company") and it subsidiaries (Collectively referred to as the "Group") set out on pages 20 to 78, which comprise the consolidated and company statement of financial position as at 31 March 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the Group's profit and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

HLM & Co.
Certified Public Accountants

Hong Kong, 17 June 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Revenue	5	**1,589,356**	1,567,277
Other income	5	**79,828**	91,288
Raw materials and consumables used		**(483,698)**	(464,248)
Staff costs including directors' emoluments	7	**(631,961)**	(623,140)
Depreciation		**(59,848)**	(65,428)
Other operating expenses		**(171,889)**	(152,245)
Net surplus/(deficit) on revaluation of property, plant and equipment		**26,018**	(1,160)
Fair value adjustments on investment properties		**(15,454)**	17,841
Net (loss)/gain on disposal of property, plant and equipment		**(3,925)**	1,098
Profit from operations	8	**328,427**	371,283
Finance costs	9	**(1,230)**	(1,566)
Profit before income tax		**327,197**	369,717
Income tax expenses	10	**(37,080)**	(61,688)
Profit for the year		**290,117**	308,029
Other comprehensive income/(loss)			
— (Deficit)/surplus on revaluation of buildings		**(2,070)**	2,070
— Reversal of deferred tax liabilities/(deferred tax liabilities) arising on revaluation of buildings		**608**	(608)
		(1,462)	1,462
— Exchange gain on translation of financial statements of foreign operations		**4,959**	6,585
Other comprehensive income for the year		**3,497**	8,047
Total comprehensive income for the year		**293,614**	316,076
Profit for the year attributable to:			
Equity holders of the Company	11	**291,277**	307,492
Non-controlling interest		**(1,160)**	537
		290,117	308,029
Total comprehensive income attributable to:			
Equity holders of the Company		**294,466**	315,122
Non-controlling interest		**(852)**	954
		293,614	316,076
Dividends	12	**263,771**	—
Earnings per share for profit attributable to equity holders of the Company during the year			
— Basic	13	**HK12.15 cents**	HK12.8 cents
— Diluted		**N/A**	N/A

Consolidated Statement of Financial Position

As at 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**803,504**	844,432
Leasehold land	16	**28,359**	29,147
Investment properties	17	**301,200**	255,985
Available-for-sale financial asset	18	**4,745**	4,745
Deferred tax assets	19	**42,574**	35,292
		1,180,382	1,169,601
Current assets			
Inventories	21	**109,156**	95,556
Trade receivables	22	**260,382**	268,613
Other debtors, deposits and prepayments	23	**15,294**	10,740
Taxation recoverable		**4,075**	3,192
Cash and cash equivalents	24	**1,963,031**	1,695,667
		2,351,938	2,073,768
Current liabilities			
Trade payables	25	**47,551**	47,242
Other creditors, accruals and deposits received	26	**99,415**	98,174
Taxation payable		**8,895**	18,592
Borrowings	27	**9,803**	8,478
		165,664	172,486
Net current assets		**2,186,274**	1,901,282
Total assets less current liabilities		**3,366,656**	3,070,883
Non-current liabilities			
Borrowings	27	**1,331**	2,693
Deferred tax liabilities	19	**79,646**	76,125
		80,977	78,818
Net assets		**3,285,679**	2,992,065
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	28	**599,479**	599,479
Reserves		**2,684,384**	2,389,918
		3,283,863	2,989,397
Non-controlling interest		**1,816**	2,668
Total equity		**3,285,679**	2,992,065

Ching-fat MA
Director

Ching-choi MA
Director

Statement of Financial Position

As at 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**5,269**	2,414
Available-for-sale financial asset	18	**4,745**	4,745
Investment in subsidiaries	20(a)	**1**	1
		10,015	7,160
Current assets			
Other debtors, deposits and prepayments	23	**985**	218
Amount due from subsidiaries	20(b)	**2,764,574**	2,534,172
Cash and cash equivalents	24	**1,806**	1,960
		2,767,365	2,536,350
Current liabilities			
Trade payables	25	**520**	312
Other creditors, accruals and deposits received	26	**3,004**	3,007
Amount due to subsidiaries	20(b)	**291**	—
Taxation payable		**269**	1,276
		4,084	4,595
Net current assets		**2,763,281**	2,531,755
Total assets less current liabilities		**2,773,296**	2,538,915
Non-current liabilities			
Deferred tax liabilities	19	**403**	235
Net assets		**2,772,893**	2,538,680
EQUITY			
Share capital	28	**599,479**	599,479
Reserves	29	**2,173,414**	1,939,201
Total equity		**2,772,893**	2,538,680

Ching-fat MA
Director

Ching-choi MA
Director

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

	Note	2011 *HK$'000*	2010 *HK$'000*
Cash flows from operating activities			
Profit before income tax		**327,197**	369,717
Adjustments for:			
Interest income		**(4,389)**	(2,503)
Interest expenses		**1,230**	1,566
Bad debts write off		**9**	—
Impairment of trade receivables		**852**	115
Depreciation		**59,848**	65,428
Exchange difference		**(51,226)**	(66,466)
Amortisation of leasehold land		**788**	788
Net (surplus)/deficit on revaluation of property, plant and equipment		**(26,018)**	1,160
Fair value adjustments on investment properties		**15,454**	(17,841)
Net loss/(gain) on disposal of property, plant and equipment		**3,925**	(1,098)
Operating profit before working capital changes		**327,670**	350,866
Increase in inventories		**(13,600)**	(16,134)
Decrease/(increase) in trade receivables		**7,370**	(58,658)
(Increase)/decrease in other debtors, deposits and prepayments		**(6,404)**	795
Increase/(decrease) in trade payables		**309**	(2,085)
Increase in other creditors, accruals and deposits received		**1,241**	5,178
Cash generated from operations		**316,586**	279,962
Income tax paid		**(49,896)**	(11,372)
Income tax refunded		**2,348**	23,017
Interest paid		**(1,230)**	(1,566)
Net cash from operating activities		**267,808**	290,041
Cash flows from investing activities			
Purchase of property, plant and equipment		**(21,418)**	(20,918)
Additions to investment properties		**(439)**	(549)
Proceeds from disposal of property, plant and equipment		**2,601**	4,109
Interest received		**3,412**	2,503
Net cash used in investing activities		**(15,844)**	(14,855)

Consolidated Statement of Cash Flows

For the year ended 31 March 2011

	Note	**2011** **HK$'000**	2010 HK$'000
Cash flows from financing activities			
Dividends paid		**–**	(95,917)
Repayment of obligations under finance leased		**(978)**	(595)
Net cash used in financing activities		**(978)**	(96,512)
Net increase in cash and cash equivalents		**250,986**	178,674
Cash and cash equivalents at beginning of the year		**1,695,667**	1,516,379
Effect of foreign exchange rate changes		**16,378**	614
Cash and cash equivalents at 31 March	*24*	**1,963,031**	1,695,667

