香港經濟日報集團有限公司
HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

Stock Code 00423

Hong Kong Economic Times Holdings Limited

Annual Report

2018/2019

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

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Executive Directors

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

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

Mr. Shek Kang Chuen

Ms. See Sau Mei Salome

Non-executive Director

Mr. Chu Yu Lun

Independent Non-executive Directors

Mr. Chow On Kiu

Professor Leung Gabriel Matthew

Mr. Lo Foo Cheung

Mr. O'Yang Wiley

Company Secretary

Ms. Wong Ching *CPA, ACS, ACIS*

Qualified Accountant

Ms. Chan Kit Man Fanny *FCPA, ACS, ACIS*

Authorised Representatives

Mr. Fung Siu Por, Lawrence

Ms. Wong Ching

Independent Auditor

PricewaterhouseCoopers

Audit Committee

Mr. O'Yang Wiley *(Chairman)*

Mr. Chu Yu Lun

Mr. Lo Foo Cheung

Nomination Committee

Mr. Chow On Kiu *(Chairman)*

Professor Leung Gabriel Matthew

Mr. O'Yang Wiley

Remuneration Committee

Mr. Lo Foo Cheung *(Chairman)*

Mr. Chu Yu Lun

Professor Leung Gabriel Matthew

Registered Office

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

Head Office and Principal Place of Business

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

Corporate Website

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Email

groupinfo@hket.com

Stock Code

00423 HK

Principal Share Registrar and Transfer Office in Cayman Islands

SMP Partners (Cayman) Island
3rd Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22 (before 11 July 2019) and
Level 54 (on or after 11 July 2019)
Hopewell Centre
183 Queen's Road East
Hong Kong

Key Dates

Closure of Registers of Members

22 July 2019 to 26 July 2019
(for attending Annual General Meeting)

13 August 2019 to 15 August 2019
(for final dividend entitlement)

Annual General Meeting

26 July 2019

Proposed Payment of Final Dividend

27 September 2019

Business Organization Chart

Media

Hong Kong Economic Times
Sky Post
U Magazine
e-zone
iMoney
ET Press
Apex Print
Euron

Financial News Agency, Information and Solutions

Finance
ET Net
ET Trade
ET Wealth

Property
EPRC

Recruitment Advertising and Training

Recruitment Advertising
CTgoodjobs

Training
ET Business College

Lifestyle Platforms

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

HKET Holdings At A Glance

Hong Kong Economic Times Holdings Limited (“HKET Holdings” / “the Group”) is a diversified multi-media company. Its core business – publication of the *Hong Kong Economic Times* (“*HKET*”) – was established in 1988. It is the leading financial newspaper in Hong Kong, also ranked number one on Media Credibility*. Besides, the Group launched its free publication, *Sky Post*, in July 2011. Apart from newspaper publishing, the Group also operates other businesses such as magazines and book publishing, recruitment advertising & executive training, and lifestyle platforms. In addition, the Group runs a financial news agency, information and solutions business. ET Net, the leading financial news agency in Hong Kong serving the professional market, has expanded to the Greater China market. HKET Holdings was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 August 2005 (Stock code: 00423).

*According to Public Evaluation on Media Credibility in 2016 done by CUHK Centre for Communication and Public Opinion Survey, *HKET* ranked number one among all Chinese newspapers.

Strategy and 5 Business Domains

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

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

The Leading Edges

We always stay connected with our clients and readers. In this financial year, the Group organized a number of remarkable events to demonstrate our strength to provide high-quality content and services, as well as strong brands.

Banking & Finance Awards by *Sky Post*

The third edition of "Banking & Finance Awards" organized by *Sky Post* was held in 2018. The award recognizes excellence and contributions of banking and finance organizations in providing outstanding services and products.

U Magazine Travel Awards

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

FinTech Awards by ET Net

FinTech Awards 2018 recognizes excellence and innovation in the use of IT in financial services in Hong Kong and Greater Bay Area, and the people who make it happen.

Best HR Awards by CTgoodjobs

"Best HR Awards" aims to recognize outstanding talent acquisition and development, thereby encouraging innovation and excellence among enterprises.

Driving Business Excellence

Our visionary teams always see customers first and are passionate to exceed their expectation. Over the years, with proliferation of diverse media, interactive content and ever-changing needs of customers, we make every endeavour to develop our digital businesses and react proactively to customer's need through continuous enhancement of the related platforms.

The Market Leaders

Hong Kong Economic Times the financial daily

U Magazine the travel and lifestyle magazine

e-zone the mass market IT magazine

iMoney the financial magazine

Apex Print the printer for magazines and periodicals

ET Net the financial news agency

ET Trade the securities & futures trading solution provider

ET Wealth the electronic funds database and wealth management system provider

EPRC the electronic property database provider

Awards

HKET won in Citi Journalistic Excellence Award 2019

• First Runner-up in Hong Kong

iMoney won 5 awards in HSMC Business Journalism Awards 2018 including 2 Gold and 3 Silver awards

iMoney won 4 awards in 2018 State Street Institutional Press Awards, Asia Pacific including winner of "Award for Best Newcomer (Chinese category)" and "Journalist of the Year - FinTech (Chinese category)"

U Magazine, *e-zone* and *iMoney* recognized in Magazine of the Year 2018

• 1st in "Lifestyle", "Local Travel", "Regional Travel" and "Youth" (*U Magazine*)
• 1st in "Consumer Electronics" *(e-zone)*
• 2nd in "Local Business" *(iMoney)*

hket.com, U Lifestyle, *U Magazine* and *e-zone* recognized in Digital Media of the Year 2018

• 1st in "Local Business & Finance" (hket.com)
• 1st in "Lifestyle" (U Lifestyle)
• 1st in "International Travel" (*U Magazine*)
• 3rd in "Gaming" (*e-zone*)

HKET won in Consumer Rights Reporting Awards 2018

• Merit in "Text - News / Features / Commentaries"

Sky Post, *U Magazine* and *HKET* won 17 awards in Spark Awards 2018 with *Sky Post* winning "Media Brand of the Year"

e-zone, *HKET*, U Lifestyle, *U Magazine* and U Travel won 10 awards in The 6th Media Convergence Awards with *e-zone* winning "Top 10 Media"

Chairman's Statement

Dear Shareholders,

Ongoing uncertainties over the global trade policies and increased volatility in the international financial markets created more challenging conditions for the year under review, particularly during the second half of the financial year. And unfortunately, trade tension increasingly took a toll on business confidence in the local market.

Against this backdrop, the Group performed competitively and made reasonable progress on our strategic objectives, recorded a growth in revenue of 8% to HK$1,281 million. Profit attributable to shareholders maintained at the same level with last financial year, at HK$72 million. The digital platforms across various business domains in finance, lifestyle and human capital continued to be the growth drivers, achieved a significant increase in advertising revenue while the printed publications continued to contribute positively to the Group.

Digitalization continues to transform the local media industry, a trend which is uprooting and irreversible. Mobile advertising expands apace and has taken the largest slice from the local advertising spending. So, notwithstanding the uncertainty and pessimism of the recent economic outlook, the Group is ploughing more investments and resources into quality content, innovative technologies like predictive modeling, big data analytics and the talents required. The Group is determined to build an integrated, all-around, quality-based and customer-oriented digital platform in Hong Kong, connecting the readers and marketers across various business domains. We are confident that these initiatives will bring new impetus to the Group's sustainable growth.

The Group's print dailies, *Hong Kong Economic Times* and *Sky Post*, which target the niche and general mass audience market respectively, continued to make positive contributions to the Group. Their extensive audience reach, together with various digital channels, provides a cross-platform, integrated and orchestrated marketing solution to the marketers to reach and engage with their consumers across all different touchpoints in the marketing ecosystem, bringing added values to both our readers and advertisers.

The news agency, information and solution segment, the solid profit contributor to the Group, capturing the market trend of digitalization and diversification of the financial market, had secured various financial solution projects for the year under review. Last year, the Hong Kong Monetary Authority launched the first phase of Open Application Programming Interface (API) for the Hong Kong banking sectors, with the aims of expanding market participation and boosting financial technological innovations. The Hong Kong Stock Exchange also made various striving efforts in product and market diversifications. We saw an increasing number of market participants urging for new and innovative digital banking and securities trading services to their customers which will bring precious opportunities to our business in these areas. In response to these developments, the Group will continue its capital and human resource inputs, especially ET Net, which is already in the leadership position in the financial services industry.

The US-China trade war and tariff hikes, further aggravated by Brexit and political changes in many countries, will continue to affect the global market. The resulting volatility may lead to a further deterioration in investor sentiment and, ultimately, a global economic slowdown. The local retail and investment markets are already seeing signs of decline in confidence. The Group will closely monitor the economic situation, take a cautious and prudent approach in cost management, operational efficiency and financial discipline.

The Group is in a healthy cash flow position with a cash balance of around HK$316 million as at 31 March 2019. The Board recommends the payment of a final dividend of HK 6.5 cents per share for the financial year ended 31 March 2019. We are determined to maintain a sustainable dividend policy as well as strong liquidity to preserve its strength for our strategic business development. We believe that by leveraging on our prestigious brands, our strong vision and market positioning, our incredible execution capabilities, the Group will achieve sustainable growth and stay ahead of the curve in Hong Kong's media industry.

I shall take the opportunity to express my sincere and earnest gratitude to our more than 1,500 colleagues whose inexhaustible work spirit and commitment are the cornerstone of our success. I also thank my fellow Board members for their perceptive guidance and backing; and our management team for their diligence, passion, professionalism, team spirit and dedication. Last but not least, my gratefulness is to be given to our readers, viewers, customers, business partners and investors for their ongoing support.

Fung Siu Por, Lawrence
Chairman

Hong Kong, 24 June 2019

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 69, is the Chairman and Chief Executive Officer of the Company. Mr. Fung is a founder of the *Hong Kong Economic Times ("HKET")*. He was also the first Publisher and Chief Editor of *HKET*. Mr. Fung is responsible for the overall strategic planning and development, policy-making and setting corporate missions of the Group. He has over 40 years of entrepreneurial experience in media and publishing, securities trading and computer technology industries. Mr. Fung obtained a Bachelor of Social Science degree from The University of Hong Kong ("HKU") and a Master of Arts degree in Economics from University of Manchester in the United Kingdom. In 2003, Mr. Fung was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Mr. Fung is a founder member and a director of Musketeers Education and Culture Charitable Foundation Limited. He is also a founder member and Chairman of Board of Directors of Hong Kong Ideas Centre Limited. Mr. Fung was conferred the degree of Doctor of Social Sciences honoris causa by HKU in 2010.

Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung), aged 69, is the Managing Director of the Group and Publisher of *HKET* and the *Sky Post*. He is also a founder of *HKET*. Mr. Mak is responsible for formulating the business strategies and the overall management of publishing, recruitment advertising and printing production of the Group. He has over 40 years of extensive experience in the media and publishing industry. In October 2016 and June 2019, Mr. Mak was appointed as Independent Non-executive Director of Clifford Modern Living Holdings Limited and Tai Hing Group Holdings Limited respectively, companies listed on the Hong Kong Stock Exchange. Mr. Mak obtained his Bachelor of Arts degree from The University of Hong Kong and had attended a journalism programme "Journalists in Europe" in France. Mr. Mak is currently the honorary advisor of Hong Kong Institute of Marketing and a Director of Hong Kong Copyright Licensing Association Limited. In 1988, Mr. Mak was elected as one of the Ten Outstanding Young Persons of Hong Kong.

