東方報業集團有限公司
ORIENTAL PRESS GROUP LTD
(Incorporated in Hong Kong with limited liability)
(Stock Code: 18)

Announcement of results for the year ended 31 March 2009

The Directors of Oriental Press Group Limited (the "Company") announce that the audited consolidated results of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 March 2009 are as follows:

Consolidated income statement
For the year ended 31 March 2009

	Notes	**2009 HK$'000**	2008 HK$'000
Revenue	3	**1,637,522**	1,835,604
Other income	3	**55,075**	82,995
Raw materials and consumables used		**(674,795)**	(620,224)
Staff costs including directors' emoluments		**(676,308)**	(671,626)
Depreciation		**(71,169)**	(79,442)
Other operating expenses		**(200,322)**	(186,663)
Net (deficit)/surplus on revaluation of property, plant and equipment		**(47,162)**	4,879
Fair value adjustments on investment properties		**(57,002)**	9,509
Net gain/(loss) on disposal of property, plant and equipment		**397**	(337)
Gain on disposal of a subsidiary		**398,824**	-
Profit from operations	5	**365,060**	374,695
Finance costs	6	**(8,278)**	(7,024)
Profit before income tax		**356,782**	367,671
Income tax credit/(expense)	7	**21,783**	(55,927)
Profit for the year		**378,565**	311,744
Attributable to :			
Equity holders of the Company		**379,972**	311,586
Minority interest		**(1,407)**	158
Profit for the year		**378,565**	311,744
Dividends	8	**239,792**	263,771
Earnings per share for profit attributable to equity holders of the Company during the year	9		
- Basic		**HK15.8 cents**	HK13.0 cents
- Diluted		**N/A**	N/A

Consolidated balance sheet
As at 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**857,753**	996,735
Leasehold land		**29,935**	30,723
Investment properties		**201,830**	69,472
Available-for-sale financial asset		**4,745**	4,745
Deferred tax assets		**47,232**	24,764
		1,141,495	1,126,439
Current assets			
Inventories	10	**79,422**	108,545
Trade receivables	11	**210,549**	263,415
Other debtors, deposits and prepayments		**11,535**	14,382
Taxation recoverable		**35,406**	26,762
Pledged bank deposit		**-**	116,437
Cash and cash equivalents		**1,516,379**	1,350,772
		1,853,291	1,880,313
Non-current assets held for sale	12	**-**	311,407
		1,853,291	2,191,720
Current liabilities			
Trade payables	13	**49,327**	93,068
Other creditors, accruals and deposits received		**92,996**	219,243
Taxation payable		**2,808**	8,039
Borrowings	14	**6,208**	101,097
		151,339	421,447
Liabilities associated with non-current assets classified as held for sale	12	**-**	16,064
		151,339	437,511
Net current assets		**1,701,952**	1,754,209
Total assets less current liabilities		**2,843,447**	2,880,648
Non-current liabilities			
Borrowings	14	**3,672**	2,697
Deferred tax liabilities		**67,869**	92,436
		71,541	95,133
Net assets		**2,771,906**	2,785,515
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**599,479**	599,479
Reserves		**2,074,796**	1,978,101
Proposed dividends	8	**95,917**	203,823
		2,770,192	2,781,403
Minority interest		**1,714**	4,112
Total equity		**2,771,906**	2,785,515