Consolidated Statement of Changes in Equity

For the year ended 31 March 2011

	Equity attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000 *(Note)*	Exchange reserve HK$'000 *(Note)*	Properties revaluation reserve HK$'000 *(Note)*	Retained profits HK$'000 *(Note)*	Proposed dividend HK$'000 *(Note)*	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2009	599,479	814,485	18,180	9,700	1,232,431	95,917	2,770,192	1,714	2,771,906
2009 final dividend paid	—	—	—	—	—	(95,917)	(95,917)	—	(95,917)
Transactions with equity holders	—	—	—	—	—	(95,917)	(95,917)	—	(95,917)
Profit for the year	—	—	—	—	307,492	—	307,492	537	308,029
Other comprehensive income									
— Surplus on revaluation of buildings	—	—	—	2,070	—	—	2,070	—	2,070
— Deferred tax arising on change in valuation of buildings	—	—	—	(608)	—	—	(608)	—	(608)
— Exchange gain on translation of financial statements of foreign operations	—	—	6,168	—	—	—	6,168	417	6,585
Total comprehensive income for the year	—	—	6,168	1,462	307,492	—	315,122	954	316,076
At 31 March 2010 and 1 April 2010	599,479	814,485	24,348	11,162	1,539,923	—	2,989,397	2,668	2,992,065
2010 final dividend paid *(Note 12)*	—	—	—	—	—	—	—	—	—
Transactions with equity holders	—	—	—	—	—	—	—	—	—
Profit for the year	—	—	—	—	291,277	—	291,277	(1,160)	290,117
Other comprehensive income									
— Deficit on revaluation of buildings	—	—	—	(2,070)	—	—	(2,070)	—	(2,070)
— Exchange gain on translation of financial statements of foreign operations	—	—	4,651	—	—	—	4,651	308	4,959
— Deferred tax arising on change in valuation of buildings	—	—	—	608	—	—	608	—	608
Total comprehensive income for the year	—	—	4,651	(1,462)	291,277	—	294,466	(852)	293,614
Final dividend proposed for the year ended 31 March 2011 *(Note 12)*	—	—	—	—	(263,771)	263,771	—	—	—
At 31 March 2011	**599,479**	**814,485**	**28,999**	**9,700**	**1,567,429**	**263,771**	**3,283,863**	**1,816**	**3,285,679**

Notes: These reserve accounts comprise the consolidated reserves of HK$2,684,384,000 (2010: HK$2,389,918,000) in the consolidated statement of financial position of the Group.

Notes to the Financial Statements

For the year ended 31 March 2011

1. GENERAL INFORMATION

Oriental Press Group Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Oriental Press Centre, 23 Dai Cheong Street, Tai Po Industrial Estate, Hong Kong and, its principal place of business is in Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities and other particulars of its subsidiaries are set out in note 20(a) to the financial statements.

The financial statements for the year ended 31 March 2011 were approved and authorised for issue by the Board of Directors on 17 June 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 20 to 78 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain properties, which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (see 2.3 below) (together referred to as the "Group") made up to 31 March each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation *(Continued)*

All significant intra-group transactions, balances, income and expenses have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

2.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In consolidated financial statements, acquisition of subsidiaries (other than those under common control) is accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation

The financial statements are presented in Hong Kong Dollars (HK$), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

2.5 Property, plant and equipment

Freehold land and buildings are stated at revalued amounts, being fair value at the date of revaluation, less subsequent accumulated depreciation and any subsequent impairment losses. Fair value is determined in appraisals by external professional valuers with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Property, plant and equipment *(Continued)*

Any surplus arising on revaluation of freehold land and buildings is recognised in other comprehensive income and is accumulated in the properties revaluation reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease or impairment loss as described in note 2.17. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of freehold land and buildings arising on revaluations or impairment testing is recognised in other comprehensive income to the extent of the revaluation surplus in the properties revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

Depreciation on property, plant and equipment is provided to write off the cost or revalued amount less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Freehold land is not depreciated	
Buildings	Shorter of the lease terms and 2.0%–5.8%
Plant, machinery and printing equipment	5.0%–33.3%
Furniture, fixtures and equipment	20.0%–33.3%
Leasehold improvement	20%
Motor vehicles	18.8%–25.0%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any revaluation surplus remaining in equity is transferred to retained earnings on the disposal of freehold land and buildings.

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 costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2.6 Leasehold land

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.13. Amortisation is calculated on a straight line basis over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Investment properties

Investment properties are land and/or buildings which are owned or held under freehold or leasehold interests to earn rental income and/or capital appreciation.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the reporting date reflect the prevailing market conditions at the reporting date.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

2.8 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

Financial assets are classified into the categories of loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) Available-for-sale financial assets

Available-for-sale financial asset comprises club membership. Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are also classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised directly in other comprehensive income and accumulated separately in the available-for-sale financial assets revaluation reserve in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

For available-for-sale assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each reporting date subsequent to initial recognition.

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and accumulated in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as an impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

(ii) Available-for-sale financial assets (Continued)

Reversals in respect of investment in equity instruments classified as available-for-sale and stated at fair value are not recognised in the profit or loss. The subsequent increase in fair value is recognised in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss were recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

(iii) Financial assets carried at cost

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Financial assets other than trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term bank deposits with original maturities of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial liabilities

The Group's financial liabilities include borrowings, trade payables, other creditors and accruals. They are included in line items in the statement of financial position as borrowings under current or non-current liabilities, trade payables or other creditors, accruals and deposits received.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings (except for finance lease liabilities) are recognised initially at fair value, net of transaction costs incurred. Borrowings (except for finance lease liabilities) are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Included in the borrowings, finance lease liabilities are measured at initial value less capital element of lease repayment as set out in note 2.13(ii).

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

Trade payables, other creditors and accruals

Trade payables, other creditors and accruals are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group or the Company issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group or the Company under the guarantee and the amount of that claim on the Group or the Company is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2.13 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance leases.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Leases *(Continued)*

(ii) Assets acquired under finance leases (Continued)

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight line basis over the lease terms. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iv) Assets leased out under operating leases as the lessor

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

The recognition of rental income receivable from operating leases is set out in note 2.16(v).

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events that are not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Provisions, contingent liabilities and contingent assets *(Continued)*

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefits), to the extent they are incremental costs directly attributable to the equity transaction.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of rebates and discounts and after elimination of sales and services rendered within the Group.

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably as follows:

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

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

(iii) Provision of printing services is recognised upon provision of the services.

(iv) Staff canteen/Restaurant operation income is recognised upon the sale of goods.

(v) Rental income receivable under operating leases is recognised as revenue in profit or loss on a straight-line basis over the periods covered by the lease terms. Lease incentives granted are recognised as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(vi) Interest income is recognised on a time-proportion basis using the effective interest method.

(vii) Internet subscription income is recognised upon provision of the services.

(viii) Internet advertising income is recognised on a straight-line basis over the period of the relevant advertisement is published.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Revenue recognition *(Continued)*

(ix) License fee income from hotel property is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.17 Impairment of non-financial assets

Property, plant and equipment, leasehold land and investment in subsidiaries are subject to impairment testing.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount, unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy (refer to note 2.5 for details). Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment losses recognised for cash-generating units are charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.18 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

Notes to the Financial Statements

For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Employee benefits *(Continued)*

Retirement benefits (Continued)

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under the MPF Scheme are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.19 Borrowing costs

All borrowing costs are expensed as incurred.