Mr. SHEK Kang Chuen, aged 71, is the Associate Publisher and Head of Research Department of *HKET*. He is a founder of *HKET*. Mr. Shek is responsible for the overall development and management of Research Department of *HKET*. He is also responsible for the day-to-day management of the Group's book publication and training businesses. Mr. Shek has over 30 years of solid experience in the media and publishing industry. He is a columnist in *HKET* and its associated magazines, *Sky Post*, *iMoney* and on the financial portal of www.etnet.com.hk. Besides that, Mr. Shek has written several books on topics of investment, finance and wealth management. He is a regular speaker in various investment and wealth management conferences and seminars. He is currently a host of an investment programme for Radio Television Hong Kong. Mr. Shek obtained a Bachelor of Arts degree and a Postgraduate Diploma in Education from The University of Hong Kong.

Ms. SEE Sau Mei Salome, aged 56, is the Managing Director of the Company's subsidiaries which engage in the businesses of financial news agency, information and solutions. Ms. See joined the Group in 1989, responsible for the Group's marketing strategy and operations. She was later assigned to start and take charge of the Group's financial news agency, information and solutions businesses. Ms. See has over 30 years of solid experience in general business management. Prior to joining the Group, Ms. See worked in the regional marketing office of a multinational computer equipment corporation, Digital Equipment Limited, where she gained extensive experience in digital technology and a profound understanding of advanced networking. Ms. See obtained a Bachelor of Arts degree from Macquarie University, Australia. Ms. See is currently a member of The Advisory Committee on Built Heritage Conservation for the Government of the Hong Kong Special Adminstrative Region ("HKSAR").

Board of Directors

Non-executive Director

Mr. CHU Yu Lun, aged 68, was appointed as a Non-executive Director in April 2005. He is also a Member of Company's Audit Committee and Remuneration Committee. Mr. Chu is the founder and Chairman of the Adsale Group. Established in December 1977 in Hong Kong under the name of The Adsale People, the company was registered as Adsale People Limited in 1985. As an international trade media group in the Asia-Pacific region, the Adsale Group's major businesses include organizing international trade fairs, publishing international trade journals, e-publications and industry websites. Mr. Chu has extensive experience in the exhibition industry. Mr. Chu received a Master degree in Business Administration at The Chinese University of Hong Kong in 1984 after his Bachelor degree in Science from The University of Hong Kong in 1973. For years, Mr. Chu has taken active participation in social activities personally and on behalf of his companies. He is formerly the Chair of the Global Association of the Exhibition Industry (UFI) Asia Pacific Chapter, currently the Honorary Life President of Hong Kong Exhibition and Convention Industry Association (HKECIA), and has been the Founding President of Hong Kong University Science Alumni Association Limited, Vice-President of Advisory Board on the Master degree in Business Administration program of The Chinese University of Hong Kong. His commitment in the industry granted him an award of "The Top Ten People in China Exhibition Industry 2001 & 2003". Mr. Chu is also a founder member and a director of Musketeers Education and Culture Charitable Foundation Limited. With his valuable contribution to the society and The University of Hong Kong, Mr. Chu received an Honorary University Fellowship from The University of Hong Kong in 2011.

Independent Non-executive Directors

Mr. CHOW On Kiu, aged 68, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Nomination Committee. Mr. Chow has extensive experience in banking, finance, trading, investment as well as property investment in Mainland China. Mr. Chow is currently the Deputy Chairman of The Wharf (Holdings) Limited, a company listed on the Hong Kong Stock Exchange and the Chairman of Wharf China Development Limited. He had also been a Director of Sun Hung Kai Securities Limited from 1979 to 1985, Managing Director of Tian An China Investment Limited, a company listed on the Hong Kong Stock Exchange, from 1987 to 1992 and Executive Director of Next Digital Limited, a company listed on the Hong Kong Stock Exchange, from 1999 to 2002. Mr. Chow graduated with a Bachelor degree in Social Science from The University of Hong Kong.

Professor LEUNG Gabriel Matthew, GBS, JP, aged 46, was appointed as an Independent Non-executive Director in September 2013. He is currently a Member of the Company's Nomination Committee and Remuneration Committee. Professor Leung is the fortieth Dean of the Li Ka Shing Faculty of Medicine at The University of Hong Kong ("HKU"). Professor Leung, a clinician and a respected public health authority, is also Chair Professor in the School of Public Health at HKU. Previously, he was Professor and Head of Department of Community Medicine at HKU and served as the first Under Secretary for Food and Health, Government of the Hong Kong Special Administrative Region ("HKSAR") and the fifth Director of Chief Executive's Office, Government of the HKSAR. Born in Hong Kong, Professor Leung received his early education locally and in the United Kingdom. He read medicine at The University of Western Ontario and received his degree of Doctor of Medicine, and completed family medicine residency training in Toronto, Canada. He earned his degree of Master of Public Health from Harvard University and degree of Doctor of Medicine, a research doctorate from HKU.

Mr. LO Foo Cheung, JP, aged 69, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of Company's Remuneration Committee and a Member of Company's Audit Committee. Mr. Lo is the founder and Chairman of FC Packaging Holding Limited, one of the leading can manufacturers in the Greater China. Mr. Lo has extensive experience in the industrial and manufacturing industry in Hong Kong and Mainland China. He is currently the Honorary President of the Chinese Manufacturers' Association of Hong Kong, Standing Committee Member of the Chinese General Chamber of Commerce, Honorary Citizen of Guangzhou City, Foshan City and Jiangmen City. Mr. Lo previously served as a Member of the Election Committee of the Hong Kong Special Administrative Region, Council Member of Hong Kong Trade Development Council, Council Member of Hong Kong Productivity Council, a Member of the Business Advisory Group, Financial Secretary's Office, HKSAR, Committee Member of Business Facilitation Advisory Committee, HKSAR, Director and Chairman of Finance and Administration Committee of Hong Kong Design Centre, Committee Member of Small and Medium Enterprises Committee of Hong Kong, First Vice-President of the Chinese Manufacturers' Association of Hong Kong, founding Vice Chairman of the Young Industrialists Council of Hong Kong, Council Member of the Hong Kong Quality Assurance Agency, Standing Committee Member of the Chinese People's Political Consultative Conference of Heilongjiang Province, Qingdao City and Jiangmen City. Mr. Lo holds a Bachelor degree with honours in Social Science (1970) and a Master degree in Business Administration (1972) from The Chinese University of Hong Kong. Mr. Lo was a winner of the Young Industrialist Award of Hong Kong in 1988.

Mr. O'YANG Wiley, aged 56, was appointed as an Independent Non-executive Director in October 2012. He is currently the Chairman of Company's Audit Committee and a Member of Company's Nomination Committee. Mr. O'Yang is a managing director of Shanggu Securities Limited ("Shanggu Securities"), a licenced corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities. He has more than 32 years of experience in the accounting, finance and legal fields. Prior to joining Shanggu Securities, Mr. O'Yang worked for various investment banks, including CMBC International Holdings Limited, a subsidiary of China Minseng Banking Corporation Limited, Kim Eng Securities (Hong Kong) Limited, a wholly-owned subsidiary of Malayan Banking Berhad, UBS AG, Hong Kong Branch, J.P. Morgan Securities (Asia Pacific) Limited and BNP Paribas Capital (Asia Pacific) Limited and held the positions of managing director and executive director. Prior to those, he was a partner of Richards Butler, an international law firm. Mr. O'Yang also served as Independent Non-executive Directors of Midea Real Estate Holding Limited, D&G Technology Holding Company Limited and AB Builders Group Limited, all listed on the Hong Kong Stock Exchange, since October 2018, May 2019 and June 2019 respectively. Mr. O'Yang graduated from The Chinese University of Hong Kong with a Bachelor of Social Science degree and a Master of Business Administration degree. He is also a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Law Society of Hong Kong.

Corporate Governance

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

Board of Directors

As at 31 March 2019, the Board comprised nine Directors, with four of them being Independent Non-executive Directors, representing more than one-third of the Board.

Executive Directors:

Mr. Fung Siu Por, Lawrence *(Chairman)*
Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung)
Mr. Shek Kang Chuen
Ms. See Sau Mei Salome

Non-executive Director:

Mr. Chu Yu Lun *(Members of Remuneration and Audit Committees)*

Independent Non-executive Directors:

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

The composition of the Board reflects a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Directors are aware of their collective and individual responsibilities to shareholders and have exercised their duties with care, skill and diligence for the best interests of the shareholders. Names and biographies of the Directors are set out on pages 10 to 13 under the section headed "Board of Directors" of this Annual Report.

Each of the Executive, Non-executive, and Independent Non-executive Directors has entered into a service contract with the Company and is subject to the rotational retirement and re-election requirements of the Company's Articles of Association and the Code Provisions. Mr. Fung Siu Por, Lawrence (the Chairman and Executive Director of the Company) and Mr. Chu Yu Lun (the Non-executive Director of the Company) have been business partners for years and have common interests in certain companies. Save as disclosed above, none of the Directors has any financial, business, family relationships or any relationships in other material aspects with each other.

Under Code A.2.1 of the Code Provisions, the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. However, the Company has appointed Mr. Fung Siu Por, Lawrence as both its Chairman and the CEO. The Board believes that vesting the roles of the Chairman and the CEO in the same person would allow the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a substantial number thereof being Non-executive Directors.

The Board is responsible for setting the Group's strategic direction and overseeing the business performance of the Group while business operations are delegated to qualified management under the supervision of respective Executive Directors. The Board will ensure that the decision and direction made are implemented through the management, and that all significant business matters including but not limited to budgets, business plans, investment decisions, material capital expenditure are subject to the Board's approval.

Board Diversity Policy

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

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

Independence of Independent Non-executive Directors

Each Independent Non-executive Director has submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a written confirmation in respect of their independence in accordance with Rule 3.13 of the Listing Rules on their appointment. The Board has also received from each of the Independent Non-executive Directors a confirmation of his independence as required under the Listing Rules. The Board is of the opinion that all Independent Non-executive Directors are independent and appreciates the professional and valuable contributions they made to the Board and the Committees.

Corporate Governance

Directors' Training and Professional Development

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

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

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

Board Proceedings

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

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

The Board intends to hold at least four meetings annually at approximately quarterly intervals. Notice of meeting, agenda (with consultation of members of the Board) and accompanying board papers are sent in full to all Directors in a timely manner before the intended date of each meeting. During the financial year ended 31 March 2019, four meetings were held.

Minutes of the Board Meetings are recorded by the secretary of the meeting in sufficient detail of the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final version of minutes of Board Meetings are sent to all Directors for their comment and records respectively, in both cases within reasonable time after the Board Meeting is held.

Audit Committee

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

During the financial year ended 31 March 2019, the Audit Committee met twice. The Company's Chief Financial Officer and External Auditor were invited to attend the meetings. The Committee has reviewed the annual report for the financial year ended 31 March 2018, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2018. The Committee also discussed and reviewed the key audit matters determined by the External Auditor under the new and revised auditor reporting standards under Hong Kong Standards on Auditing for the year ended 31 March 2019. The Chairman of the Audit Committee has reported to the Board on the findings of these reviews. The Board has not taken any view that is different from that of the Audit Committee.

Furthermore, the Committee has reviewed, inter alia, the Annual Report and Financial Statements of the Group for the year ended 31 March 2019, the connected transactions, internal control system review, the report from External Auditor on the audit of the Group's Financial Statements and the re-appointment of External Auditor.