Consolidated statement of changes in equity
For the year ended 31 March 2009

	Equity attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000 (Note)	Exchange reserve HK$'000 (Note)	Properties revaluation reserve HK$'000 (Note)	Retained profits HK$'000 (Note)	Proposed dividend HK$'000	Total HK$'000	Minority interest HK$'000	Total equity HK$'000
At 1 April 2007	599,479	814,485	12,567	75,700	996,547	95,917	2,594,695	2,554	2,597,249
Surplus on revaluation	-	-	-	19,624	-	-	19,624	1,478	21,102
Deferred tax liability arising on revaluation of buildings	-	-	-	(4,703)	-	-	(4,703)	(400)	(5,103)
Exchange realignment	-	-	16,066	-	-	-	16,066	322	16,388
Net income recognised directly in equity	-	-	16,066	14,921	-	-	30,987	1,400	32,387
Profit for the year	-	-	-	-	311,586	-	311,586	158	311,744
Total recognised income and expense for the year	-	-	16,066	14,921	311,586	-	342,573	1,558	344,131
2007 final dividend paid	-	-	-	-	-	(95,917)	(95,917)	-	(95,917)
2008 Interim dividend paid	-	-	-	-	(59,948)	-	(59,948)	-	(59,948)
Proposed 2008 final dividend (Note 8)	-	-	-	-	(203,823)	203,823	-	-	-
At 31 March 2008 and 1 April 2008	599,479	814,485	28,633	90,621	1,044,362	203,823	2,781,403	4,112	2,785,515
Deficit on revaluation	-	-	-	(40,038)	-	-	(40,038)	-	(40,038)
Transfer upon disposal of a subsidiary	-	-	-	(47,889)	47,889	-	-	-	-
Reversal of deferred tax liability arising on revaluation of buildings	-	-	-	7,006	-	-	7,006	-	7,006
Exchange realignment	-	-	(10,453)	-	-	-	(10,453)	(991)	(11,444)
Net income and expense recognised directly in equity	-	-	(10,453)	(80,921)	47,889	-	(43,485)	(991)	(44,476)
Profit for the year	-	-	-	-	379,972	-	379,972	(1,407)	378,565
Total recognised income and expense for the year	-	-	(10,453)	(80,921)	427,861	-	336,487	(2,398)	334,089
2008 final dividend paid	-	-	-	-	-	(203,823)	(203,823)	-	(203,823)
2009 interim dividend paid	-	-	-	-	(23,979)	-	(23,979)	-	(23,979)
2009 special dividend paid	-	-	-	-	(119,896)	-	(119,896)	-	(119,896)
Proposed 2009 final dividend (Note 8)	-	-	-	-	(95,917)	95,917	-	-	-
At 31 March 2009	**599,479**	**814,485**	**18,180**	**9,700**	**1,232,431**	**95,917**	**2,770,192**	**1,714**	**2,771,906**

Note: These reserve accounts comprise the consolidated reserves of HK$2,074,796,000 (2008: HK$1,978,101,000) in the consolidated balance sheet of the Group.

Notes to the financial statements
For the year ended 31 March 2009

1. BASIS OF PREPARATION

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

The financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial assets.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2. ADOPTION OF NEW AND AMENDED HKFRSs

In current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by HKICPA, which are effective for the Group's financial statements for the annual period beginning on 1 April 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs has no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of this results announcement, the Group has not yet early adopted the following new and amended HKFRSs that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [2]
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Statements and Obligations Arising on Liquidation [1]
HKAS 39 (Amendments)	Financial Instruments : Recognition and Measurement – Embedded Derivatives [3]
HKAS 39 (Amendments)	Eligible Hedged Items[2]
HKFRS 1 (Revised)	First-time Adoption of HKFRS[2]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate[1]
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements [2]
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments [1]
HKFRS 8	Operating Segments [1]
HK(IFRIC) – Int 9 (Amendments)	Reassessment of Embedded Derivatives [3]
HK(IFRIC) – Int 13	Customer Loyalty Programmes [4]
HK(IFRIC) – Int 15	Agreements for Construction of Real Estate[1]
HK(IFRIC) – Int 16	Hedges of Net Investment in a Foreign Operation [5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners [2]
HK(IFRIC) – Int 18	Transfer of Assets from Customers [6]
Various	Annual Improvements to HKFRSs 2008 [7]

Notes:
1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods ending on or after 30 June 2009
4 Effective for annual periods beginning on or after 1 July 2008
5 Effective for annual periods beginning on or after 1 October 2008
6 Effective for transfer received on or after 1 July 2009
7 Generally effective for annual periods beginning on or after 1 January 2009 unless otherwise stated in the specific HKFRSs

HKAS 1 (Revised) "Presentation of Financial Statements" is expected to materially change the presentation of the Group's financial statements. This amendment affects the presentation of owner's changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures.

The Directors are currently assessing the impact of other new and amended HKFRSs upon initial application. So far, the Directors have preliminarily concluded that the initial application of these HKFRSs is unlikely to have a significant impact on the Group's results and financial position.