2.20 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary difference will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects either taxable nor accounting profit or loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Accounting for income taxes *(Continued)*

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.21 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Related parties *(Continued)*

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines. The Group has identified only one reportable segment, the publication of newspapers.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except the corporate income and expenses which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investments in available-for-sale financial assets.

3. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants with effect from the beginning of current accounting period:

HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the new HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[3]
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[6]
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[2] Effective for annual periods beginning on or after 1 July 2010
[3] Effective for annual periods beginning on or after 1 July 2011
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2012
[6] Effective for annual periods beginning on or after 1 January 2011

3. ADOPTION OF NEW OR AMENDED HKFRSs *(Continued)*

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures — Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group enters into any such transactions in the future, disclosures regarding those transfers may be affected.

3. ADOPTION OF NEW OR AMENDED HKFRSs *(Continued)*

HKAS 12 (Amendment), 'Deferred Tax: Recovery of Underlying Assets' introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. The amendments are unlikely to have any financial impact on the Group.

HKAS 24 Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (as revised in 2009) do not affect the Group because the Group is not a government-related entity.

The amendments to HK(IFRIC) — Int 14 require entities to recognise as an economic benefit any prepayment of minimum funding requirement contributions. As the Group has no defined benefit scheme, the amendments are unlikely to have any financial impact on the Group.

HK(IFRIC) — Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) — Int 19 will affect the required accounting. In particular, under HK(IFRIC) — Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The directors of the Company anticipate that the application of these standards and interpretations will have no material impact on the results and the financial position of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated fair value of freehold land and buildings and investment properties (collectively as "Buildings and Properties")

The Buildings and Properties of the Group were stated at fair value in accordance with the accounting policy stated in notes 2.5 and 2.7. The fair value of the Buildings and Properties are determined by a firm of independently qualified professional valuers and the fair value of Buildings and Properties as at respective year end are set out in notes 15 and 17. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the estimation, consideration has been given to assumptions that are mainly based on market condition exist at the reporting dates and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(ii) Depreciation

The Group depreciates the property, plant and equipment on a straight-line basis over the estimated useful lives as mentioned in note 2.5, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(iii) Impairment of receivables

The Group's management assess the collectability of receivables. This estimate is based on the credit history of its customers and current market conditions. Management reassesses the impairment of receivables at each reporting date. Details of the assessment are set out in note 22.

Notes to the Financial Statements

For the year ended 31 March 2011

5. REVENUE AND TURNOVER

Revenue from the Group's principal activities, which is also the Group's turnover, represents total invoiced value of goods supplied, lease income from operating leases and income from provision of services. Revenue recognised during the year is as follows:

	2011 *HK$'000*	2010 *HK$'000*
Publication of newspapers	**1,540,290**	1,529,545
Internet subscription and advertising income	**26,296**	15,374
Rental income from investment properties	**6,816**	4,989
License fee income from hotel property	**6,107**	5,200
Income from canteen/restaurant operation	**9,847**	12,169
	1,589,356	1,567,277

	2011 *HK$'000*	2010 *HK$'000*
Included in other income are:		
Interest earned on bank deposits	**4,389**	2,503
Sales of scrap materials	**10,739**	7,622

6. SEGMENT INFORMATION

Based on the regular internal financial information reported to the Group's executive directors, being the chief operating decision makers, for their decision about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one reportable operating segment, the publication of newspapers. The revenues of other operating segments include rental income from investment properties, license fee income from hotel property and income from staff canteen operation.

Reportable segment revenue represented turnover of the Group in the consolidated income statement. Reconciliations between the reportable segment profit/(loss) to the Group's profit before income tax is presented below:

	Publication of newspapers		All other segments		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue from external customers	**1,566,586**	1,554,953	**22,770**	12,324	**1,589,356**	1,567,277
Reportable segment profit/(loss)	**329,467**	327,726	**(32,952)**	10,684	**296,515**	338,410
Unallocated corporate income					**70,074**	69,873
Unallocated corporate expenses					**(39,392)**	(38,566)
Profit before income tax					**327,197**	369,717
Other information						
Interest expenses	**(901)**	(1,285)	**(329)**	(281)	**(1,230)**	(1,566)
Depreciation and amortisation	**(58,662)**	(63,838)	**(1,974)**	(2,378)	**(60,636)**	(66,216)
Net surplus/(deficit) on revaluation of property, plant and equipment	**32,816**	(1,160)	**(6,798)**	–	**26,018**	(1,160)
Fair value adjustments on investment properties	**–**	–	**15,454**	17,841	**15,454**	17,841
Additions to non-current assets during the year	**22,874**	9,280	**1,810**	12,666	**24,684**	21,946

6. SEGMENT INFORMATION *(Continued)*

Reportable segment assets* and liabilities

	Publication of newspapers		All other segments		Unallocated		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**1,251,232**	1,506,168	**313,312**	36,789	**–**	–	**1,564,544**	1,542,957
Available-for-sale financial asset	**–**	–	**–**	–	**4,745**	4,745	**4,745**	4,745
Cash and cash equivalent	**–**	–	**–**	–	**1,963,031**	1,695,667	**1,963,031**	1,695,667
Consolidate total assets	**1,251,232**	1,506,168	**313,312**	36,789	**1,967,776**	1,700,412	**3,532,320**	3,243,369
LIABILITIES								
Segment liabilities	**234,466**	210,478	**12,175**	40,826	**–**	–	**246,641**	251,304

* In order to provide a more detail segment assets information, the comparative figures of segment assets have been reclassified to conform to the current year's presentation

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (country of domicile)	**1,576,381**	1,554,953	**826,827**	829,557
Australia	**12,975**	12,324	**306,236**	300,007
	1,589,356	1,567,277	**1,133,063**	1,129,564

The geographical location of customers is determined based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets (other than financial instruments and deferred tax assets) is determined based on the physical location of the assets. For the purpose of presenting geographical location of the Group's revenue from external customers and the Group's non-current assets (other than financial instruments and deferred tax assets), country of domicile is determined by reference to the country where the majority of the Company's subsidiaries operate.

During the year, HK$463,843,000 (2010: HK$ 611,234,000) out of the Group's revenues of HK$1,589,356,000 was contributed by two (2010: one) customers. No other single customers contributed 10% or more to the Group's revenue for both 2011 and 2010.

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For the year ended 31 March 2011

7. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

	2011 *HK$'000*	2010 *HK$'000*
Wages and salaries	**610,762**	602,392
Long service payments	**1**	—
Termination benefits	**734**	518
Pension costs — defined contribution plans	**20,464**	20,230
	631,961	623,140

8. PROFIT FROM OPERATIONS

	2011 *HK$'000*	2010 *HK$'000*
Profit from operations is arrived at after charging/(crediting):		
Auditors' remuneration	**812**	994
Cost of inventories recognised as expense	**483,698**	464,248
Bad debts written off	**9**	—
Impairment of trade receivables	**852**	115
Depreciation:		
— Owned assets	**59,468**	64,198
— Leased assets	**380**	1,230
Amortisation of leasehold land	**788**	788
Net exchange gain	**(51,226)**	(67,370)
Outgoings in respect of investment properties (excluding hotel property) that generated rental income during the year	**1,590**	1,335
Operating lease charges in respect of land and buildings	**5,389**	5,179
Rental income from investment properties (excluding hotel property) less outgoings	**(5,226)**	(3,654)

9. FINANCE COSTS

	2011 *HK$'000*	2010 *HK$'000*
Interest charges on borrowings wholly repayable within five years:		
Bank overdrafts	**11**	2
Other loan	**318**	279
Finance leases	**901**	1,285
	1,230	1,566

10. INCOME TAX EXPENSES

Hong Kong Profits Tax has been provided at the rate of 16.5% (2010: 16.5%) of the estimated assessable profit for the year.

Taxation on overseas profits 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.

	2011	2010
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits Tax	**39,794**	33,723
— (Over)/Under-provision in respect of prior years	**(2,826)**	2,630
	36,968	36,353
Deferred taxation *(Note 19)*		
— Current year	**112**	25,335
	37,080	61,688

Reconciliation between tax expense/(credit) and accounting profit at applicable tax rates is as follows:

	2011		2010	
	HK$'000	**%**	*HK$'000*	%
Profit before income tax	**327,197**		369,717	
Tax on profit before income tax, calculated at the rate of 16.5% (2010: 16.5%)	**53,988**	**16.5**	61,004	16.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(5,477)**	**1.7**	1,442	0.4
Tax effect of non-taxable revenue	**(13,821)**	**(4.2)**	(15,335)	(4.1)
Tax effect of non-deductible expenses	**2,246**	**0.7**	8,487	2.3
(Over)/Under-provision in respect of prior years	**(2,826)**	**(0.9)**	2,630	0.7
Other	**3,087**	**0.9**	3,460	0.9
Utilization of previously unrecognized tax losses	**(117)**	**(0.03)**	—	—
Income tax expense and effective tax rate for the year	**37,080**	**16.4**	61,688	16.7

11. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated profit attributable to equity holders of the Company of HK$291,277,000 (2010: HK$307,492,000), a profit of HK$234,213,000 (2010: HK$272,241,000) has been dealt with in the financial statements of the Company.

12. DIVIDENDS

(a) Dividends attributable to the year

A final dividend of HK11 cents (2010: Nil) per share has been proposed by the Board of Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting. As such, the proposed dividend has not been recognized as a liability at the reporting date, but reflected as an appropriation of retained earnings for the year ended 31 March 2011.

(b) Dividends recognised as distributions during the year

	2011	2010
	HK$'000	*HK$'000*
2009 Final dividend	**–**	95,917

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$291,277,000 (2010: HK$307,492,000) and on 2,397,917,898 (2010: 2,397,917,898) ordinary shares in issue during the year.

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

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

	Fees HK$'000	Salaries and allowances HK$'000	Contribution to defined contribution plan HK$'000	Total HK$'000
Year ended 31 March 2011				
Executive directors				
Mr. Ching-fat MA	**—**	**19,500**	**12**	**19,512**
Mr. Ching-choi MA	**—**	**15,600**	**12**	**15,612**
Mr. Shun-chuen LAM	**—**	**2,600**	**12**	**2,612**
Non-executive director				
Mr. Dominic LAI	**70**	**—**	**—**	**70**
Independent non-executive directors				
Mr. Yau-nam CHAM	**60**	**—**	**—**	**60**
Mr. Ping-wing PAO	**70**	**—**	**—**	**70**
Mr. Yat-fai LAM	**100**	**—**	**—**	**100**
	300	**37,700**	**36**	**38,036**
Year ended 31 March 2010				
Executive directors				
Mr. Ching-fat MA	—	19,500	12	19,512
Mr. Ching-choi MA	—	15,600	12	15,612
Mr. Shun-chuen LAM	—	2,600	12	2,612
Non-executive director				
Mr. Dominic LAI	60	—	—	60
Independent non-executive directors				
Mr. Yau-nam CHAM	60	—	—	60
Mr. Ping-wing PAO	70	—	—	70
Mr. Yat-fai LAM	100	—	—	100
	290	37,700	36	38,026

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

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

14. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) The emoluments of the top five individuals during the year included three (2010: three) directors, details of whose emoluments are set out in note 14(a) above. The emoluments payable to the remaining two individuals during the year (2010: two) are as follows:

	2011	2010
	HK$'000	*HK$'000*
Salaries and other benefits	**8,046**	8,736
Contribution to defined contribution plan	**24**	24
	8,070	8,760

The emoluments of them fell within the following bands:

	Number of individuals	
	2011	2010
Emolument bands		
HK$2,000,001 to HK$2,500,000	**1**	—
HK$2,500,001 to HK$3,000,000	**—**	1
HK$5,500,001 to HK$6,000,000	**1**	1

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

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Land and buildings HK$'000	Plant, machinery and printing equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold improvement HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2009						
Cost or valuation	444,892	829,909	108,497	–	19,440	1,402,738
Accumulated depreciation and impairment	–	(440,866)	(88,197)	–	(15,922)	(544,985)
Net book amount	444,892	389,043	20,300	–	3,518	857,753
Year ended 31 March 2010						
Opening net book amount	444,892	389,043	20,300	–	3,518	857,753
Revaluation surplus	910	–	–	–	–	910
Additions	–	4,237	16,093	–	1,067	21,397
Disposals	(2,892)	(59)	(60)	–	–	(3,011)
Depreciation	(9,437)	(39,224)	(15,104)	–	(1,663)	(65,428)
Transfers from investment properties *(Note 17)*	31,759	–	–	–	–	31,759
Exchange difference	310	–	703	–	39	1,052
Closing net book amount	465,542	353,997	21,932	–	2,961	844,432
At 31 March 2010						
Cost or valuation	465,542	831,168	123,572	–	20,368	1,440,650
Accumulated depreciation and impairment	–	(477,171)	(101,640)	–	(17,407)	(596,218)
Net book amount	465,542	353,997	21,932	–	2,961	844,432
Year ended 31 March 2011						
Opening net book amount	**465,542**	**353,997**	**21,932**	**–**	**2,961**	**844,432**
Revaluation surplus	**23,948**	**–**	**–**	**–**	**–**	**23,948**
Additions	**–**	**14,492**	**2,900**	**1,212**	**5,641**	**24,245**
Disposals	**–**	**(59)**	**(6,228)**	**–**	**(239)**	**(6,526)**
Depreciation	**(9,541)**	**(40,740)**	**(6,545)**	**(242)**	**(2,780)**	**(59,848)**
Transfers to investment properties *(Note 17)*	**(28,112)**	**–**	**–**	**–**	**–**	**(28,112)**
Exchange difference	**4,163**	**–**	**1,146**	**–**	**56**	**5,365**
Closing net book amount	**456,000**	**327,690**	**13,205**	**970**	**5,639**	**803,504**
At 31 March 2011						
Cost or valuation	**456,000**	**844,681**	**118,388**	**1,212**	**22,109**	**1,442,390**
Accumulated depreciation and impairment	**–**	**(516,991)**	**(105,183)**	**(242)**	**(16,470)**	**(638,886)**
Net book amount	**456,000**	**327,690**	**13,205**	**970**	**5,639**	**803,504**

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

The Group *(Continued)*

At 31 March 2011, certain plant, machinery and printing equipment of the Group with a total net book value of HK$42,000 (2010: HK$422,250) are held under finance lease. The acquisition costs of HK$2,827,000 (2010: HK$479,000) were non-cash transactions during the year.

The net book values of properties shown above comprises:

	2011	2010
	HK$'000	*HK$'000*
Land and buildings situated in Hong Kong held under medium-term lease:	**456,000**	432,000
Freehold land and building situated outside Hong Kong	**–**	33,542
	456,000	465,542

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2011	2010
	HK$'000	*HK$'000*
Cost	**546,636**	575,674
Accumulated depreciation	**(76,438)**	(65,869)
Net book amount	**470,198**	509,805

During the year, the Group transferred a property interests from property, plant and equipment to investment properties. The resulting revaluation deficit of approximately HK$8,868,000 relating to such property interests as at the date of transfer had been charged to the property revaluation reserve of HK$2,070,000 and profit and loss of HK$6,798,000 respectively.

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

The Group *(Continued)*

The analysis of carrying value at cost or valuation of the above property, plant and equipment at 31 March 2011 and 2010 is as follows:

	Land and buildings *HK$'000*	Plant, machinery and printing equipment *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Leasehold improvement *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
At cost	**–**	**327,690**	**13,205**	**970**	**5,639**	**347,504**
At valuation – 2011	**456,000**	**–**	**–**	**–**	**–**	**456,000**
At 31 March 2011	**456,000**	**327,690**	**13,205**	**970**	**5,639**	**803,504**
At cost	–	353,997	21,932	–	2,961	378,890
At valuation – 2010	465,542	–	–	–	–	465,542
At 31 March 2010	465,542	353,997	21,932	–	2,961	844,432

The buildings situated in Hong Kong and overseas were revalued individually at 31 March 2011 by DTZ Debenham Tie Leung Limited ("DTZ") and Jeffrey Perkings & Assoc. Property Valuers & Consultants in respectively, independent professional qualified valuers, on a depreciated replacement cost basis and open market value, respectively. Open market value was determined using the comparison approach assuming sale in their existing states by marking reference to comparable sales evidence as available in the relevant market.

The revaluation deficit of HK$1,462,000 (2010: revaluation surplus of HK$1,462,000), net of applicable deferred income tax, and the net revaluation surplus of HK$26,018,000 (2010: net revaluation deficit of HK$1,160,000), resulting from the above valuations were debited (2010: credited) to the revaluation reserve in the shareholders' equity and recognised in the consolidated statement of comprehensive income, respectively.

Notes to the Financial Statements

For the year ended 31 March 2011

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

The Company

	Motor vehicles *HK$'000*
At 1 April 2009	
Cost	19,441
Accumulated depreciation	(15,922)
Net book amount	3,519
Year ended 31 March 2010	
Opening net book amount	3,519
Additions	479
Depreciation	(1,584)
Closing net book amount	2,414
At 31 March 2010	
Cost	19,736
Accumulated depreciation	(17,322)
Net book amount	2,414
Year ended 31 March 2011	
Opening net book amount	**2,414**
Additions	**5,641**
Disposals	**(3,980)**
Depreciation eliminated on disposal	**3,742**
Depreciation	**(2,548)**
Closing net book amount	**5,269**
At 31 March 2011	
Cost	**21,397**
Accumulated depreciation	**(16,128)**
Net book amount	**5,269**

16. LEASEHOLD LAND

The Group's interests in leasehold land represent prepaid operating lease payments and their net book value are analysed as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
In Hong Kong held on:		
— Leases of between 10 to 50 years	**28,359**	29,147

	2011	2010
	HK$'000	*HK$'000*
Opening net carrying amount	**29,147**	29,935
Annual charges of prepaid operating lease payments	**(788)**	(788)
Closing net carrying amount	**28,359**	29,147

17. INVESTMENT PROPERTIES

Investment properties represent real estate properties located in overseas, which are owned for investment purposes only.

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Carrying amount at beginning of the year	**255,985**	201,830
Additions	**439**	549
Exchange difference	**32,118**	67,524
Transfers to property, plant and equipment *(Note 15)*	**—**	(31,759)
Transfers from property, plant and equipment *(Note 15)*	**28,112**	—
Fair value adjustments	**(15,454)**	17,841
Carrying amount at 31 March	**301,200**	255,985

17. INVESTMENT PROPERTIES *(Continued)*

Investment property situated in Australia was revalued at 31 March 2011 by Jeffrey Perkings & Assoc. Property Valuers & Consultants based on the property's open market value on 31 March 2011. The property has been valued by making reference to comparable sales evidence as available in the relevant market and where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the respective properties as at 31 March 2011.

The Group's interest in investment properties at their carrying amounts is analysed as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Outside Hong Kong, freehold	**301,200**	255,985

18. AVAILABLE-FOR-SALE FINANCIAL ASSET

	The Group and The Company	
	2011	2010
	HK$'000	*HK$'000*
Club membership, stated at cost	**4,745**	4,745

The club membership does not have a quoted market price in an active market and whose fair value cannot be reliably measured. The Group intends to continue to hold the membership.

19. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates at reporting date in the tax jurisdiction concerned.

The movement in deferred tax assets and liabilities during the year is as follows:

The Group

	Accelerated tax depreciation *HK$'000*	Revaluation of properties *HK$'000*	Tax losses *HK$'000*	Others *HK$'000*	Total *HK$'000*
At 1 April 2009	69,875	(12,738)	(34,926)	(1,574)	20,637
Recognised in profit or loss	1,520	5,372	18,978	(535)	25,335
Recognised in other comprehensive income	—	608	—	—	608
Exchange differences	—	(3,872)	(1,875)	—	(5,747)
At 31 March 2010 and 1 April 2010	71,395	(10,630)	(17,823)	(2,109)	40,833
Recognised in other comprehensive income	—	(608)	—	—	(608)
Recognised in profit or loss	(473)	1,229	(847)	203	112
Exchange differences	—	(1,905)	(1,360)	—	(3,265)
At 31 March 2011	**70,922**	**(11,914)**	**(20,030)**	**(1,906)**	**37,072**

The Company

	Accelerated tax depreciation *HK$'000*
At 1 April 2009	370
Recognised in profit or loss	(135)
At 31 March 2010 and 1 April 2010	235
Recognised in profit or loss	168
At 31 March 2011	**403**

19. DEFERRED TAXATION *(Continued)*

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

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deferred tax liabilities	**79,646**	76,125	**403**	235
Deferred tax assets	**(42,574)**	(35,292)	**—**	—
	37,072	40,833	**403**	235

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. These tax losses have no expiry date. The Group has unrecognised tax losses of approximately HK$2,361,000 (2010: HK$2,748,000) due to the unpredictability of the future profit streams.

20. INTERESTS IN SUBSIDIARIES

(a) Investment in subsidiaries

	The Company	
	2011	2010
	HK$'000	*HK$'000*
Unlisted shares, at cost	**1**	1

20. INTERESTS IN SUBSIDIARIES *(Continued)*

(a) Investment in subsidiaries *(Continued)*

Particulars of the principal subsidiaries at 31 March 2011 are as follows:

Name of subsidiary	Place of incorporation/ operation	Nominal value of issued ordinary shares held by the Company	Principal activity
Don Bon Management Limited (formerly known as Brilliant City Company Limited)	Hong Kong	HK$100	Property leasing
Dragon Asia Property Limited	Hong Kong	HK$100	Website contents production
Long Joy Investments Limited	Hong Kong	HK$100	Property leasing
Long Universal Limited	Hong Kong	HK$1	Canteen operation
Lucky Million Limited	Hong Kong	HK$1	Transportation service
OPG Building Management Limited	Hong Kong	HK$2	Building management
OPG Finance Limited	Hong Kong	HK$2	Treasury company
OPG Human Resources Limited	Hong Kong	HK$2	Human resources services
OPG Printing Limited	Hong Kong	HK$100	Printing services
Oriental Daily News Limited	Hong Kong	HK$100	Newspaper publication
Oriental Daily Publisher Limited[#]	Hong Kong	HK$100	Registered publisher
Oriental Press Centre Limited	Hong Kong	HK$100	Property holding
Oriental Publications Limited	Hong Kong	HK$100	Publication services
ON.CC (HK) Limited[#]	Hong Kong	HK$2	Website service provider
The Sun News Publisher Limited[#]	Hong Kong	HK$100	Registered publisher
The Sun Racing Journal Limited	Hong Kong	HK$2	Horse racing journal publication
Don Bon Property Limited (formerly known as Pan Profit Limited)	Hong Kong/Australia	HK$1	Investment holding
ORO Group Pty Limited[#*]	Australia	AUD8,500,000	Property investment
Pacific Resort Holding Pty Limited[##*]	Australia	AUD3,150,000	Hotel property investment

20. INTERESTS IN SUBSIDIARIES *(Continued)*

(a) Investment in subsidiaries *(Continued)*

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

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

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

100% of equity interest indirectly held by the Company

90% of equity interest indirectly held by the Company

* Not audited by HLM & Co.

(b) Amounts due from/(to) subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

21. INVENTORIES

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Newsprint and printing materials	**84,502**	71,983
Spare parts and supplies	**23,534**	22,192
Others	**1,120**	1,381
	109,156	95,556

22. TRADE RECEIVABLES

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**262,991**	270,447
Less: Provision for impairment loss	**(2,609)**	(1,834)
	260,382	268,613

22. TRADE RECEIVABLES *(Continued)*

The Group allows an average credit of 90 days to its trade customers and no interest is charged. All trade receivables are denominated in Hong Kong dollars which is the functional currency of the group entities to which these balance relate.

The following is an ageing analysis of trade receivables after deducting the provision for impairment loss at the reporting date:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
0–60 days	**102,275**	120,723
61–90 days	**48,860**	49,334
Over 90 days	**109,247**	98,556
	260,382	268,613

The carrying amount of trade receivables is considered a reasonable approximation of fair value as this financial asset is expected to be paid within a short timescale, such that the time value of money impact is not significant.

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

At each reporting date, the Group's trade receivables are individually and collectively assessed for any impairment. The individually impaired receivables, if any, are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision is recognised.

Included in the Group's trade receivables, the carrying amount of HK$109,247,000 (2010: HK$98,556,000) are past due but not impaired at the reporting date.

Ageing analysis of trade receivables which are past due but not impaired is as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
91–120 days	**38,689**	36,885
121–365 days	**65,868**	60,409
Over 365 days	**4,690**	1,262
	109,247	98,556

22. TRADE RECEIVABLES *(Continued)*

Trade receivables that were past due but not impaired are related to independent customers that had a good track record with the Group. Based on the past experience, management believed that no impairment allowance is necessary in respect of these balances as there had not been a significant change in credit quality and the balances were considered fully recoverable. The Group does not hold any collateral over the balances.

Provision for impairment loss movement:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Balance at beginning of the year	**1,834**	1,738
Provision for impairment recognised	**852**	115
Amounts written off as uncollectible	**(77)**	(19)
Balance at 31 March	**2,609**	1,834

23. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Other debtors	**6,607**	3,875
Deposits	**4,333**	2,114
Prepayments	**4,354**	4,751
	15,294	10,740

	The Company	
	2011	2010
	HK$'000	*HK$'000*
Deposits	**767**	—
Prepayments	**218**	218
	985	218

The carrying amounts of other debtors, deposits and prepayments approximate to their fair values and those are neither past due nor impaired.

24. CASH AND CASH EQUIVALENTS

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Cash at banks and in hand	**151,057**	98,820
Short-term bank deposits	**1,811,974**	1,596,847
	1,963,031	1,695,667

	The Company	
	2011	2010
	HK$'000	*HK$'000*
Cash at banks and in hand	**1,806**	1,960

Included in cash and cash equivalents in the statement of financial position are the following amounts denominated in a currency other than the functional currency of the group entities to which they relate:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
US dollars	**1,544,943**	1,549,145
Australian dollars	**7,962**	3,552
Renminbi	**225,308**	—
Other Currency	**253**	—
	1,778,466	1,552,697

Cash at banks earns interest at floating rates based on daily bank deposits rates. The effective interest rate of short-term bank deposits is ranging from 0.01% to 4.20% (2010: 0.01% to 3.00%) per annum and have a maturity within one month and are eligible for immediate cancellation without receiving any interest for the last deposit period.

25. TRADE PAYABLES

The Group granted by its suppliers credit period ranging from 30 to 90 days. Based on the invoice dates, the aged analysis of trade payables at the reporting date were as follows:

	The Group	
	2011	2010
	HK$'000	*HK$'000*
0–60 days	**40,884**	42,468
61–90 days	**3,126**	3,614
Over 90 days	**3,541**	1,160
	47,551	47,242

	The Company	
	2011	2010
	HK$'000	*HK$'000*
0–60 days	**89**	312
Over 90 days	**431**	—
	520	312

All amounts are short term and hence the carrying values of the Group's and the Company's trade payables are considered to be a reasonable approximation of fair value.

26. OTHER CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Other creditors	**59,982**	49,338
Accruals	**31,135**	32,671
Deposits received	**8,298**	16,165
	99,415	98,174

Notes to the Financial Statements

For the year ended 31 March 2011

26. OTHER CREDITORS, ACCRUALS AND DEPOSITS RECEIVED *(Continued)*

	The Company	
	2011	2010
	HK$'000	*HK$'000*
Other creditors	**1,484**	1,487
Accruals	**1,520**	1,520
	3,004	3,007

All amounts are short term and hence the carrying values of the Group's and the Company's other creditors and accruals are considered to be a reasonable approximation of fair value.