Remuneration Committee

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

The Remuneration Committee met once during the financial year ended 31 March 2019 with the presence of all members to review and approve the remunerations and discretionary bonus payable to the Executive Directors and senior management for the financial year under review. The Committee Chairman has reported to the Board on the proceedings of the meeting.

Nomination Committee

The Company established a Nomination Committee in 2005 with written terms of reference which have been formulated and adopted and complied with the Code Provisions. The Nomination Committee comprises three Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman, Professor Leung Gabriel Matthew and Mr. O'Yang Wiley. The principal roles and functions of the Nomination Committee as set out in its terms of reference are available on both the Company's and the Stock Exchange's websites.

The Nomination Committee met once during the financial year ended 31 March 2019 with the presence of all members to review the size, structure and composition of the Board and made its recommendations to the Board on the re-appointment of Directors (not less than one-third of the Board) who are subject to retirement by rotation and eligible for re-election at the forthcoming annual general meeting.

Remuneration of Directors

The Directors' fees and all other emoluments paid or payable to the Directors during the year are set out on an individual and named basis in note 7(b) to the Audited Financial Statements of this Annual Report on page 79.

The Group's remuneration policy is set out in note 7(d) to the Audited Financial Statements of this Annual Report on page 81.

Securities Transactions of Directors

The Company confirmed the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). All Directors confirmed their compliance with the required standard set out in the Model Code regarding directors' securities transactions throughout the financial year ended 31 March 2019.

Specific employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company for the period under review.

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for the preparation of the Financial Statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period and in compliance with relevant laws and disclosure provisions of the Listing Rules. In preparing the Financial Statements for the year ended 31 March 2019, the Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and have prepared Financial Statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

External Auditor

The Group has appointed PricewaterhouseCoopers as the Group's External Auditor since the financial year 2004/05. Their reporting responsibilities on the Financial Statements are set out in the Independent Auditor's Report of this Annual Report on pages 33 to 38.

During the period under review, the Group has incurred a total fee of HK$2,800,000 in relation to the interim review and audit services provided by PricewaterhouseCoopers for the financial year 2018/19, which was approved by the Audit Committee and the Board. A fee of HK$310,000 was also paid or payable to PricewaterhouseCoopers for other services.

PricewaterhouseCoopers will retire and offer themselves for re-appointment at the annual general meeting of the Company to be held on 26 July 2019.

The re-appointment of PricewaterhouseCoopers as the External Auditor of the Group has been recommended by the Audit Committee and endorsed by the Board, subject to the approval of shareholders at the forthcoming annual general meeting.

Risk Management and Internal Control

The Board acknowledges that it has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board had received from the management a confirmation on the effectiveness of these systems.

The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group in the areas of financial, operational and compliance. The Group's business units are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to the management of the Group through internal meetings. The management of the Group is responsible in assessing the impact of the risks identified to the Group and report to the Board on an annual basis.

The Group handles and disseminates inside information with due care. Employees are required to comply with confidentiality terms inside the Staff Handbook. Access to inside information is limited to employees at appropriate level and on need-to-know basis.

The Group maintains its internal audit function which reviews major operating and financial control and risk management system of the Group on an on-going and rotational basis covering all major operations of the Group. The results of the reviews are reported to the management of the Group.

Company Secretary

The Company Secretary is responsible for assisting the Board and respective Board Committees in their proceedings and advising the Board on corporate governance matters. During the year ended 31 March 2019, the Company Secretary has complied with the professional training requirements under the Code Provisions.

Shareholders' Rights and Investor Relation

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

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

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

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

During the year ended 31 March 2019, there is no significant change in the Company's constitutional documents. The Company's Memorandum and Articles of Association are available on both the Company's and the Stock Exchange's websites.

Summary of Profit and Loss Account

	Year ended 31 March 2019 HK$'000	2018 HK$'000	% Change
Revenue	**1,280,679**	**1,190,034**	**8%**
Cost of sales	(778,162)	(720,930)	8%
Gross profit	502,517	469,104	7%
Gross profit margin	**39.2%**	**39.4%**	
Selling and distribution expenses	(203,552)	(183,729)	11%
General and administrative expenses	(210,915)	(200,355)	5%
Net impairment losses on financial assets	(2,124)	(380)	459%
Other income	3,066	3,374	-9%
Operating profit	88,992	88,014	1%
Finance income – net	2,785	2,158	29%
Profit before income tax	91,777	90,172	2%
Income tax expense	(18,299)	(17,045)	7%
Profit for the year	**73,478**	**73,127**	**0%**
Non-controlling interests	(1,957)	(1,870)	5%
Profit attributable to owners	**71,521**	**71,257**	**0%**
Net profit margin	**5.7%**	**6.1%**	

General

The Group's revenue for the financial year ended 31 March 2019 increased by HK$90.6 million or 8% over the last financial year to HK$1,280.7 million. Profit attributable to owners for the year under review was HK$71.5 million, similar to HK$71.3 million recorded for the year ended 31 March 2018.

Management Discussion and Analysis

Revenue

	Year ended 31 March 2019 HK$'000	2018 HK$'000	% Change
Revenue:			
Advertising income	710,091	663,666	7%
Circulation income	89,893	93,455	-4%
Service income	472,989	422,871	12%
Enrolment income	7,706	10,042	-23%
Total	1,280,679	1,190,034	8%

Advertising income for the year ended 31 March 2019 recorded HK$710.1 million, a growth of HK$46.4 million, or 7% from the year ended 31 March 2018. Advertising income was mainly derived from the Group's printed publications and digital platforms. The growth of advertising income was mainly contributed by the Group's digital platforms with various business domains in finance, lifestyle and human resources. The Group's advertising income from printed publications recorded a drop in line with market trend albeit at a lower rate. The advertising teams of the Group were able to provide creative and one-stop marketing solutions across a comprehensive range of publications and platforms, from online to offline, to our clients and business partners.

Circulation income decreased by 4% from HK$93.5 million in the year ended 31 March 2018 to HK$89.9 million for the financial year under review. In February 2019, the Group raised the retail price of *Hong Kong Economic Times*, the Group's flagship title, as a result of the rocketing newsprint price. With our dedicated effort to produce high credibility and quality contents, bringing value to our premium readers, we were able to contain the shifting of reading habit to digital medium and the decline in the circulation income.

Service income for the year ended 31 March 2019 increased by 12% from HK$422.9 million in preceding financial year to HK$473.0 million. The Group's service income was mainly generated by the financial news agency, information and solutions businesses and the printing services of the Group's printing plants. The increase was mainly from the external printing services of the Group's printing plants. The continuous investment in service quality enhancement and technology advancement in financial news agency, information and solutions businesses had earned the segment a steady growth in service income.

Operating Costs

Gross profit margin of the Group was 39.2% for the year ended 31 March 2019, similar to the year ended 31 March 2018. Management would continue to monitor the cost effectiveness of the Group's operations.

Staff costs, representing approximately 49% of the Group's total operating costs, increased by 8% as compared to the year ended 31 March 2018. The increase was mainly due to general salary increment in line with the employment market and increase in headcount mainly for the digital businesses development.

Newsprint costs, constituting around 9% of the Group's total operating costs, increased by 12% when compared to the year ended 31 March 2018. The increase was mainly due to the soaring newsprint price in the financial year ended 31 March 2019. The Group would continue to deploy effective production control on material consumption.

Income Tax Expense

The effective tax rates of the Group for the financial years ended 31 March 2019 and 2018 were 19.9% and 18.9% respectively. The Group was subject to the standard profits tax rate of 16.5% which was applicable to companies incorporated in Hong Kong, the Group's major place of operation.

Profit Attributable to Owners

Profit attributable to owners of the Group for the year under review was HK$71.5 million, an increase of HK$0.2 million as compared to HK$71.3 million recorded for the year ended 31 March 2018. Net profit margin decreased by 0.4 percentage point to 5.7% for the financial year under review.

Media segment recorded a decline in profit for the financial year under review. Despite an encouraging increase in revenue, profit for the year decreased as a result of increase in operating costs, in particular for the development of digital platforms over our printed publications and the increase in newsprint costs. The digital platforms had become the drivers of revenue growth of the segment. The Group believed that the investments are worthwhile for the segment's sustainable profitability.

Financial news agency, information and solutions segment, the major profit contributor to the Group, recorded a growth in both segment revenue and results for the year ended 31 March 2019 when compared to last financial year. During the financial year under review, more financial institutions were introducing new, convenient and larger internet and mobile banking and securities trading services to their customers. The segment was able to benefit from this trend and had secured various financial solution projects in current financial year. The segment would continue to invest in talents and technologies to capture the opportunities emerged from this industry.

Contribution from recruitment advertising and training segment remained stably positive. The drop of training enrolment income was offset by the increase of recruitment advertising income resulting from the robust local recruitment market in current financial year.

Lifestyle platforms, engaging in the operation of channels in food, travel, beauty, health and other lifestyle focus, recorded a significant increase in revenue and had become one of the main drivers of revenue growth of the Group. The Group would continue its investment in digital businesses to expand and solidify the success aimed to bring in positive contribution to the Group in the near term.

Liquidity and Capital Resources

	As at 31 March	
(in HK$ million)	2019	2018
Net current assets	362.7	298.8
Term deposits, pledged deposits and cash and cash equivalents	315.5	290.2
Owners' funds	910.4	879.2
Gearing ratio	N/A	N/A
Current ratio	2.22 times	1.96 times

The Group's net current assets as at 31 March 2019 increased by HK$63.9 million from HK$298.8 million to HK$362.7 million. The increase was mainly contributed by the positive operating results of the Group. The Group recorded net cash generated from operating activities of HK$81.0 million for the financial year under review.

Net cash used in investing activities was HK$37.2 million, including HK$23.0 million used in purchase of property, plant and equipment.

The Group had distributed the final dividend declared for the financial year ended 31 March 2018 and interim dividend for the six months period ended 30 September 2018 amounting to an aggregate total of HK$34.5 million.

The Group had no gearing (being total interest bearing liabilities divided by total assets) as at 31 March 2019 and 2018.

As at 31 March 2019, the Group had a cash balance of HK$315.5 million as compared to HK$290.2 million as at 31 March 2018. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held in Hong Kong dollars or in United States dollars. The Group had no material exposure to foreign exchange fluctuations.

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

Outlook

Digitalization continues to transform the local media landscape. Mobile advertising expands apace and has taken the largest slice from the local advertising spending. So, notwithstanding the uncertainty and pessimism of the recent economic outlook, the Group is ploughing more investments and resources into quality content, innovative technologies and the talents required. The Group is determined to build an integrated, all-around, quality-based and customer-oriented digital platform in Hong Kong, connecting the readers and marketers across various business domains. We are confident that these initiatives will bring new impetus to the Group's sustainable growth.

Looking ahead, the operating environment remains challenging. The US-China trade war and tariff hikes, further aggravated by Brexit and political changes in many countries, will continue to affect the global market. The resulting volatility may lead to a further deterioration in investor sentiment and, ultimately, a global economic slowdown. The local retail and investment markets are already seeing signs of decline in confidence. The Group will closely monitor the economic situation, take a cautious and prudent approach in cost management, operational efficiency and financial discipline.

The Group is in a healthy cash flow position with a cash balance of around HK$316 million as at 31 March 2019. We are determined to maintain a sustainable dividend policy as well as strong liquidity to preserve its strength for our strategic business development. We believe that by leveraging on our prestigious brands, strong vision and market positioning, and incredible execution capabilities, the Group will achieve sustainable growth and stay ahead of the curve in local media industry.

Employees

As at 31 March 2019, the Group had 1,559 employees (31 March 2018: 1,456 employees). The Directors believe that employees are the most valuable assets of the Group and competitive remuneration packages are offered to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

Directors' Report

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") submit their report together with the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2019 (the "Financial Statements").

Principal Activities

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 21 to the Financial Statements.

Business Review

An analysis of the Group's performance for the year ended 31 March 2019 by operating segment is set out in note 5 to the Financial Statements.

A review of the Group's business during the year and discussion of the Group's performance and its financial position including an indication of likely future development of the Group's business are provided in the section headed "Management Discussion and Analysis" on pages 21 to 25 of this Annual Report.

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including employees, customers and suppliers. This includes promoting employee benefits and development, emphasizing safety working environments to employees, ensuring quality products and services and developing mutual beneficial relationships with suppliers.

The Group is committed to protecting the environment and improving the environmental performance in compliance with applicable environmental laws and practices. The Group had integrated environmental considerations into the Group's business processes seeking for a sustainable development. Details of the discussion on the Group's environmental policies and performance, its compliance with relevant laws and regulations are set out in the "Environmental, Social and Governance Report" of the Group.

The Group has complied with the relevant laws and regulations that have a significant impact on the Group.

Financial Results

The results of the Group for the year and the state of affairs of the Company and the Group as at 31 March 2019 are set out on pages 39 to 102.

Dividend Distributions

During the year, an interim dividend distribution from the distributable reserves of HK 2.0 cents per share, totalling HK$8,632,000 was paid on 21 December 2018.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 6.5 cents per share in respect of the year ended 31 March 2019 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 12 August 2019, amounting to HK$28,054,000. The final dividend, payable on 27 September 2019, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 26 July 2019.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 102 of and in note 25(b) to the Financial Statements.

Property, Plant and Equipment

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

Share Capital

Details of the number of authorised and issued shares of the Company are set out in note 20 to the Financial Statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2019, calculated under the Cayman Islands Companies Law, amounted to HK$292,834,000 (2018: HK$230,130,000) including share premium and retained earnings.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Five-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Five-year Financial Summary" in this Annual Report.

Purchase, Sale or Redemption of the Company's Shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Directors

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

Executive Directors

Mr. FUNG Siu Por, Lawrence *(Chairman)*
Mr. MAK Ping Leung (alias: Mr. MAK Wah Cheung)
Mr. SHEK Kang Chuen
Ms. SEE Sau Mei Salome

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

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

Details of the profile of each member of the Board are set out in the section headed "Board of Directors" in this Annual Report.

In accordance with Article 87 of the Company's Articles of Association, Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chu Yu Lun, Professor Leung Gabriel Matthew and Mr. Lo Foo Cheung shall retire from office and, are eligible for re-election at the forthcoming annual general meeting. Professor Leung Gabriel Matthew has informed the Board that he will not stand for re-election and accordingly shall retire at the forthcoming annual general meeting of the Company. Save for Professor Leung Gabriel Matthew, all other retiring Directors, offer themselves for re-election at the forthcoming annual general meeting.

Directors' Service Contracts

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

Directors' Interests in Contracts

Other than as disclosed under "Related Party Transactions" in note 24 to the Financial Statements, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31 March 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long positions in ordinary shares of HK$0.10 each of the Company

Name of Directors	Capacity/Nature of interest	Number of shares held	Percentage of number of issued shares of the Company
Mr. FUNG Siu Por, Lawrence (Note 1)	Corporate	54,359,000	12.595%
Mr. MAK Ping Leung	Beneficial owner	810,000	0.188%
Mr. SHEK Kang Chuen	Beneficial owner	1,000,000	0.232%
Ms. SEE Sau Mei Salome	Beneficial owner	370,000	0.086%
Mr. CHU Yu Lun (Note 2)	Corporate	87,435,000	20.258%
Mr. LO Foo Cheung	Beneficial owner	740,000	0.171%

Note 1: The interests in the 54,359,000 shares are in respect of the deemed corporate interests held by Mr. Fung Siu Por, Lawrence through Golden Rooster Limited which is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence is therefore deemed interested in the shares held by Golden Rooster Limited.

Note 2: The interests in the 87,435,000 shares are in respect of the deemed corporate interests held by Mr. Chu Yu Lun through Sky Vision Investments Limited which is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun is therefore deemed interested in the shares held by Sky Vision Investments Limited.

All interests stated above represent long positions in the shares of the Company.

(b) Long positions in underlying shares of the Company

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouses or children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Shares and Underlying Shares

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 31 March 2019, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's number of issued shares. These interests are in addition to those disclosed above in respect of Directors and chief executive:

Name of Substantial Shareholders	Number of ordinary shares held (long position)	Percentage of number of issued share of the Company
Sky Vision Investments Limited (Note 1)	87,435,000	20.258%
MaMa Charitable Foundation Limited	58,169,000	13.478%
Golden Rooster Limited (Note 2)	54,359,000	12.595%
The University of Hong Kong	43,160,000	10.000%
Webb David Michael	22,600,000	5.236%

Note 1: Sky Vision Investments Limited is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun and Ms. Chow Chiu Hing are therefore deemed interested in the shares held by Sky Vision Investments Limited.

Note 2: Golden Rooster Limited is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence and Ms. Lee Suk Wai Alexandra are therefore deemed interested in the shares held by Golden Rooster Limited.

Save as disclosed above, as at 31 March 2019, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the Directors and chief executive of the Company, whose interests are set out in the paragraph headed "Directors' Interests in Shares, Underlying Shares and Debentures" above, who had any interests or short positions in the shares or underlying shares of the Company.

Management Contracts

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

Major Suppliers and Customers

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

Purchases	
– the largest supplier	8%
– five largest suppliers combined	23%
Sales	
– the largest customer	6%
– five largest customers combined	15%

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

Connected Transactions

The Group has entered into certain related party transactions as disclosed in note 24 to the Financial Statements. These related party transactions did not constitute connected transactions of the Company under the Listing Rules.

Competing Business

As at 31 March 2019, none of the Directors and directors of the Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules, except for the interests held by Mr. Chu Yu Lun and Mr. Fung Siu Por, Lawrence, both Directors of the Company, in Adsale Publishing Limited which is engaged in the publication of industrial magazines catered for readers in the textile and apparel, plastic and rubber, and machinery industries. Mr. Chu is also a director of Adsale Publishing Limited.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of more than 25% of the Company's issued shares as at the date of this Annual Report.

Compliance with Corporate Governance Code

In the opinion of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 14 of the Listing Rules for the year ended 31 March 2019 except as stated and explained below.

Under Code A.2.1 of the Code Provisions, the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. However, the Company has appointed Mr. Fung Siu Por, Lawrence as both its Chairman and the CEO. The Board believes that vesting the roles of the Chairman and the CEO in the same person would allow the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a substantial number thereof being Non-executive Directors.

Auditor

The Financial Statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board
Fung Siu Por, Lawrence
Chairman

Hong Kong, 24 June 2019

羅兵咸永道

To the Shareholders of Hong Kong Economic Times Holdings Limited
(incorporated in Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Hong Kong Economic Times Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 39 to 102, which comprise:

- the consolidated balance sheet as at 31 March 2019;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Basis for Opinion (Continued)

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for impairment of trade receivables of the media segment *Refer to note 3.1 (b) (Credit risk), note 4 (Critical accounting estimates and judgements) and note 17 (Trade receivables) of the consolidated financial statements.* As at 31 March 2019, the Group has gross trade receivables of HK$248.4 million, of which a significant portion was attributable to customers from the media segment. Provision is made for lifetime expected credit losses on trade receivables.	We understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged trade receivables, and assessment on the expected credit losses allowance of trade receivables. We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices. We tested on a sample basis, the subsequent settlement of trade receivables against bank receipts. We obtained management's assessment on the expected credit losses allowance of trade receivables. We corroborated and validated management's assessment based on the historical settlement pattern of up to past 3 years, correspondence with the customers and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Customers of the media segment has a slower settlement pattern and may settle after the contractual credit period. Management applied judgement in assessing the expected credit losses. Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. Expected credit losses are also estimated by grouping the remaining receivables based on the shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on the historical credit losses experienced of up to past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. We focused on this area due to the estimation and judgement involved in the determining the expected credit losses allowance of the trade receivables.	Based upon the above, we found that the estimation and judgement made by management in respect of the expected credit losses allowance and the collectability of trade receivables were supportable by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2019

Consolidated Income Statement

	Note	Year ended 31 March 2019 HK$'000	2018 HK$'000
Revenue	5	1,280,679	1,190,034
Cost of sales	6	(778,162)	(720,930)
Gross profit		502,517	469,104
Selling and distribution expenses	6	(203,552)	(183,729)
General and administrative expenses	6	(210,915)	(200,355)
Net impairment losses on financial assets		(2,124)	(380)
Other income	5	3,066	3,374
Operating profit		88,992	88,014
Finance income	8	2,785	2,191
Finance costs	8	–	(33)
Finance income – net	8	2,785	2,158
Profit before income tax		91,777	90,172
Income tax expense	9	(18,299)	(17,045)
Profit for the year		73,478	73,127
Profit attributable to:			
Owners of the Company		71,521	71,257
Non-controlling interests		1,957	1,870
		73,478	73,127
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	10	16.57	16.51

The notes on pages 45 to 102 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2019 HK$'000	2018 HK$'000
Profit for the year		73,478	73,127
Other comprehensive (loss)/income:			
Item that may be reclassified to profit or loss			
Currency translation differences arising from foreign operations		(777)	1,256
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of long service payment provision	12	(2,955)	3,910
Other comprehensive (loss)/income for the year, net of tax		(3,732)	5,166
Total comprehensive income for the year		69,746	78,293
Total comprehensive income attributable to:			
Owners of the Company		67,789	76,423
Non-controlling interests		1,957	1,870
		69,746	78,293

The notes on pages 45 to 102 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	13	564,395	547,815
Investment properties	14	19,227	64,886
Deferred income tax assets	15	22,683	22,901
Deposits paid for property, plant and equipment		210	1,793
		606,515	637,395
Current assets			
Inventories	16	70,810	47,138
Trade receivables	17	243,404	245,956
Deposits and other receivables		15,824	16,384
Prepayments		12,470	9,253
Tax recoverable		934	1,399
Pledged deposits	18	1,661	5,024
Term deposits with original maturities of over three months	18	130,882	110,387
Cash and cash equivalents	18	182,959	174,764
		658,944	610,305
Current liabilities			
Trade payables	19	32,864	54,819
Fees in advance		147,028	132,644
Accruals, other payables and provisions		114,729	122,131
Current income tax liabilities		1,585	1,943
		296,206	311,537
Net current assets		362,738	298,768
Total assets less current liabilities		969,253	936,163

Consolidated Balance Sheet (Continued)

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
Equity attributable to owners of the Company			
Share capital	20	43,160	43,160
Reserves		867,277	835,992
		910,437	879,152
Non-controlling interests		15,491	13,896
Total equity		925,928	893,048
Non-current liabilities			
Deferred income tax liabilities	15	34,109	36,711
Other non-current liabilities	12	9,216	6,404
		43,325	43,115
Total equity and non-current liabilities		969,253	936,163

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

The notes on pages 45 to 102 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Currency translation reserve HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 April 2017	43,160	36,061	69,944	6,120	100	2,458	672,940	830,783	12,306	843,089
Profit for the year	–	–	–	–	–	–	71,257	71,257	1,870	73,127
Other comprehensive income										
Currency translation differences arising from foreign operations	–	–	–	–	1,256	–	–	1,256	–	1,256
Remeasurement of long service payment provision	–	–	–	–	–	3,910	–	3,910	–	3,910
Total comprehensive income	–	–	–	–	1,256	3,910	71,257	76,423	1,870	78,293
Transactions with owners										
Final dividend for the year ended 31 March 2017	–	(19,422)	–	–	–	–	–	(19,422)	–	(19,422)
Dividend declared by a subsidiary for the year ended 31 March 2017	–	–	–	–	–	–	–	–	(280)	(280)
Interim dividend for the year ended 31 March 2018	–	(8,632)	–	–	–	–	–	(8,632)	–	(8,632)
Balance at 31 March 2018	43,160	8,007	69,944	6,120	1,356	6,368	744,197	879,152	13,896	893,048
Balance at 1 April 2018, as previously reported	43,160	8,007	69,944	6,120	1,356	6,368	744,197	879,152	13,896	893,048
Adjustment for change in accounting policy (note 2)	–	–	–	–	–	–	(1,976)	(1,976)	(82)	(2,058)
Balance at 1 April 2018, as restated	43,160	8,007	69,944	6,120	1,356	6,368	742,221	877,176	13,814	890,990
Profit for the year	–	–	–	–	–	–	71,521	71,521	1,957	73,478
Other comprehensive loss										
Currency translation differences arising from foreign operations	–	–	–	–	(777)	–	–	(777)	–	(777)
Remeasurement of long service payment provision	–	–	–	–	–	(2,955)	–	(2,955)	–	(2,955)
Total comprehensive (loss)/income	–	–	–	–	(777)	(2,955)	71,521	67,789	1,957	69,746
Transactions with owners										
Final dividend for the year ended 31 March 2018	–	–	–	–	–	–	(25,896)	(25,896)	–	(25,896)
Dividend declared by a subsidiary for the year ended 31 March 2018	–	–	–	–	–	–	–	–	(280)	(280)
Interim dividend for the year ended 31 March 2019	–	–	–	–	–	–	(8,632)	(8,632)	–	(8,632)
Balance at 31 March 2019	43,160	8,007	69,944	6,120	579	3,413	779,214	910,437	15,491	925,928

The notes on pages 45 to 102 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2019 HK$'000	2018 HK$'000
Cash flows from operating activities			
Cash generated from operations	22(a)	101,170	130,929
Interest paid	8	–	(33)
Hong Kong profits tax paid		(20,168)	(16,694)
Net cash generated from operating activities		81,002	114,202
Cash flows from investing activities			
Bank interest received	8	2,785	2,191
Purchase of property, plant and equipment		(22,765)	(22,720)
Deposits paid for purchase of property, plant and equipment		(210)	(1,793)
Proceeds from disposal of property, plant and equipment	22(b)	91	54
Acquisition of a subsidiary, net of cash acquired		–	(136,616)
(Increase)/decrease in term deposits with original maturities of over three months		(20,495)	128,988
Decrease/(increase) in pledged deposits		3,363	(1,675)
Net cash used in investing activities		(37,231)	(31,571)
Cash flows from financing activities			
Proceeds from bank borrowings	22(c)	–	18,000
Repayments of bank borrowings	22(c)	–	(18,000)
Interim dividend paid to owners of the Company		(8,632)	(8,632)
Final dividend paid to owners of the Company		(25,896)	(19,422)
Final dividend paid to non-controlling interests		(280)	(280)
Net cash used in financing activities		(34,808)	(28,334)
Net increase in cash and cash equivalents		8,963	54,297
Effect of foreign exchange rate changes, net		(768)	1,444
Cash and cash equivalents at beginning of the year		174,764	119,023
Cash and cash equivalents at end of the year	18	182,959	174,764

The notes on pages 45 to 102 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

1. General information

The Company was incorporated in the Cayman Islands on 15 February 2005 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of its subsidiaries are the printing and publishing of newspapers, magazines and books, the provision of electronic financial and property market information services, the provision of recruitment advertising and training services, and operation of digital platforms in lifestyle focus.

These consolidated financial statements were approved for issue by the Board of Directors on 24 June 2019.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Hong Kong Economic Times Holdings Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

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

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) *New and amended standards adopted by the Group*

A number of new or amended standards became applicable for the current financial year. Of these, the followings are relevant to the Group's consolidated financial statements:

- HKFRS 9 "Financial Instruments"; and

- HKFRS 15 "Revenue from Contracts with Customers"

The other standards did not have material impact on the Group's consolidated financial statements and did not require any adjustments.

The following paragraphs explain the impact of adoption of HKFRS 9 "Financial Instruments" ("HKFRS 9") and HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15") on the Group's consolidated financial statements.

(i) HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 "Financial Instruments: Recognition and Measurements" that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

<u>Classification and measurement of financial instruments</u>

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

The financial assets held by the Group mainly represent debt instruments previously classified as loans and receivables and measured at amortised cost, meet the conditions for classification at amortised cost under HKFRS 9. Accordingly, there is no impact on the Group's accounting for financial assets.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) *New and amended standards adopted by the Group* (Continued)

(i) HKFRS 9 "Financial Instruments" (Continued)

Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables; and
- other financial assets carried at amortised cost

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

While cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

- Trade receivables

  The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

  Expected credit losses are also estimated by grouping the remaining receivables based on the shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer, its ageing category and applying expected credit loss rates to the respective gross carrying amounts of the receivables.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) New and amended standards adopted by the Group (Continued)

(i) HKFRS 9 "Financial Instruments" (Continued)

- Trade receivables (Continued)

  The expected credit loss rates are determined based on the historical credit losses experienced of up to past 3 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

  Management has closely monitored the credit qualities and the collectability of the trade receivables. Trade receivables in dispute are assessed individually for impairment allowance and determined whether specific provisions are required. The adoption of the simplified expected credit loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 April 2018.

- Other financial assets carried at amortised cost

  For other financial assets carried at amortised cost, including deposits and other receivables in the consolidated balance sheet, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the balance sheet date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost and considers that the expected credit loss is immaterial.

The adoption of HKFRS 9 did not have any material impact on the Group's consolidated financial statements.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) *New and amended standards adopted by the Group* (Continued)

(ii) HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 replaces the provisions of HKAS 18 "Revenue" ("HKAS 18") and HKAS 11 "Construction contracts" that relate to the recognition, classification and measurement of revenue and costs.

The adoption of HKFRS 15 resulted in the identification of separate performance obligations which affect the timing of the recognition of revenue in the Group's consolidated financial statements as described below. In accordance with the modified retrospective approach in HKFRS 15, HKFRS 15 was adopted without restating the comparative information. The adjustments arising from the new revenue recognition rules are recognised in the opening consolidated balance sheet on 1 April 2018.

Some contracts include multiple deliverables, such as the provision of financial solutions and related upfront design and implementation service. The upfront design and implementation services are accounted for as a single performance obligation with the financial solutions subscription, because the customer receives and consumes the benefit from both contract elements simultaneously during the contracted subscription period. Revenue for such contracts is recognised based on the actual service provided, using the straight-line basis over the terms of contracts.

The following table shows the adjustments recognised for each individual line item in the consolidated financial statements at the date of the initial application (at 1 April 2018) as a result of adoption of HKFRS 15.

	As at 31 March 2018 as previously stated HK$'000	Remeasurement under HKFRS 15 HK$'000	As at 1 April 2018 as restated HK$'000
Fees in advance	132,644	2,465	135,109
Retained earnings	744,197	(1,976)	742,221
Non-controlling interests	13,896	(82)	13,814
Deferred income tax liabilities	36,711	(407)	36,304

For the current reporting period, the application of HKFRS 15 as compared to HKAS 18 resulted in the decrease in revenue, increase in fees in advance and decrease in retained earnings. Save as disclosed above, there is no other significant impact to the consolidated financial statements for the year ended 31 March 2019 in relation to the application of HKFRS 15 as compared to HKAS 18.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) *Impact of standard issued but not yet applied by the Group*

HKFRS 16 "Leases" ("HKFRS 16")

HKFRS 16 will result in almost all leases being recognised in the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The accounting for lessors will not be significantly changed.

The standard will affect primarily the accounting for the Group's operating leases. As at the balance sheet date, the Group has non-cancellable operating lease commitments of HK$17,837,000, see note 23. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. The Group will apply the standard from 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

2. Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) Business combinations

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

Acquisition-related costs are expensed as incurred.

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

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

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

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

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

(c) *Disposal of subsidiaries*

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

2.2.2 Separate financial statements

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

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. Summary of significant accounting policies (Continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO") of the Group that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$" or "HK dollars"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(c) Group companies

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

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Land and buildings comprise mainly factories and offices. Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2. Summary of significant accounting policies (Continued)

2.6 Investment properties

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

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.7 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.8 Financial assets

2.8.1 Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2. Summary of significant accounting policies (Continued)

2.8 Financial assets (Continued)

2.8.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement and presented in other gains/losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2.8.4 Impairment

From 1 April 2018, the Group assesses on a forward looking basis the ECLs associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and bills receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8.5 Accounting policies applied until 31 March 2018

The Group has applied HKFRS 9 retrospectively, but has selected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 March 2018, the Group's financial assets are loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.8 Financial assets (Continued)

2.8.5 Accounting policies applied until 31 March 2018 (Continued)

Subsequent measurement

The measurement at initial recognition did not change on adoption of HKFRS 9, see description above. Loans and receivables are initially recognised at fair values plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss. When a receivable is uncollectible, it is written off against the allowance accounts for the receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.9 Offsetting financial instruments

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

2. Summary of significant accounting policies (Continued)

2.10 Inventories

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

2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest methods, less provision for impairment.

2.12 Cash and cash equivalents

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

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.15 Borrowings

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

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

2.16 Borrowing costs

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

2.17 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Summary of significant accounting policies (Continued)

2.17 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.18 Employee benefits

(a) *Employee leave entitlements*

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) *Long service payments*

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

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

The current service cost of the defined benefit plan, recognised in the consolidated income statement in employee benefit expense reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

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

The interest expenses is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated income statement.

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

2. Summary of significant accounting policies (Continued)

2.18 Employee benefits (Continued)

(c) Pension obligations

The Group operates defined contribution plans, including a mandatory provident fund scheme ("MPF") in Hong Kong, the assets of which are generally held in separate trustee-administered funds.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes for those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the consolidated income statement as incurred.

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

The Group pays contributions to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group's contributions to the defined contribution retirement plans are expensed as incurred. The Group's contributions to all these plans except for the MPF and the plans in the PRC are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.19 Provisions

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

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

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

2.20 Revenue recognition

The Group recognised revenue as follows:

(a) *Sales of goods*

Circulation income, comprises the sales of newspapers, magazines and books, and sales of goods, are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products, the collection of the related consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities as fees in advance in the consolidated balance sheet.

2. Summary of significant accounting policies (Continued)

2.20 Revenue recognition (Continued)

(b) *Provision of services*

Revenue from providing services includes:

- Advertising income;
- Service income derived from the provision of printing services and provision of information subscription services, solution and other related maintenance services;
- Enrolment income derived from the provision of professional training;

and is recognised in the accounting period in which the services are rendered. Most contracts are under fixed price with revenue recognised based on the actual service provided using the straight-line basis over the terms of contracts.

If the contract includes a monthly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities as fees in advance in the consolidated balance sheet.