3. REVENUE AND TURNOVER

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

	2009	2008
	HK$'000	HK$'000
Publication of newspapers	**1,583,441**	1,763,566
Internet subscription and advertising income	**15,404**	8,679
Rental income from investment properties	**8,383**	18,835
Licence fee income from hotel property	**4,746**	-
Income from hotel operation	**-**	16,855
Income from canteen operation	**10,731**	10,558
Printing service income	**14,817**	17,111
	1,637,522	1,835,604

	2009	2008
	HK$'000	HK$'000
Included in other income are :		
Interest earned on bank deposits	**25,721**	57,987
Sales of scrap materials	**11,189**	12,641

4. SEGMENT INFORMATION

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

5. PROFIT FROM OPERATIONS

	2009 **HK$'000**	2008 HK$'000
Profit from operations is arrived at after charging / (crediting) :		
Impairment of trade receivables	**960**	632
Depreciation :		
- Owned assets	**69,955**	78,592
- Leased assets	**1,214**	850
Amortisation of leasehold land	**788**	934
Net exchange loss	**24,925**	12,501
Outgoings in respect of investment properties (excluding hotel property) that generated rental income during the year	**2,323**	3,984
Operating lease charges in respect of land and buildings	**5,474**	4,171
Rental income from investment properties (excluding hotel property) less outgoings	**(6,060)**	(14,851)

6. FINANCE COSTS

	2009 **HK$'000**	2008 HK$'000
Interest charges on borrowings wholly repayable within five years :		
Bank loan	**7,120**	6,443
Other loan	**255**	291
Finance leases	**903**	290
	8,278	7,024

7. INCOME TAX (CREDIT)/EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2008 : 17.5%) of the estimated assessable profit for the year. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in the profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the year.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2009 HK$'000	2008 HK$'000
Current tax		
- Hong Kong Profits Tax	**22,888**	46,035
- Over-provision in respect of prior years	**(1,780)**	(918)
	21,108	45,117
Deferred taxation		
- Current year	**(38,876)**	10,810
- Effect on change in tax rate	**(4,015)**	-
	(42,891)	10,810
	(21,783)	55,927

8. DIVIDENDS

(a) Dividends attributable to the year

	2009 HK$'000	2008 HK$'000
Interim dividend paid: HK1 cent (2008 : HK2.5 cents) per share	**23,979**	59,948
Special dividend paid: HK5 cents (2008:Nil) per share	**119,896**	-
Proposed final dividend: HK4 cents (2008 : HK8.5 cents) per share	**95,917**	203,823
	239,792	263,771

A final dividend of HK4 cents (2008: HK8.5 cents) per share has been proposed by the Board of Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting. As such, the proposed dividend has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained earnings for the year ended 31 March 2009.

(b) Dividends recognised as distributions during the year

	2009 HK$'000	2008 HK$'000
2009 Interim dividend	**23,979**	-
2009 Special dividend	**119,896**	-
2008 Final dividend	**203,823**	-
2008 Interim dividend	-	59,948
2007 Final dividend	-	95,917
	347,698	155,865

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK$379,972,000 (2008: HK$311,586,000) and on 2,397,917,898 (2008: 2,397,917,898) ordinary shares in issue during the year.

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

10. INVENTORIES

	2009 **HK$'000**	2008 HK$'000
Newsprint and printing materials	**57,141**	87,080
Spare parts and supplies	**21,325**	20,733
Others	**956**	732
	79,422	108,545

11. TRADE RECEIVABLES

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

The following is an aged analysis of trade receivables after deducting the provision for impairment loss at the balance sheet date:

	2009 **HK$'000**	2008 HK$'000
0 - 60 days	**97,426**	125,088
61 - 90 days	**42,506**	55,009
Over 90 days	**70,617**	83,318
	210,549	263,415

12. NON-CURRENT ASSETS HELD FOR SALE

During the year ended 31 March 2008, the Directors resolved to dispose of certain leasehold land and investment properties of the Group situated in Hong Kong and Australia which comprised the followings :

(a) Two investment properties situated in Australia, carried at carrying amounts of HK$57,421,000 and HK$116,259,000 respectively.

(b) A leasehold land and an investment property situated in Hong Kong, carried at carrying amounts of HK$5,727,000 and HK$132,000,000 respectively.

The major classes of assets and liabilities at 31 March 2008 which are classified as held for sale are as follows:

	2008
	HK$'000
Assets	
Leasehold land	5,727
Investment properties	305,680
Non-current assets classified as held for sale	311,407
Liabilities	
Deferred tax liabilities	16,064
Liabilities associated with assets classified as held for sale	16,064
Net assets classified as held for sale	295,343

During the year, a leasehold land and an investment property as mentioned in note (b) were disposed of through disposal of a subsidiary of the Group which owned those properties. The transaction was completed and resulting in a gain on disposal of a subsidiary of approximately HK$398,824,000 which is recognised in the consolidated income statement.

In respect of the investment properties situated in Australia as mentioned in note (a) above, the acquirers failed to fulfill the obligations to complete the acquisition transactions. At 30 September 2008, the Directors resolved not to continue to commit the sale plans in connection with the disposal of these two investment properties given the change in market conditions. As a result, these two investment properties, together with deferred tax liabilities associated with the investment properties classified as held for sale would not continue to be classified as held for sale.