27. BORROWINGS

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Borrowings wholly repayable within five years:		
— Other loan	**8,440**	7,499
— Obligations under finance leases	**2,694**	3,672
	11,134	11,171
Less: Current portion due within one year included under current liabilities		
— Other loan	**8,440**	7,499
— Obligations under finance leases	**1,363**	979
	9,803	8,478
Non-current portion included under non-current liabilities		
— Obligations under finance leases	**1,331**	2,693

At 31 March 2011 and 2010, other loan denominated in Australian Dollars, which was made by a minority shareholder of a subsidiary of the Company, was unsecured, interest bearing at 4% per annum and repayable on demand.

The carrying amounts of borrowings approximate their fair value.

Notes to the Financial Statements

For the year ended 31 March 2011

27. BORROWINGS *(Continued)*

The analysis of the obligations under finance leases is as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Obligation under finance leases:				
Due within one year	**1,880**	1,880	**1,363**	979
Due in the second to fifth years	**1,509**	3,389	**1,331**	2,693
	3,389	5,269	**2,694**	3,672
Less: Future finance charges on finance leases	**(695)**	(1,597)		
Present value of lease obligations	**2,694**	3,672		
Less: Amount due for settlement within one year included under current liabilities			**(1,363)**	(979)
Amount due for settlement in the second to the fifth years included under non-current liabilities			**1,331**	2,693

The Group has entered into finance leases for certain plant, machinery and printing equipment. The leases run for a period of five years and do not have an option to renew the lease terms. All leases are on a fixed repayment basis and no arrangements have been entered into for any contingent rental provisions. Under the terms of lease, the Group has the option to purchase the lease assets at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease.

The Group's obligations under finance leases are secured by the lessors' charge over the leased assets and are all denominated in Hong Kong Dollars.

28. SHARE CAPITAL

	2011 and 2010 Number of shares	*HK$'000*
Ordinary shares of HK$0.25 each		
Authorised:		
At beginning and end of the year	**5,000,000,000**	**1,250,000**
Issued and fully paid:		
At beginning and end of the year	**2,397,917,898**	**599,479**

29. RESERVES

The Company	Share premium *HK$'000*	Retained profit *HK$'000*	Proposed dividends *HK$'000*	Total *HK$'000*
At 1 April 2009	814,485	852,475	95,917	1,762,877
2009 final dividend paid	—	—	(95,917)	(95,917)
Total comprehensive income for the year	—	272,241	—	272,241
At 31 March 2010 and 1 April 2010	814,485	1,124,716	—	1,939,201
Total comprehensive income for the year	—	234,213	—	234,213
At 31 March 2011	**814,485**	**1,358,929**	**—**	**2,173,414**

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group paid legal fees amounting to HK$5,721,000 (2010: HK$5,349,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive director of the Company, is a senior partner of Messrs. Iu, Lai & Li, during the year. The transaction prices were considered by the Directors as estimated market value.

The Directors are of the opinion that the key management personnel were solely the directors of the Company, details of whose emoluments are set out in note 14(a) above.

31. OPERATING LEASE COMMITMENTS

At 31 March 2011, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**5,537**	4,219
In the second to fifth years	**877**	3,424
	6,414	7,643

The Group leases a number of premises under operating leases. The leases run for an initial period of two to three years, with an option to renew the lease terms and negotiate the terms at the expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases include contingent rentals.

At 31 March 2011 and 2010, the Company had no operating lease commitments as lessee.

32. OPERATING LEASE ARRANGEMENTS

At 31 March 2011, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of the investment properties as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**5,792**	5,352
In the second to fifth years	**7,663**	6,273
	13,455	11,625

The Group leases its investment properties (Note 17) under operating lease arrangements which run for an initial period of half to five years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits. None of the leases include contingent rentals receivable.

At 31 March 2011 and 2010, the Company had no operating lease commitments as lessor.

33. CAPITAL COMMITMENTS

	The Group	
	2011	2010
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment and refurbishment to investment properties, contracted but not provided for in the financial statements	**583**	–

As 31 March 2011 and 2010 the Company did not have any significant capital commitments.

34. CONTINGENT LIABILITIES

The Company has executed guarantees amounting to approximately HK$125,000,000 (2010: HK$327,400,000) with respect to banking facilities granted to subsidiaries. Under the guarantee, the Company would be liable to pay the bank if the bank is unable to recover the loan. At the reporting date, the guarantees were utilised to the extent of approximately HK$20,711,000 (2010: HK$13,111,000). No provision for the Company's obligation under the guarantee contract has been made as the Directors considered that it was not probable that the repayment of the loan would be in default.

35. RETIREMENT BENEFIT SCHEME

The employees of the Group in Hong Kong were covered under the MPF Scheme which is a defined contribution scheme and the assets are managed by the trustee. The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% of the staff's relevant income. The maximum relevant income of each staff for contribution purpose is HK$20,000 per month. Staff members are entitled to 100% of the Group's contributions plus the accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65. During the year, contributions to the MPF Scheme amounted to HK$20,464,000 (2010: HK$20,230,000).

36. OUTSTANDING LITIGATIONS

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

37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. At 31 March 2011, the Group's net debt-to-adjusted capital ratio is zero (2010: zero). For the purpose of calculating the net debt-to-adjusted capital ratio, the Group defines net debt as total liabilities excluding deferred tax liabilities less cash and cash equivalents, and adjusted capital as all components of equity excluding proposed dividends.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group does not have written risk management policies and guidelines. However, the Directors meet periodically to analyse and formulate measures to manage the Group's exposure to credit risk, liquidity risk and market risk, including principally changes in interest rates and currency exchange rates.

The Group is not actively engaged in the trading of financial assets for speculative purpose. The most significant financial risks to which the Group is exposed are described below. See also note 38(f) for a summary of financial assets and liabilities by category.

(a) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group mainly operates in Hong Kong and most of the Group's transactions are carried out in Hong Kong Dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the group entities. The currencies giving rise to this risk are primarily US Dollars, Australian Dollars and Renminbi. During the year, the Group has acquired Renminbi with equivalent to HK$225,308,000 and deemed that Renminbi is relatively stable and can earn higher interest return. Currently the Group does not have foreign currency hedging policy but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

(Continued)

(a) Currency risk *(Continued)*

The following table details the Group's exposure at the reporting date to currency risk arising from recognised financial assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

	2011			2010		
	RMB'000	***US$'000***	***AUD'000***	*RMB'000*	*US$'000*	*AUD'000*
Cash and bank balances	**190,068**	**198,471**	**991**	—	200,355	502
Borrowings	**—**	**—**	**(1,051)**	—	—	(1,051)
Net exposure	**190,068**	**198,471**	**(60)**	—	200,355	(549)

The Company does not have any exposure to foreign currencies at the reporting date (2010: no exposure).

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rate to which the Group's cash and bank balances and borrowings denominated in Australian Dollars and Renminbi has significant exposure at the reporting date.

	2011		2010	
	Other components of consolidated equity	**Profit or loss**	Other components of consolidated equity	Profit or loss
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Australian Dollars	**—**	**48**	—	392
Renminbi	**—**	**10,995**	—	—

The sensitivity analysis has been determined assuming that the reasonably possible change in foreign exchange rate had occurred at the reporting date and had been applied to each of the group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rate, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date with reference to the historical trend of Australian Dollars against Hong Kong Dollars and Renminbi against Hong Kong Dollars. 10% strengthening of Australian Dollars against Hong Kong Dollars and 5% strengthening of Renminbi against Hong Kong Dollars at the reporting date would increase equity and profit or loss by the amount shown above. 10% weakening of Australian Dollars against Hong Kong Dollars and 5% weakening of Renminbi against Hong Kong Dollars would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis is performed on the same basis for 2010. For currency risk exposure to US Dollars, it is assumed that the pegged rate between the US Dollars and Hong Kong Dollars would not be materially affected.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

(Continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other debtors and bank deposits. The Group's exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Classes of financial assets				
— carrying amounts				
Trade receivables	**260,382**	268,613	**—**	—
Other debtors	**6,607**	3,875	**—**	—
Amounts due from subsidiaries	**—**	—	**2,764,574**	2,534,172
Cash and cash equivalent	**1,963,031**	1,695,667	**1,806**	1,960
	2,230,020	1,968,155	**2,766,380**	2,536,132

The Group has no significant concentration of credit risk arising from its ordinary course of business.

The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external reports on customers and other counterparties are obtained and used.

None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of trade receivables and other debtors, the Group is not exposed to any significant credit risk exposure to any single counterparty. As at 31 March 2011, the Group has bank deposits of HK$1,811,974,000 (2010: HK$1,575,584,000) in a bank. The credit risk for liquid funds is considered minimal, since the counterparties are reputable banks with high quality of external credit ratings.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 22.

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances which generate interest income for the Group. The Group does not actively engaged in derivative financial instruments to hedge its interest rate risk.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(c) Interest rate risk *(Continued)*

The following table details the interest rate profile of the Group's deposits at the reporting date.

	2011 Effective interest rate	**2011** *HK$'000*	2010 Effective interest rate	2010 *HK$'000*
Variable rate bank deposits:				
Bank balances	**0.01%–4.2%**	**1,811,974**	0.01%–3.00%	1,693,619

Sensitivity analysis

At 31 March 2011, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately HK$1,812,000 (2010: HK$1,694,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for financial instruments at the reporting date. The 10 basis points increase or decrease represents management's assessment of reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2010.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligation associates with its financial liabilities that are settled by delivering cash or other financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities have been put in place for contingency purposes.

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS
(Continued)

(d) Liquidity risk *(Continued)*

The maturity profile of the Group's and the Company's financial liabilities as at reporting date, based on the contractual undiscounted amounts, is as follows:

	The Group						The Company			
		Contractual undiscounted cash flow						Contractual undiscounted cash flow		
	Carrying amount	Total	On demand	Less than 6 months	6 to 12 months	1 to 5 years	Carrying amount	Total	On demand	Less than 6 months
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2011										
Trade payables	**47,551**	**47,551**	**47,551**	**–**	**–**	**–**	**520**	**520**	**520**	**–**
Other creditors and accruals	**91,117**	**91,117**	**91,117**	**–**	**–**	**–**	**3,004**	**3,004**	**3,004**	**–**
Borrowings	**11,134**	**11,829**	**8,440**	**940**	**940**	**1,509**	**–**	**–**	**–**	**–**
Amounts due to subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**291**	**291**	**291**	**–**
	149,802	**150,497**	**147,108**	**940**	**940**	**1,509**	**3,815**	**3,815**	**3,815**	**–**
Financial guarantees issued										
Maximum amount guaranteed	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20,711**	**–**	**20,711**
2010										
Trade payables	47,242	47,242	47,242	–	–	–	312	312	312	–
Other creditors and accruals	82,009	82,009	82,009	–	–	–	3,007	3,007	3,007	–
Borrowings	11,171	12,768	7,499	940	940	3,389	–	–	–	–
	140,422	142,019	136,750	940	940	3,389	3,319	3,319	3,319	–
Financial guarantees issued										
Maximum amount guaranteed	–	–	–	–	–	–	–	13,111	–	13,111

(e) Fair value

The fair value of the Group's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term of these financial instruments.

Notes to the Financial Statements

For the year ended 31 March 2011

38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

(Continued)

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's and the Company's financial assets and liabilities as recognised at reporting dates are categorised as follows. See notes 2.8 and 2.11 for explanations about how the classification of financial instruments affects their subsequent measurement.

	The Group		The Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Financial assets				
Available-for-sale financial asset	**4,745**	4,745	**4,745**	4,745
Loans and receivables:				
Trade receivables	**260,382**	268,613	**—**	—
Other debtors	**6,607**	3,875	**—**	—
Amounts due from subsidiaries	**—**	—	**2,764,574**	2,534,172
Cash and cash equivalent	**1,963,031**	1,695,667	**1,806**	1,960
	2,234,765	1,972,900	**2,771,125**	2,540,877
Financial liabilities				
Financial liabilities measured at amortised cost:				
Trade payables	**47,551**	47,242	**520**	312
Other creditors and accruals	**91,117**	82,009	**3,004**	3,007
Amounts due to subsidiaries	**—**	—	**291**	—
Borrowings	**11,134**	11,171	**—**	—
	149,802	140,422	**3,815**	3,319

Five Year Financial Summary

	For the year ended 31 March				
	2007 *HK$'000*	2008 *HK$'000*	2009 *HK$'000*	2010 *HK$'000*	**2011** ***HK$'000***
Turnover	1,798,808	1,835,604	1,637,522	1,567,277	**1,589,356**
Profit attributable to equity holders of the Company	123,068	311,586	379,972	307,492	**291,277**

	As at 31 March				
	2007 *HK$'000*	2008 *HK$'000*	2009 *HK$'000*	2010 *HK$'000*	**2011** ***HK$'000***
Total assets	3,019,137	3,318,159	2,994,786	3,243,369	**3,532,320**
Total liabilities	(421,888)	(532,644)	(222,880)	(251,304)	**(246,641)**
Non-controlling interest	(2,554)	(4,112)	(1,714)	(2,668)	**(1,816)**
Total net assets	2,594,695	2,781,403	2,770,192	2,989,397	**3,283,863**

Schedule of Major Properties

Details of the Group's major properties as at 31 March 2011 are as follows:

Land and buildings

Location	Approximate floor area	Category	Lease term	Group interest	Existing use
Oriental Press Centre 23 Dai Cheong Street Tai Po Industrial Estate Tai Po Hong Kong	490,000 Sq ft	Industrial	Medium-term	100%	Own use
Aspire Hotel 383 Bulwara Road Ultimo 2007 Sydney Australia	24,000 Sq ft (site area)	Commercial	Freehold	90%	Operating hotel business by licensee
Rodeo Plaza 2 Short Street Double Bay NSW Australia	8,000 Sq ft	Commercial	Freehold	100%	Investment property
35–36, 38–39 Bay Street Double Bay NSW Australia	4,600 Sq ft	Commercial	Freehold	100%	Investment property
37 Bay Street Double Bay NSW Australia	3,400 Sq ft	Commercial	Freehold	100%	Investment property
541 Kent Street NSW Australia	35,000 Sq ft	Commercial	Freehold	100%	Investment property