(c) *Rental income*

Rental income receivable under operating leases is recognised in the consolidated income statement in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the consolidated income statement 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.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

2. Summary of significant accounting policies (Continued)

2.20 Revenue recognition (Continued)

(d) *Finance income*

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.21 Leases

(a) *As a lessee*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

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

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

2. Summary of significant accounting policies (Continued)

2.21 Leases (Continued)

(b) As a lessor

When an asset is leased out under an operating lease, the asset is included in the consolidated balance sheet based on the nature of the asset. Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.23 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals (being members of key management personnel, significant owners and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used derivative financial instruments to hedge its risk exposures to changes in foreign currency exchange rates and interest rates.

(a) Market risk

(i) Foreign exchange risk

Most of the income and expenditures of the Group are denominated in HK dollars. Certain transactions are denominated in United States dollars ("US dollars") and Renminbi ("RMB"). The value of HK dollars is pegged to that of US dollars and hence, the Group does not have any material foreign exchange exposure in this regard. The Group's exposure to RMB is considered to be minimal, as there are no significant assets and liabilities denominated in RMB.

The Group has not implemented or entered into any type of instruments or arrangements to hedge against currency exchange fluctuations for the year under review. As at 31 March 2019 and 2018, the Group did not have any outstanding hedging instruments.

(ii) Cash flow interest rate risk

Except for bank deposits grouped under 'pledged deposits', 'term deposits with original maturities of over three months' and 'cash and cash equivalents' in the consolidated balance sheet, the Group has no other significant interest-bearing assets or liabilities.

Since there is no borrowing in the Group and short-term bank deposits are under short maturity terms, the cash flow interest rate risk is considered to be low.

At 31 March 2019, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit for the year by approximately HK$1,825,000 (2018: HK$1,353,000), in respect of interest income on floating rate bank deposits.

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk arises from its bank deposits and trade receivables.

(i) Risk management

To mitigate the risk arising from banks, the Group places its deposits to certain reputable banks with a minimum rating of "investment grade" ranked by an independent party.

The Group manages its credit risk associated with trade receivables through the application of credit approvals, credit ratings and monitoring procedures.

Credit sales are only made to customers with appropriate credit history or high credit standing while sales to new customers or customers of low credit standing are usually made on an advance payment or cash on delivery basis.

In addition, trade receivables balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. See note 17 for further disclosure on credit risk.

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

(ii) Impairment of financial assets

Trade receivables of the Group are subject to the ECL model. While bank deposits and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) *Credit risk* (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group measures the ECL on a combination of both individual and collective basis.

- Measurement of ECL on individual basis

  Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

  The following table presents the gross carrying amount and the provision for impairment in respect of the individually assessed receivables as at 31 March 2019 and 2018.

	2019 HK$'000	2018 HK$'000
Gross carrying amount	4,320	16,753
Provision for impairment	(3,204)	(2,003)
Net carrying amount	1,116	14,750

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) *Credit risk* (Continued)

(ii) Impairment of financial assets (Continued)

- Measurement of ECL on collective basis

  The Group also estimates the provision for ECL on a collective basis by grouping the trade receivables based on shared credit loss risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying ECL rates to respective gross carrying amounts of the receivables.

  The ECL rates are based on historical credit losses experienced up to 3 years and are adjusted to reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. As at 31 March 2019, the ECL of these collectively assessed receivable balances was HK$1,816,000 based on expected loss rates up to approximately 1% applied on different groupings.

  Impairment losses on trade receivables are presented as 'net impairment losses on financial assets' in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the same line item.

Cash and cash equivalents, term deposits with original maturities of over three months, pledged deposits and other financial assets at amortised cost

There is no loss allowance for cash and cash equivalents, term deposits with original maturities of over three months, pledged deposits and other financial assets at amortised cost as at 31 March 2019 (31 March 2018: same).

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) *Credit risk* (Continued)

(ii) Impairment of financial assets (Continued)

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered as indicators that the receivable is impaired.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

The impact of transition to HKFRS 9 on 1 April 2018 (date of adoption of HKFRS 9) as a result of applying the expected credit risk model was immaterial.

(c) *Liquidity risk*

The Group's policy is to regularly monitor current and expected liquidity level to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements.

As at 31 March 2019, the Group has undrawn borrowing facilities of HK$18,000,000 (2018: HK$18,000,000).

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

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) *Liquidity risk* (Continued)

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000
At 31 March 2019			
Trade payables	32,864	–	–
Accruals and other payables	113,410	–	–
At 31 March 2018			
Trade payables	54,819	–	–
Accruals and other payables	120,934	–	–

3.2 Capital management

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

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

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

As at 31 March 2019 and 2018, the Group had no borrowings.

3.3 Fair value estimation

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

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

4. Critical accounting estimates and judgements

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

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

(a) Deferred income tax assets

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

(b) Provision for impairment of trade receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the balance sheet date.

4. Critical accounting estimates and judgements (Continued)

(c) Impairment of non-financial assets

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

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

5. Revenue, other income and segment information

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

	2019 HK$'000	2018 HK$'000
Revenue		
Advertising income	710,091	663,666
Circulation income	89,893	93,455
Service income	472,989	422,871
Enrolment income	7,706	10,042
	1,280,679	1,190,034
Other income		
Rental income from investment properties	3,066	3,374
	3,066	3,374
Total revenue and other income	1,283,745	1,193,408

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

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

The following table shows revenue recognised in relation to contract liabilities in the year ended 31 March 2019 related to carried forward contract liabilities as at 1 April 2018:

	2019 HK$'000
Revenue recognised in relation to contract liabilities at 1 April 2018	
– fees in advance	117,449
	117,449

The chief operating decision-maker has been identified as the CEO of the Group. He reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group has 4 reportable segments:

(i) Media segment – principally engaged in the printing and publication of newspapers, magazines and books and generates advertising income, circulation income and service income from these publications and their associated digital platforms.

(ii) Financial news agency, information and solutions segment – principally engaged in the provision of electronic financial and property market information and related solutions and generates service income from provision of information subscription services, solutions and other related maintenance services.

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

(iv) Lifestyle platforms segment – principally engaged in the operation of digital channels in food, travel, health and other lifestyle focus. This segment generates advertising income and service income from operation of digital platforms.

The chief operating decision-maker assesses the performance of the operating segments based on their respective segment results.

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

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Sales between segments are carried out at arm's length.

More than 90% of the Group's activities are carried out in Hong Kong and more than 90% of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis for the relevant years is presented.

The segment results for the year ended 31 March 2019 are as follows:

	Media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle platforms		Corporate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE												
Revenue	814,101	760,601	343,551	331,667	59,126	51,019	71,302	54,063	–	–	1,288,080	1,197,350
Inter-segment transactions	(2,839)	(3,131)	(3,995)	(4,053)	(525)	(125)	(42)	(7)	–	–	(7,401)	(7,316)
Revenue – from external customers	811,262	757,470	339,556	327,614	58,601	50,894	71,260	54,056	–	–	1,280,679	1,190,034
RESULTS												
Profit/(loss) for the year	7,543	12,191	59,726	57,292	8,875	8,893	(3,076)	(4,883)	410	(366)	73,478	73,127

For the year ended 31 March 2019, revenue of approximately HK$76,266,000 (2018: HK$77,286,000) is derived from a single external customer. The revenue is attributable to the media segment.

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are HK$1,277,744,000 (2018: HK$1,188,086,000) and HK$2,935,000 (2018: HK$1,948,000), respectively. The Group's revenue by geographical location is determined by the respective places of domicile of the relevant group entities which include Hong Kong and the PRC.

The total non-current assets other than deferred income tax assets located in Hong Kong and other countries are HK$583,668,000 (2018: HK$614,339,000) and HK$164,000 (2018: HK$155,000), respectively.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

6. Expenses by nature

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

	2019 HK$'000	2018 HK$'000
Crediting		
Gain/(loss) on disposal of property, plant and equipment (note 22(b))	6	(223)
Charging		
Staff costs including Directors' and CEO's remuneration (note 7)	588,234	546,116
Cost of inventories sold or consumed (note 16)	205,488	176,388
Auditors' remuneration	2,800	2,800
Depreciation of property, plant and equipment and investment properties (notes 13 and 14)	53,552	55,602
Operating lease rentals on land and buildings	27,776	23,998
Provision for obsolete inventories	331	302
Inventories written off	189	64

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

	2019 HK$'000	2018 HK$'000
Wages, salaries and bonuses	562,655	521,803
Unutilised pay leave	123	41
Pension costs – defined contribution plans (note a)	24,770	23,443
Long service payment (note 12)	686	829
Total	588,234	546,116

(a) Pensions – defined contribution plans

Contributions totalling approximately HK$3,028,000 (2018: HK$2,831,000) were payable to the MPF and another occupational retirement scheme at the year end.

No forfeited contributions were utilised for the year ended 31 March 2019 (2018: nil). Furthermore, no forfeited contributions were available at the year end to reduce future contributions (2018: nil).

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

(b) Directors' and CEO's remuneration

The benefit and interests of each Director and the CEO for the year ended 31 March 2019, disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622), and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and the Listing Rules, is set out below:

	Salaries HK$'000	Fees HK$'000	Discretionary bonuses HK$'000	Employer's contributions to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence (note (i))	3,659	–	427	183	4,269
Mr. MAK Ping Leung	4,010	–	468	201	4,679
Mr. SHEK Kang Chuen	2,966	–	346	148	3,460
Ms. SEE Sau Mei Salome	3,328	–	388	166	3,882
Non-executive Director					
Mr. CHU Yu Lun	–	165	–	–	165
Independent Non-executive Directors					
Mr. CHOW On Kiu	–	165	–	–	165
Professor LEUNG Gabriel Matthew	–	165	–	–	165
Mr. LO Foo Cheung	–	165	–	–	165
Mr. O'YANG Wiley	–	200	–	–	200
Total	13,963	860	1,629	698	17,150

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

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

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

The benefit and interests of each Director and the CEO for the year ended 31 March 2018, disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622), and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and the Listing Rules, is set out below:

	Salaries HK$'000	Fees HK$'000	Discretionary bonuses HK$'000	Employer's contributions to pension scheme HK$'000	Total HK$'000
Executive Directors					
Mr. FUNG Siu Por, Lawrence (note (i))	3,391	–	424	170	3,985
Mr. MAK Ping Leung	3,718	–	464	186	4,368
Mr. CHAN Cho Biu (note (ii))	1,170	–	–	58	1,228
Mr. SHEK Kang Chuen	2,750	–	344	138	3,232
Ms. SEE Sau Mei Salome	3,085	–	386	154	3,625
Non-executive Director					
Mr. CHU Yu Lun	–	165	–	–	165
Independent Non-executive Directors					
Mr. CHOW On Kiu	–	165	–	–	165
Professor LEUNG Gabriel Matthew	–	165	–	–	165
Mr. LO Foo Cheung	–	165	–	–	165
Mr. O'YANG Wiley	–	200	–	–	200
Total	14,114	860	1,618	706	17,298

Note (i): The Director is also the CEO, hence no separate disclosure in respect of the remuneration of the CEO has been made (2018: same).

Note (ii): Mr. Chan Cho Biu retired as executive director on 10 August 2017.

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

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

During the year, no payments or benefits in respect of termination of directors' services, remuneration in respect of accepting office as director, emoluments in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries and other benefits were paid or made, directly or indirectly, to the directors; nor are any payable (2018: nil). No consideration was provided to or receivable by third parties for making available directors' services (2018: nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2018: nil).

Except for those disclosed elsewhere in the consolidated financial statements, no director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2018: same).

(c) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include four (2018: four) Executive Directors whose remuneration are reflected in the analysis presented above. The remuneration to the remaining one (2018: one) individual during the year is as follows:

	2019 HK$'000	2018 HK$'000
Wages, salaries and bonuses	2,594	3,897
Pension costs – defined contribution plans	119	138
	2,713	4,035

(d) Group remuneration policy

The primary goal of the Group's remuneration policy is to attract, retain and motivate talented individuals to contribute to the success of our businesses. The Directors' and CEO's remuneration is reviewed by the Remuneration Committee and/or the Board (in the case of Non-executive Directors) from time to time having regard to the performance of the Group, the duties and responsibilities concerned and the prevailing market conditions.

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

8. Finance income and costs

	2019 HK$'000	2018 HK$'000
Finance income		
– Bank interest income	2,785	2,191
Finance costs		
– Interest expense on bank borrowings	–	(33)
Finance income – net	2,785	2,158

9. Income tax expense

	2019 HK$'000	2018 HK$'000
Current income tax		
Hong Kong profits tax	20,616	15,818
PRC enterprise income tax	–	195
Over-provisions in prior years	(340)	(120)
Total current income tax	20,276	15,893
Deferred income tax (note 15)	(1,977)	1,152
Income tax expense	18,299	17,045

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year.

(b) The PRC enterprise income tax

The PRC enterprise income tax is calculated at the rate of 25% (2018: 25%) on the profits for the PRC statutory financial reporting purposes, adjusted for those items which are not assessable or deductible for the PRC enterprise income tax purposes.

9. Income tax expense (Continued)

(c) The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2019 HK$'000	2018 HK$'000
Profit before income tax	91,777	90,172
Calculated at tax rate of 16.5% (2018: 16.5%)	15,143	14,878
Effect of difference on tax rate arising from the PRC operations	58	53
Effect of two-tiered profits tax rates regime (note (i))	(165)	–
Income not subject to tax	(624)	(301)
Expenses not deductible for tax purposes	1,372	362
Utilisation of previously unrecognised deferred tax assets	(81)	–
Tax losses for which no deferred income tax assets were recognised	2,936	2,173
Over-provisions in prior years	(340)	(120)
Income tax expense	18,299	17,045

Note (i):

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of qualifying corporation under Hong Kong profits tax will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%.

For the year ended 31 March 2019, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other entities of the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

10. Earnings per share

The calculation of basic earnings per share for current year is based on the profit attributable to owners of the Company of HK$71,521,000 (2018: HK$71,257,000) and the number of 431,600,000 (2018: 431,600,000) shares in issue during the year.

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares for the year ended 31 March 2019 (2018: same).

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

11. Dividends

	2019 HK$'000	2018 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 2.0 cents (2018: HK 2.0 cents) per ordinary share	8,632	8,632
Proposed final dividend of HK 6.5 cents (2018: HK 6.0 cents) per ordinary share	28,054	25,896
	36,686	34,528
Dividends paid during the year	34,528	28,054

A final dividend in respect of the year ended 31 March 2019 of HK 6.5 cents per ordinary share, amounting to a total dividend of HK$28,054,000, is to be proposed at the annual general meeting on 26 July 2019. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet.

12. Other non-current liabilities

	2019 HK$'000	2018 HK$'000
Long service payment provision	9,216	6,404

Long service payment provision represents the long service payment obligations for its employees in Hong Kong.

Pension costs are assessed using the projected unit credit cost method. The pension costs are charged to the consolidated income statement (note 7) so as to spread the regular costs as at 31 March 2019 and 2018 over the service lives of employees. A full valuation of the defined benefit obligation based on the projected unit credit cost method has been carried out by Mercer (Hong Kong) Limited, an independent qualified actuary, and the pension costs are charged to the consolidated income statement.

12. Other non-current liabilities (Continued)

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

	2019 HK$'000	2018 HK$'000
Present value of the long service payment provision	9,216	6,404

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

	2019 HK$'000	2018 HK$'000
At beginning of the year	6,404	9,621
Current service costs	561	659
Interest expense	125	170
Remeasurement:		
– Loss/(gain) from changes in financial assumptions	729	(352)
– Loss/(gain) from experience adjustments	2,226	(3,558)
Actual benefits paid	(829)	(136)
At end of the year	9,216	6,404

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

	2019 HK$'000	2018 HK$'000
Current service costs	561	659
Interest expense	125	170
Total expenses recognised in the consolidated income statement	686	829

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Year ended 31 March 2019

12. Other non-current liabilities (Continued)

The cumulative amounts of remeasurement of long service payment provision recognised in the consolidated statement of comprehensive income are as follows:

	2019 HK$'000	2018 HK$'000
At beginning of the year	(6,368)	(2,458)
Remeasurement for the year	2,955	(3,910)
At end of the year	(3,413)	(6,368)

The principal actuarial parameters used are as follows:

	2019	2018
Discount rate	1.80%	2.00%
Expected inflation rate	4.00%	4.00%

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

	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 0.50%	Decrease 18.64%
	Decrease by 0.50%	Increase 22.68%
Expected inflation rate	Increase by 0.50%	Increase 5.00%
	Decrease by 0.50%	Decrease 5.91%

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

13. Property, plant and equipment

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Network and computer equipment HK$'000	Total HK$'000
At 31 March 2017							
Cost	220,053	61,680	441,213	166,738	3,268	85,273	978,225
Accumulated depreciation	(40,771)	(51,164)	(261,145)	(144,792)	(1,306)	(63,925)	(563,103)
Net book value at 31 March 2017	179,282	10,516	180,068	21,946	1,962	21,348	415,122
Net book value at 1 April 2017	179,282	10,516	180,068	21,946	1,962	21,348	415,122
Additions	–	2,919	3,762	7,417	580	8,202	22,880
Acquisition of a subsidiary	152,663	–	–	–	–	–	152,663
Transfer from investment properties (note)	12,081	–	–	–	–	–	12,081
Depreciation	(4,445)	(5,281)	(26,269)	(9,347)	(554)	(8,758)	(54,654)
Disposals	–	–	(9)	(11)	(250)	(7)	(277)
Net book value at 31 March 2018	339,581	8,154	157,552	20,005	1,738	20,785	547,815
At 31 March 2018							
Cost	385,242	64,599	444,882	174,075	3,097	91,076	1,162,971
Accumulated depreciation	(45,661)	(56,445)	(287,330)	(154,070)	(1,359)	(70,291)	(615,156)
Net book value at 31 March 2018	339,581	8,154	157,552	20,005	1,738	20,785	547,815
Net book value at 1 April 2018	339,581	8,154	157,552	20,005	1,738	20,785	547,815
Additions	–	4,459	385	11,636	85	7,993	24,558
Transfer from investment properties (note)	44,936	–	–	–	–	–	44,936
Depreciation	(5,553)	(3,361)	(23,753)	(9,580)	(560)	(10,022)	(52,829)
Disposals	–	–	–	(71)	(14)	–	(85)
Net book value at 31 March 2019	378,964	9,252	134,184	21,990	1,249	18,756	564,395
At 31 March 2019							
Cost	432,441	69,058	444,946	185,265	3,139	98,455	1,233,304
Accumulated depreciation	(53,477)	(59,806)	(310,762)	(163,275)	(1,890)	(79,699)	(668,909)
Net book value at 31 March 2019	378,964	9,252	134,184	21,990	1,249	18,756	564,395

Note: During the year ended 31 March 2019, investment properties of HK$44,936,000 (2018: HK$12,081,000) have been reclassified to property, plant and equipment as a result of change in usage.

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Year ended 31 March 2019

14. Investment properties

	Total HK$'000
At 31 March 2017	
Cost	81,559
Accumulated depreciation	(3,644)
Net book value at 31 March 2017	77,915
Net book value at 1 April 2017	77,915
Transfer to property, plant and equipment	(12,081)
Depreciation	(948)
Net book value at 31 March 2018	64,886
At 31 March 2018	
Cost	69,033
Accumulated depreciation	(4,147)
Net book value at 31 March 2018	64,886
Net book value at 1 April 2018	64,886
Transfer to property, plant and equipment	(44,936)
Depreciation	(723)
Net book value at 31 March 2019	19,227
At 31 March 2019	
Cost	21,834
Accumulated depreciation	(2,607)
Net book value at 31 March 2019	19,227

The fair values of investment properties as at 31 March 2019 are approximately HK$47,060,000 (2018: HK$100,000,000) as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

Details of investment properties as at 31 March 2019:

Address of the property	Type	Lease term
Unit 104, 1/F, Kodak House II, 321 Java Road, North Point, Hong Kong	Workshop unit	Long
Unit 7B, 7th Floor, Tai Ping Industrial Centre, 67 Ting Kok Road, Tai Po, New Territories	Industrial building	Long

15. Deferred income tax

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

	2019 HK$'000	2018 HK$'000
Deferred income tax assets:		
– Deferred tax assets to be recovered after more than 12 months	22,683	22,901
Deferred income tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	(34,109)	(36,711)
	(11,426)	(13,810)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation HK$'000	Fair value gain HK$'000	Total HK$'000
At 1 April 2017	42,695	5,907	48,602
Recognised in the consolidated income statement	(3,765)	(368)	(4,133)
At 31 March 2018	38,930	5,539	44,469
Recognised in the consolidated income statement	(3,223)	55	(3,168)
At 31 March 2019	35,707	5,594	41,301

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

15. Deferred income tax (Continued)

Deferred income tax assets

	Tax losses HK$'000	Others HK$'000	Total HK$'000
At 1 April 2017	(35,443)	(501)	(35,944)
Recognised in the consolidated income statement	5,285	–	5,285
At 31 March 2018, as previously reported	(30,158)	(501)	(30,659)
Adjustment for change in accounting policies (note 2)	–	(407)	(407)
At 31 March 2018, as restated	(30,158)	(908)	(31,066)
Recognised in the consolidated income statement	945	246	1,191
At 31 March 2019	(29,213)	(662)	(29,875)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK$25,578,000 (2018: HK$23,094,000) in respect of tax losses amounting to HK$154,912,000 (2018: HK$139,834,000) that can be carried forward against future taxable income. The tax losses of HK$154,700,000 from Hong Kong subsidiaries have no expiry date while other tax losses from the PRC subsidiaries amounting to HK$212,000 will expire in 2021.

16. Inventories

	2019 HK$'000	2018 HK$'000
Raw materials	67,558	43,043
Finished goods	9,911	10,423
Less: provision for obsolete inventories	(6,659)	(6,328)
	70,810	47,138

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$205,488,000 (2018: HK$176,388,000).

17. Trade receivables

The ageing analysis of trade receivables based on invoice date is as follows:

	2019 HK$'000	2018 HK$'000
0 to 30 days	81,249	78,806
31 to 60 days	61,485	60,127
61 to 90 days	35,942	25,952
Over 90 days	69,748	85,349
Trade receivables, gross	248,424	250,234
Less: provision for impairment of trade receivables	(5,020)	(4,278)
	243,404	245,956

The carrying amounts of trade receivables are reasonable approximation of their fair values. Majority of the trade receivables are denominated in HK dollars.

The credit period granted by the Group to its trade customers ranges from 0 to 90 days.

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

	2019 HK$'000	2018 HK$'000
At beginning of the year	4,278	4,319
Provision made for impairment	2,124	380
Amounts written off as uncollectible	(1,382)	(421)
At end of the year	5,020	4,278

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

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Year ended 31 March 2019

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

	2019 HK$'000	2018 HK$'000
Cash at bank and on hand	182,959	135,718
Term deposits with original maturities of less than three months	–	39,046
Cash and cash equivalents	182,959	174,764
Pledged deposits with original maturities of over three months	1,661	5,024
Term deposits with original maturities of over three months	130,882	110,387
Total	315,502	290,175
Maximum exposure to credit risk	315,122	289,820
Denominated in:		
– HK dollars	261,434	236,457
– RMB	13,471	13,888
– Other currencies	40,597	39,830
	315,502	290,175

The pledged deposits were mainly used to secure banking facility for the printing contract entered into by the Group in the year ended 31 March 2019 (2018: same).

The Group's weighted average effective interest rate on term deposits during the year ended 31 March 2019 was 1.93% (2018: 1.37%) per annum. Average maturity of term deposits as at 31 March 2019 was 260 (2018: 247) days.

The Group's bank balances and cash of approximately HK$13,228,000 (2018: HK$13,753,000) as at 31 March 2019 were denominated in RMB and kept with banks in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange restrictions imposed by the PRC government.

19. Trade payables

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

	2019 HK$'000	2018 HK$'000
0 to 30 days	27,887	52,057
31 to 60 days	1,044	922
61 to 90 days	790	187
Over 90 days	3,143	1,653
	32,864	54,819

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

20. Share capital

	2019 HK$'000	2018 HK$'000
Authorised:		
2,000,000,000 shares of HK$0.10 each	200,000	200,000
Issued and fully paid:		
431,600,000 shares of HK$0.10 each	43,160	43,160

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21. Subsidiaries

Particulars of the principal subsidiaries at 31 March 2019 are as follows:

Company name	Country/ place of incorporation/ establishment	Principal activities and country/ place of operation	Issued and fully paid up share capital/ registered capital	Effective interest held
Apex Print Limited	Hong Kong	Provision of periodicals and magazines printing services in Hong Kong	Ordinary HK$75,000,000	100%
Asianway (Far East) Limited	Hong Kong	Properties holding in Hong Kong	Ordinary HK$100	100%
Career Times Online Limited	Hong Kong	Provision of recruitment advertising services in Hong Kong	Ordinary HK$2	100%
EPRC Limited	Hong Kong	Provision of electronic property market database to the professional market in Hong Kong	Ordinary HK$100	100%
ET Business College Limited	Hong Kong	Provision of training services in Hong Kong	Ordinary HK$10,000	100%
ET Net Limited	Hong Kong	Provision of electronic financial information services in Hong Kong	Ordinary HK$2 and non-voting deferred shares HK$10,000	96.04%
ET Net News Agency Limited	Hong Kong	Provision of electronic financial information services in Mainland China	Ordinary HK$100	96.04%
ET Trade Limited	Hong Kong	Provision of equities and derivatives trading solutions in Hong Kong	Ordinary HK$10,000	96.04%

21. Subsidiaries (Continued)

Particulars of the principal subsidiaries at 31 March 2019 are as follows: (Continued)

Company name	Country/ place of incorporation/ establishment	Principal activities and country/ place of operation	Issued and fully paid up share capital/ registered capital	Effective interest held
ET Wealth Limited	Hong Kong	Provision of funds market database and solutions to the professional market in Hong Kong	Ordinary HK$100	96.04%
Euron Limited	Hong Kong	Provision of printing services in Hong Kong	Ordinary HK$100	100%
Hong Kong Economic Times Limited	Hong Kong	Publication of newspapers, magazines and books and operation of lifestyle platforms in Hong Kong	Ordinary HK$100	100%
Health Smart Limited	Hong Kong	Operation of a health portal in Hong Kong	Ordinary HK$100	100%
Honley Limited	Hong Kong	Properties holding in Hong Kong	Ordinary HK$100	100%
Safe City Limited	Hong Kong	Properties holding in Hong Kong	Ordinary HK$100	100%
環富通科技(深圳)有限公司# (ET Wealth Technology (Shenzhen) Limited)	The PRC	Operation of computer software research and development centre in Mainland China	Registered capital HK$1,000,000	96.04%
深圳港經廣告傳播有限公司# (HKET Advertising (Shenzhen) Limited)	The PRC	Provision of advertising services in Mainland China	Registered capital HK$1,000,000	100%

A wholly foreign owned enterprise in the PRC

Notes to the Consolidated Financial Statements

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22. Notes to the consolidated cash flow statement

(a) Cash generated from operations

	2019 HK$'000	2018 HK$'000
Profit before income tax	91,777	90,172
Adjustments for:		
– Depreciation of property, plant and equipment and investment properties (note 6)	53,552	55,602
– (Gain)/loss on disposal of property, plant and equipment (see below)	(6)	223
– Finance income (note 8)	(2,785)	(2,191)
– Finance costs (note 8)	–	33
– Net impairment losses on financial assets	2,142	380
– Provision for obsolete inventories (note 6)	331	302
– Inventories written off (note 6)	189	64
– (Reversal of provision)/provision for long service payment	(143)	693
– Unrealised exchange gain	(10)	(186)
Changes in working capital:		
– Increase in inventories	(24,192)	(25,244)
– Increase in trade receivables and deposits, prepayments and other receivables	(2,248)	(33,948)
– (Decrease)/increase in trade payables, fees in advance and accruals, other payables and provisions	(17,437)	45,029
Cash generated from operations	101,170	130,929

22. Notes to the consolidated cash flow statement (Continued)

(b) Proceeds from disposal of property, plant and equipment

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

	2019 HK$'000	2018 HK$'000
Net book amount (note 13)	85	277
Gain/(loss) on disposal of property, plant and equipment (note 6)	6	(223)
Proceeds from disposal of property, plant and equipment	91	54

(c) Changes in liabilities arising from financing activities

Movements in bank borrowings are analysed as follows:

	2019 HK$'000	2018 HK$'000
At beginning of the year	–	–
Proceeds from bank borrowings	–	18,000
Repayment of bank borrowings	–	(18,000)
At end of the year	–	–

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

23. Commitments

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

	2019 HK$'000	2018 HK$'000
Property, plant and equipment		
– contracted but not yet provided for	–	1,616
– authorised but not yet contracted for	945	1,104
	945	2,720

(b) Commitments under operating leases

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

	2019 HK$'000	2018 HK$'000
Not later than one year	16,238	7,457
Later than one year and not later than five years	1,599	1,084
	17,837	8,541

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

	2019 HK$'000	2018 HK$'000
Not later than one year	1,761	1,114
Later than one year and not later than five years	139	–
	1,900	1,114

24. Related party transactions

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

		2019 HK$'000	2018 HK$'000
(a)	**Service income** (note (i))		
	– Roctec Credit Limited	19	60
	– Roctec International Limited	15	11
	– Roctec Securities Company Limited	431	71
	– Roctec Technology Limited	–	14
		465	156
(b)	**Rental expenses on leased property** (note (i))		
	– Roctec Systems Limited	1,088	1,023
(c)	**Purchase of hardware** (note (i))		
	– Roctec Technology Limited	911	798
(d)	**Consultant royalty expenses** (note (i))		
	– Shek Kang Chuen, a Director of the Company	67	78
(e)	**Remuneration of contributor** (note (i))		
	– Mak Ping Leung, a Director of the Company	41	41
	– Shek Kang Chuen, a Director of the Company	253	34
	– Wayca Development Limited	–	49
		294	124

(f) **Key management personnel compensation**

Key management represents Directors (executive and non-executive). Please refer to note 7(b) for the compensation paid or payable to key management for employee services.

Note (i):

These transactions are carried out at a rate mutually-agreed between the parties involved in the transactions.

Notes to the Consolidated Financial Statements

Year ended 31 March 2019

24. Related party transactions (Continued)

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

Roctec International Limited, Roctec Securities Company Limited and Roctec Systems Limited are beneficially owned by Mr. FUNG Siu Por, Lawrence and Mr. CHU Yu Lun, the substantial shareholders and Directors of the Company.

During the year, Mr. FUNG Siu Por, Lawrence was a Director and a shareholder of Roctec Technology Limited and Mr. CHU Yu Lun was a shareholder of Roctec Technology Limited.

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

25. Balance sheet and reserve movements of the Company

(a) Balance sheet of the Company

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
Non-current assets			
Investments in subsidiaries	21	178,627	178,627
		178,627	178,627
Current assets			
Deposits, prepayments and other receivables		463	150
Amounts due from subsidiaries		807,075	751,272
Cash and cash equivalents		3,673	9,586
		811,211	761,008
Current liabilities			
Accruals, other payables and provisions		184	603
Amounts due to subsidiaries		647,540	659,622
		647,724	660,225
Net current assets		163,487	100,783
Total assets less current liabilities		342,114	279,410
Equity attributable to owner of the Company			
Share capital		43,160	43,160
Reserves	25(b)	298,954	236,250
Total equity		342,114	279,410

The balance sheet of the Company was approved by the Board of Directors on 24 June 2019 and were signed on its behalf.

Fung Siu Por, Lawrence
Chairman

Mak Ping Leung
Director

Notes to the Consolidated Financial Statements
Year ended 31 March 2019

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

(b) Reserve movements of the Company

	Share premium HK$'000	Capital reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2017	183,488	6,120	8,241	197,849
Profit for the year	–	–	66,455	66,455
Final dividend for the year ended 31 March 2017	(19,422)	–	–	(19,422)
Interim dividend for the year ended 31 March 2018	(8,632)	–	–	(8,632)
At 31 March 2018	155,434	6,120	74,696	236,250
At 1 April 2018	155,434	6,120	74,696	236,250
Profit for the year	–	–	97,232	97,232
Final dividend for the year ended 31 March 2018	–	–	(25,896)	(25,896)
Interim dividend for the year ended 31 March 2019	–	–	(8,632)	(8,632)
At 31 March 2019	155,434	6,120	137,400	298,954

Five-year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2019	2018	2017	2016	2015
Operating Results					
Revenue	1,281	1,190	1,126	1,176	1,122
Gross profit	503	469	410	429	399
Operating profit	89	88	44	65	49
Finance income – net	3	2	3	6	5
Profit before income tax	92	90	47	71	54
Income tax expense	(18)	(17)	(16)	(12)	(8)
Profit for the year	74	73	31	59	46
Attributable to					
– equity holders of the Company	72	71	29	57	45
– non-controlling interests	2	2	2	2	1
	74	73	31	59	46
Earnings per share (in HK cents)	16.57	16.51	6.66	13.32	10.51
Assets and Liabilities					
Non-current assets	607	638	532	557	591
Current assets	659	610	622	648	650
Total assets	1,266	1,248	1,154	1,205	1,241
Bank borrowings	–	–	–	(30)	(120)
Other liabilities	(340)	(355)	(311)	(327)	(293)
Total liabilities	(340)	(355)	(311)	(357)	(413)
Net assets	926	893	843	848	828
Equity holders' fund	911	879	831	837	819
Non-controlling interests	15	14	12	11	9
Total equity	926	893	843	848	828

Five-year Financial Summary

	Year ended 31 March				
	2019	2018	2017	2016	2015
Key Financial Ratio					
Gross profit margin	39.2%	39.4%	36.4%	36.5%	35.6%
Operating profit margin	6.9%	7.4%	3.9%	5.5%	4.4%
Net profit margin	5.7%	6.1%	2.7%	5.0%	4.1%
Gearing ratio	N/A	N/A	N/A	2.5%	9.7%
Current ratio	2.22 times	1.96 times	2.35 times	2.26 times	2.24 times
Quick ratio	2.22 times	1.81 times	2.26 times	2.15 times	2.12 times