At 31 March 2009, there is no asset classified as non-current assets held for sale.

13. TRADE PAYABLES

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

	2009	2008
	HK$'000	HK$'000
0 - 60 days	**47,259**	84,814
61 - 90 days	**938**	1,281
Over 90 days	**1,130**	6,973
	49,327	93,068

14. BORROWINGS

	2009	2008
	HK$'000	HK$'000
Borrowings wholly repayable within five years:		
- Bank loan	**-**	93,149
- Other loan	**5,613**	7,449
- Obligations under finance leases	**4,267**	3,196
	9,880	103,794
Less: Current portion due within one year included under current liabilities		
- Bank loan	**-**	93,149
- Other loan	**5,613**	7,449
- Obligations under finance leases	**595**	499
	6,208	101,097
Non-current portion included under non-current liabilities		
- Obligations under finance leases	**3,672**	2,697

At 31 March 2008, the bank loan denominated in Australian Dollars ("AUD") was secured by a pledged bank deposit of the Group amounted to HK$116,437,000 and bore interests at variable rate of AUD's LIBOR plus 0.3%.

At 31 March 2008 and 2009, other loan denominated in AUD, which was made by a minority shareholder of a subsidiary of the Company, was unsecured, interest bearing at 4% per annum and repayable on demand.

The carrying amounts of borrowings approximate their fair value.

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

	Minimum lease payments		Present value of Minimum lease payments	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Obligation under finance leases:				
Due within one year	**1,880**	987	**595**	499
Due in the second to fifth years	**5,269**	3,455	**3,672**	2,697
	7,149	4,442	**4,267**	3,196
Less: future finance charges on finance leases	**(2,882)**	(1,246)		
Present value of lease obligations	**4,267**	3,196		
Less: Amount due for settlement within one year included under current liabilities			**(595)**	(499)
Amount due for settlement in the second to the fifth year included under non-current liabilities			**3,672**	2,697

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

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

RESULTS

For the year ended 31 March 2009, the audited consolidated profit attributable to shareholders of the Group amounted to HK$379,972,000.

DIVIDENDS

The Directors recommend a final dividend of HK4 cents (2008: HK 8.5 cents) per share for the year ended 31 March 2009, payable to the shareholders whose names appear on the Register of Members on 30 June 2009. Together with the paid interim dividend of HK1 cent (2008: 2.5 cents) per share and a special dividend of HK5 cents per share (2008: Nil), the dividends for the year amounts to HK10 cents (2008: HK11 cents) per share. The proposed final dividend will be payable on 9 July 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 June 2009 to 30 June 2009, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the proposed final dividend or to attend the Annual General Meeting of the Company to be held on 30 June 2009, all transfers accompanied with the relevant share certificates must be deposited at the Company's share registrar, Tricor Friendly Limited, whose address is 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 23 June 2009.

BUSINESS REVIEW

"Oriental Daily News" has continued to be the best-selling newspaper in Hong Kong for 33 consecutive years. Based on the findings of Oracle Added Value, an international marketing research company, our readership hit 3,035,533 in June 2008. True to its clear principle to serve as the mouthpiece of the general public, reflect the true picture of the society, and speak out in case of injustice, "Oriental Daily News" has won itself the name of "The Paper for Hong Kong". At a time of economic downturn and when the general public is faced with hardships in life, the paper is widely recognized for exerting media influence in its strengthened monitoring of the governance of the government. However, with advertisers cutting their budgets in dampened local consumer spending during the current global economic crisis, there had been a significant decrease in the advertising revenue of "Oriental Daily News" during the year.

"The Sun" is holding fast as the third best-selling Chinese paper. Its readership hit 1,011,844 in June 2008 based on the findings by Oracle Added Value. With its uniquely outspoken, daring and unyielding style in critically exposing the ills and injustices in the society, this paper has been a favourite among young people in Hong Kong. Faced with intense competition in the local newspaper market and the weak retail market, "The Sun" had also suffered a significant drop in its advertising revenue during the year.

"on.cc", the flagship online portal of Oriental Press Group, boasts the largest number of news products available online in Hong Kong and has attracted over two million non-repetitive visitors in a single month. "on.cc" records significant income growth when compared to last financial year. "ontv", a free online television service launched in March last year, has not only been well received by audience with high demand on information quality, but also become an entry platform for advertisers to diversify their exposure into the internet media. Together with "Oriental Daily News" and "The Sun", the group is now offering a one-stop solution for SME to advertise in newspaper, TV, website and mobile. Responses from advertisers have been encouraging. "on.cc" become the dedicated partners of Microsoft's Window Vista in developing the desktop gadgets. The tools keep internet users updated with news, entertainment and finance information of "ontv" and "on.cc Breaking News" while they are browsing other websites.

"ontv" has grown to be the shortcut of net surfers in acquiring latest news since its launch a year ago. Viewingship has continued to grow, monthly non-repeat visitors surged to over 900,000. Numerous video news links are frequently posted and forwarded on bulletin boards, social networks and instant messages by netizens, attracting a large young audience. "ontv" launched various new contents including commentary program「就係咁表」, and introduced build-in interactive games for users to express their view. This has not only increased the program attractiveness but also extended advertising opportunities. "ontv" stays intact with the hottest issue in town through wide and in-depth coverage on social and entertainment news, such as executive upheavals at local broadcaster and celebrity's gossips. "ontv" will continue to develop content to match netizen's interest, keeping the program scope richer and wider.

As for property investment, the Group sold the Oriental News Building in Kowloon Bay at a consideration of approximately HK$515,561,000 through disposal of its property-owning subsidiary on 30 April 2008. This resulted in an one-off gain of about HK$398,824,000 to the Group.

On overseas investments, the overseas properties held by the Group continued to bring in steady rental income. A revaluation of our properties following the global economic recession resulted in decrease in fair value of HK$57,002,000.

BUSINESS OUTLOOK

Looking into the future, the economy of Hong Kong will continue to be affected by the current global economic tsunami. With various industries further reducing their expenditure, the advertising revenues to the Group's two newspapers and online portal will continue to be adversely affected. Further, in addition to the intense competition in the pay-newspapers market, the Group will continue to face the increased challenges posed by other media like free newspapers, outdoor media and the internet. As a result, the Group's market share has shrunken, and this is another main reasons why advertising revenue has declined.

In view of the limited room for expansion in the publication sector, the Group turned its attention to online business in the hope of maintaining its leading position in the media market. However, our online portal business is still at its developing stage and, notwithstanding increase in its advertising revenue, it has not reached its breakeven point.

It is expected that the recent fall in the price of newsprint will benefit the Group as there will be savings in the printing costs, overall profit will, however, be continued affected by the massive decline in advertising revenue. The Group foresees that the impact of the global economic tsunami will continue to be felt for a sustained period, the Group's performance will be affected accordingly.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The working capital at 31 March 2009 amounted to HK$1,701,952,000 (2008: HK$1,754,209,000), which includes time deposits, bank balances and cash amounting to HK$1,516,379,000 (2008: HK$1,350,772,000).

At 31 March 2009, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (2008: 3.7%).

During the year, the Group's capital expenditure was approximately HK$118,377,000.

CONTINGENT LIABILITY

At 31 March 2009, the Group has no material contingent liability.

EMPLOYEES AND REMUNERATION POLICIES

At 31 March 2009, the Group employed 2,213 employees. Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the current market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

EXPOSURE TO FOREIGN EXCHANGE

Since the revenue of the Group is mainly denominated in Hong Kong dollars and the production cost is denominated in United States and Hong Kong Dollars, the Group is therefore not exposed to any foreign currency exchange risk provided Hong Kong's pegged exchange rate system remains unchanged.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2009 with the management. The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 March 2009 have been agreed by the Group’s auditors, Grant Thornton, to the amounts set out in the Group’s consolidated financial statements for the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Following specific enquiries by the Company, all Directors have confirmed that they have achieved full compliance with the required standards as laid down in the Model Code for the year ended 31 March 2009.

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

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

PUBLICATION OF ANNUAL REPORT

The annual report for the year ended 31 March 2009 will be dispatched to the shareholders and published on both of the websites of the Stock Exchange and the Company in due course.

ANNUAL GENERAL MEETING

The 2009 Annual General Meeting of the Company will be held on Tuesday, 30 June 2009 and the Notice of Annual General Meeting will be published and despatched in the manner as required by the Listing Rules in due course.

On behalf of the Board
Ching-fat MA
Chairman

Hong Kong, 15 May 2009

As at the date hereof, the Board comprises seven directors, of which three are executive directors, namely Mr. Ching-fat MA (Chairman), Mr. Ching-choi MA (Vice-Chairman) and Mr. Shun-chuen LAM (Chief Executive Officer), one non-executive director, namely Mr. Dominic LAI and three independent non-executive directors, namely Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM.