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 2022/2023

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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Corporate Information and Key Dates

Board of Directors

Executive Directors

Mr. Fung Siu Por, Lawrence *(Chairman)*
Ms. See Sau Mei Salome
Ms. Wong Ching

Non-executive Director

Mr. Chu Yu Lun

Independent Non-executive Directors

Mr. Lo Foo Cheung
Mr. O'Yang Wiley
Mr. Sin Hendrick

Company Secretary

Ms. Wong Ching *CPA, ACG, ACS*

Qualified Accountant

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

Authorised Representatives

Mr. Fung Siu Por, Lawrence
Ms. Wong Ching

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

Audit Committee

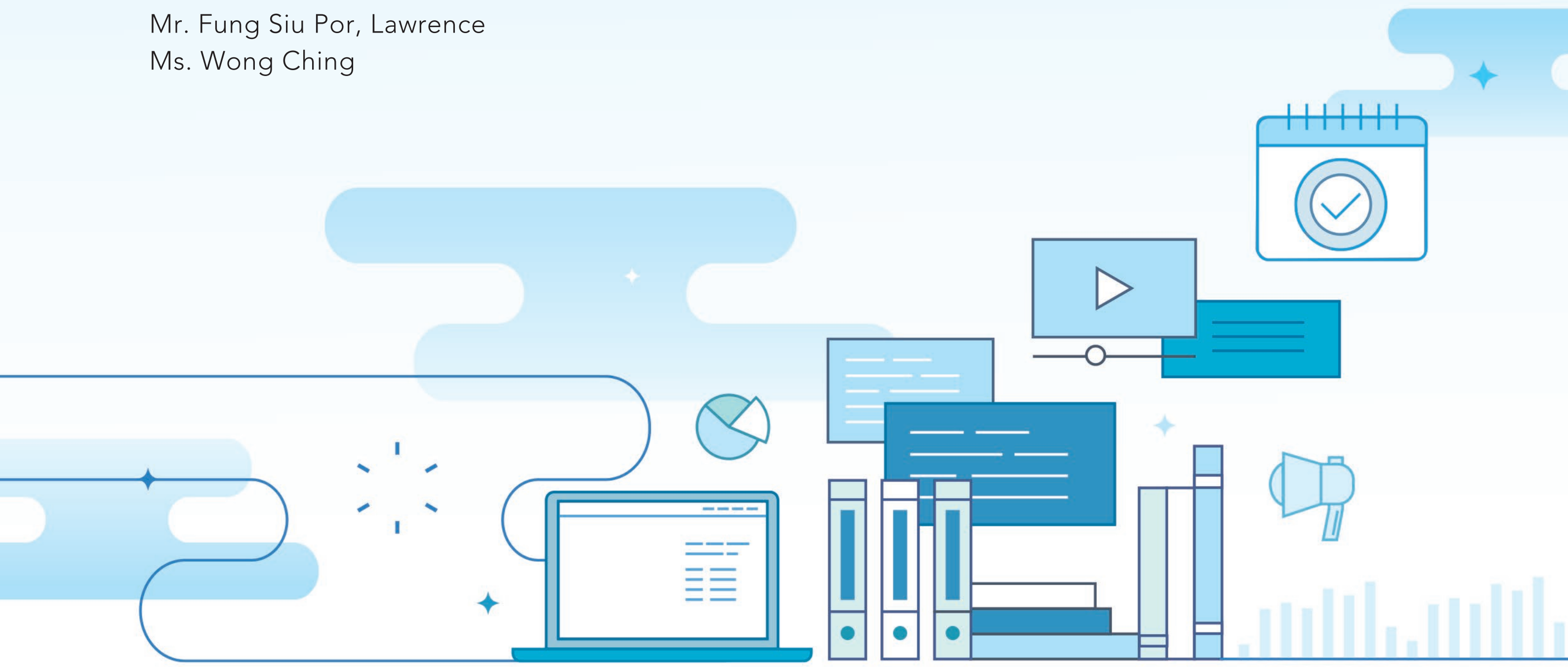
Mr. O'Yang Wiley *(Chairman)*
Mr. Chu Yu Lun
Mr. Lo Foo Cheung

Nomination Committee

Mr. Sin Hendrick *(Chairman)*
Mr. Lo Foo Cheung
Mr. O'Yang Wiley

Remuneration Committee

Mr. Lo Foo Cheung *(Chairman)*
Mr. Chu Yu Lun
Mr. O'Yang Wiley



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

www.hketgroup.com

Email

groupinfo@hket.com

Stock Code

00423 HK

Principal Share Registrar and Transfer Office in Cayman Islands

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
17th Floor,
Far East Finance Centre
16 Harcourt Road
Hong Kong

Key Dates

Closure of Registers of Members

31 July 2023 to 3 August 2023
(for attending Annual General Meeting)

14 August 2023 to 16 August 2023
(for final dividend entitlement)

Annual General Meeting

3 August 2023

Proposed Payment of Final Dividend

8 September 2023

Business Organisation Chart

Media

Hong Kong Economic Times
hket.com
Sky Post
U Lifestyle
U Magazine
iMoney
CTgoodjobs
Health Smart
Apex Print

Financial News Agency, Information and Solutions

ET Net
ET Trade
ET Wealth
EPRC

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. Besides, the Group launched its free publication, *Sky Post*, in 2011. Apart from newspapers, magazines and associated digital businesses, we also run a financial news agency, information and solutions business, ET Net, the leading financial news agency serving the professional market in Hong Kong and the Greater China; as well as operating in businesses of recruitment advertising and various lifestyle platforms. HKET Holdings was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 August 2005 (Stock code: 00423).

Strategy and Core 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 the following core business domains:

Finance

Property

Lifestyle

Talent

The Leading Edges

We always focus on building intimate market connection with our customers. In this financial year, the Group organised a number of remarkable events to demonstrate our strength in providing high-quality content and services, as well as strong brands.

Banking & Finance Awards by *Sky Post*

The 7th edition of "Banking & Finance Awards" organised by *Sky Post* was held in 2022. The award recognises excellence and contributions of banking and finance organisations in providing outstanding services and products.

E-Brand Awards by *HKET* and U Lifestyle

"e-brand awards" aims to inspire and encourages Hong Kong brands to embrace creativity and technology in building a smarter lifestyle.

FinTech Awards by ET Net

The FinTech Awards 2022 held for the sixth year, are aimed at commending best FinTech practices and recognising outstanding FinTech professionals from Hong Kong-based companies. Our efforts in achieving excellent business performance and sustainable growth have earned widespread recognition in the market. This award is an acknowledgment of our commitment from the industries to maintain outstanding practices in all aspects of FinTech.

Best HR Awards by CTgoodjobs

"Best HR Awards" aims to recognise 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 Lifestyle the lifestyle platform
U Magazine the travel and lifestyle magazine
iMoney the financial magazine
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
Apex Print the local printer for magazines and periodicals

Awards

hket.com and **U Lifestyle** recognised in **Digital Media of the Year 2022**

- 1st in "Financial information" (hket.com)
- 1st in "Lifestyle" (U Lifestyle)
- 1st in "Travel" (U Lifestyle)

HKET and **CTgoodjobs** won 9 awards in **Spark Awards 2022** with HKET winning "Best Digital Media" and "Best Information Media"

U Magazine and ***iMoney*** recognised in **Magazine of the Year 2022**

- 1st in "Travel" *(U Magazine)*
- 1st in "Business" *(iMoney)*

iMoney won in **HSUHK Business Journalism Awards 2022**

- Gold Award in "Best Business & Finance Profile Interview – Text"

ET Net won in **HKEX Market Data Awards 2022**

- Top Securities Data Vendor
- Top Derivatives Data Vendor

CTgoodjobs won in **HKIM Market Leadership Award 2022**

- Triple Crown Award – Recruitment Marketing
- Market Leadership Award – Recruitment Marketing

Chairman's Statement

Dear Shareholders,

Hong Kong went through a challenging year in 2022 due to the epidemic and the tightened financial conditions worldwide. Local stock market hit a very low level both in index and transaction volume while fund raising activities were extremely quiet. The residential property market also underwent a marked correction after multiple rounds of Federal Reserve rate hikes. Market sentiment turned increasingly cautious as a result. However, with full relaxation of the pandemic related restrictions as well as reopening of borders, consumer sentiment began to improve and there were signs of rebound in the first quarter of 2023, though the recovery was still slow.

Despite these challenges, performance of the Group remained resilient. The Group's revenue for the financial year under review was slightly down 2% to HK$1,022.9 million. Profit attributable to shareholders, after the government subsidies under the Anti-epidemic Fund of HK$33.3 million, was HK$27.5 million, a decline of HK$5.5 million compared to the last financial year. Over 60% of the Group's total revenue was generated from our digital platforms and information and solution businesses. The performance demonstrated the success of our digitalisation strategy in recent years.

The pandemic had accelerated digital adoption leading to the robust growth of digital advertising which has become the largest source of the Group's advertising income. The rise of AI and machine learning will revolutionise all industries including the media sector. We will continue to look into how AI technology benefits our user experience, value creation and improving our digital capabilities including data and analytical tool for quality content creation, audience behavior studies, advanced analytics, cloud computing and smart marketing strategy to accelerate the growth momentum of digital advertising income.

The performance of the financial news agency, information and solutions segment, the solid contributor of the Group, remained resilient for the financial year under review. Digitalisation remains the main focus of the financial sector. The digital enhancement enables them to provide reliable, personalised, diversified and more convenient products, services and information to support their customers anywhere, anytime at all touch points. This segment, capturing the market trend, had secured various digital solution projects in areas of banking, securities and derivatives trading, wealth management and property data analysis for the year under review. The Group will continue its talent and technology input to meet the rising demand in these innovative digital solutions.

Looking forward, the macroeconomic environment remains challenging. Global growth is projected to decelerate further amid the interest rate hike and the sharp tightening of monetary policy to contain the persistent high inflation, debt distress in emerging market and developing economies and the recent banking sector stress in US and Europe. Apart from that, the tension between China and US and the geopolitical tensions will continue to weigh on the global and local economic recovery and affect external demand, though the rebound of the Mainland economy should provide some relief. Nonetheless, as inbound travel resumed and consumption activities increased, Hong Kong economy improved moderately in the first quarter of 2023. The improving consumer sentiment and labour market together with new round of government consumer vouchers and activities would help the economic revival but tight financial conditions will remain a constraint. The Group will closely monitor the economic and political situations, take a cautious and prudent approach in cost management, operational efficiency and financial discipline.

The Group is in a strong financial position with no gearing. As at 31 March 2023, the cash balance of the Group was approximately HK$464 million. Benefited by the rising interest rates, the Group achieved a 3.6 times year-on-year increase in interest income for the financial year under review. The Board recommends the payment of a final dividend of HK 7.0 cents per share, bringing the total dividend for the financial year ended 31 March 2023 to HK 10.0 cents per share. The Group is determined to maintain a sustainable dividend policy as well as strong liquidity to preserve its strength for strategic business investment and development.

I wish to express my sincere appreciation to the relentless commitment of our passionate and reliable colleagues who have exhibited resilience, perseverance and professionalism throughout the year in coping with the unparalleled difficulties posed by the pandemic. I also thank my fellow Board members for their unwavering trust and support; and our management team for their diligence, devotion, contributions and concerted effort. 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

26 June 2023

Board of Directors

Executive Directors

Mr. FUNG Siu Por, Lawrence, GBS, aged 73, 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. Mr. Fung was conferred the degree of Doctor of Social Sciences honoris causa by HKU in 2010.

Ms. SEE Sau Mei Salome, aged 60, is the Managing Director of the Group. 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 also a Committee Member of Antiquities Advisory Board for the Government of the Hong Kong Special Administrative Region and a Member of the Board of M Plus Collections Limited.

Ms. WONG Ching, aged 49, joined the Group in 2000, and is the Company Secretary and Head of Finance of the Group. Ms. Wong has over 20 years of experience in accounting and financial management. Ms. Wong holds a Bachelor degree of Business Administration (majoring in Professional Accountancy) from The Chinese University of Hong Kong and a Bachelor of Laws (LL.B.) degree from University of London. Ms. Wong is a member of The Hong Kong Chartered Governance Institute and a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Ms. Wong had worked with an international audit firm.

Non-executive Director

Mr. CHU Yu Lun, aged 72, was appointed as a Non-executive Director in April 2005. He is also a Member of the 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 organising 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 The Hong Kong University Science Alumni Association Limited and also previously served as 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.

Board of Directors

Independent Non-executive Directors

Mr. LO Foo Cheung, JP, aged 73, was appointed as an Independent Non-executive Director in April 2005. He is currently the Chairman of the Company's Remuneration Committee and a Member of the Company's Audit Committee and Nomination 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, Honorary Standing Committee Member of The Chinese General Chamber of Commerce, Permanent Honorary Chairman of Jiangmen Association of Enterprises With Foreign Investment, Member of Wuyi University, Honorary Citizen of Guangzhou City, Foshan City and Jiangmen City, Director of Hok Hoi Library, Honorary President of Hong Kong Translation Society and Honorary Vice-Chairman of The Hang Seng University of Hong Kong – Foundation. Mr. Lo previously served as a Member of the Election Committee of the Hong Kong Special Administrative Region ("HKSAR"), Standing Committee Member of the Chinese People's Political Consultative Conference of Heilongjiang Province, Qingdao City, Jiangmen City and Sanshui City, 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 and Council Member of the Hong Kong Quality Assurance Agency. 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 60, was appointed as an Independent Non-executive Director in October 2012. He is currently the Chairman of the Company's Audit Committee and a Member of the Company's Nomination Committee and Remuneration 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 and has extensive 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, AB Builders Group Limited and Edvantage Group Holdings Limited, all listed on the Hong Kong Stock Exchange, since October 2018, May 2019, June 2019 and February 2022 respectively. Mr. O'Yang also served as an Independent Non-executive Director of Tianyun International Holdings Limited, a company listed on the Hong Kong Stock Exchange, between November 2019 and May 2022. 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.

Mr. SIN Hendrick, MH, aged 48, was appointed as an Independent Non-executive Director in January 2022. He is currently the Chairman of the Company's Nomination Committee. Mr. Sin is a co-founder, an Executive Director and the Vice Chairman of CMGE Technology Group Limited, a company listed on the Hong Kong Stock Exchange and has been a Director and Vice Chairman of CMGE Group Limited since January 2011. Mr. Sin is also the Founding and Managing Partner of China Prosperity Capital Fund, a venture capital company with a primary focus on technology investment. Mr. Sin has over 25 years of experience in corporate management, finance and investment banking. Mr. Sin has been serving as an Independent Non-executive Director of Evergreen Products Group Limited, a hair product manufacturing company whose shares are listed on the Hong Kong Stock Exchange since June 2017. Besides, he also has been serving as an Independent Non-executive Director of China Tower Corporation Limited and Tianjin Development Holdings Ltd, all listed on the Hong Kong Stock Exchange, since October 2022 and March 2023 respectively. Mr. Sin has been serving as an Independent Non-executive Director of 36 Kr Holdings Inc., a publishing and data company whose shares are listed on the NASDAQ since November 2019. Mr Sin graduated from Stanford University with a Master's degree in Engineering-Economic Systems and Operations Research, and received three Bachelor of Science degrees in Computer Science/Mathematics, Economics and Industrial Management from Carnegie Mellon University. Mr. Sin is (i) the President of the Internet Professional Association, (ii) the Executive Vice-chairman of the Hong Kong Software Industry Association, and (iii) a Member of the Hong Kong Institute of Directors. Mr. Sin has been appointed as a Standing Committee Member of the fourteenth session of Tianjin Municipal's Committee of Chinese People's Political Consultative Conference. Mr. Sin has also been appointed by the Government of HKSAR as an Election Committee Member of the Technology and Innovation sector and a Director of Hong Kong Cyberport Management Company Limited. Mr. Sin was awarded the Young Industrialist Award of Hong Kong of 2018 by Federation of Hong Kong Industries. Mr. Sin was also awarded Linghang Outstanding Entrepreneur the Guangdong-Hong Kong-Macao Greater Bay Area Award at "Leading 9+2" First Guangdong-Hong Kong-Macao Greater Bay Area Development Forum in March 2021. In addition, Mr. Sin was awarded the InnoStars Award 2021 by Our Hong Kong Foundation in July 2022. Mr. Sin was also awarded the Medal of Honour by the Government of HKSAR in 2021 and has been elected as a deputy of the fourteenth National People's Congress in HKSAR on 15 December 2022.

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 2023, the Board comprised seven Directors, with three of them being Independent Non-executive Directors, representing more than one-third of the Board.

Executive Directors:

Mr. Fung Siu Por, Lawrence *(Chairman)*
Ms. See Sau Mei Salome
Ms. Wong Ching

Non-executive Director:

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

Independent Non-executive Directors:

Mr. Sin Hendrick *(Chairman of Nomination Committee)*
Mr. Lo Foo Cheung *(Chairman of Remuneration Committee and Members of Nomination and Audit Committees)*
Mr. O'Yang Wiley *(Chairman of Audit Committee and Members of Remuneration and Nomination Committees)*

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 C.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)					
<u>Executive Directors:</u>					
Fung Siu Por, Lawrence	5/5				1/1
See Sau Mei Salome	5/5				1/1
Chan Cho Biu (note (i))	2/2				0/1
Wong Ching	5/5				1/1
<u>Non-executive Director:</u>					
Chu Yu Lun	5/5	2/2	1/1		0/1
<u>Independent Non-executive Directors:</u>					
Lo Foo Cheung	5/5	2/2	1/1	1/1	0/1
O'Yang Wiley	5/5	2/2	1/1	1/1	1/1
Sin Hendrick	4/5			1/1	0/1

Note (i): Mr. Chan Cho Biu retired on 11 August 2022.

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 2023, together with one postponed meeting held for the financial year ended 31 March 2022, five 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 2023, 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 2022, External Auditor's remuneration, internal control system and interim report for the period ended 30 September 2022. 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 2023. 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 2023, 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 Mr. O'Yang Wiley. 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 2023 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. Sin Hendrick as Committee Chairman, Mr. Lo Foo Cheung 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 2023 with the presence of all the then 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 73.

The Group's remuneration policy is set out in note 7(d) to the Audited Financial Statements of this Annual Report on page 75.

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 2023.

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 2023, the Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and have prepared the 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 34 to 39.

During the period under review, the Group has incurred a total fee of HK$2,720,000 in relation to the interim review and audit services provided by PricewaterhouseCoopers for the financial year 2022/23, which was approved by the Audit Committee and the Board. A fee of HK$322,000 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 3 August 2023.

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.

Corporate Governance

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 2023, 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 2023, 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.

Management Discussion and Analysis

Summary of Profit and Loss Account

	Year ended 31 March 2023 HK$'000	2022 HK$'000	% Change
Revenue	**1,022,922**	**1,043,595**	**-2%**
Cost of sales	(600,116)	(581,786)	3%
Gross profit	422,806	461,809	-8%
Gross profit margin	**41.3%**	**44.3%**	
Selling and distribution expenses	(203,140)	(194,703)	4%
General and administrative expenses	(220,194)	(215,533)	2%
Net impairment losses on financial assets	(845)	(2,014)	-58%
Other income	35,900	1,800	N/A
Operating profit	34,527	51,359	-33%
Finance income – net	5,646	1,116	406%
Profit before income tax	40,173	52,475	-23%
Income tax expense	(11,496)	(18,026)	-36%
Profit for the year	**28,677**	**34,449**	**-17%**
Non-controlling interests	(1,219)	(1,432)	-15%
Profit attributable to owners	**27,458**	**33,017**	**-17%**
Net profit margin	**2.8%**	**3.3%**	

General

The volatile macro environment during 2022 continued to impact the local economy. Economic activities were further dampened by the outbreak of the fifth wave of epidemic. However, with full relaxation of the pandemic related restrictions as well as reopening of borders, market sentiment began to improve and there were signs of rebound in the first quarter of 2023, though the recovery was still slow.

Against this challenging backdrop, performance of the Group remained resilient. The Group's revenue for the financial year ended 31 March 2023 slightly decreased by HK$20.7 million or 2% over last financial year to HK$1,022.9 million. Profit attributable to owners reduced by HK$5.5 million, from HK$33.0 million to HK$27.5 million.

Revenue

	Year ended 31 March 2023 HK$'000	2022 HK$'000	% Change
Revenue:			
Advertising income	**549,702**	559,502	-2%
Circulation income	**50,894**	61,742	-18%
Service income	**422,326**	422,351	0%
Total	**1,022,922**	1,043,595	-2%

Advertising income, mainly contributed by the Group's digital platforms and printed publications, decreased by HK$9.8 million or 2% to HK$549.7 million from the last financial year. The outbreak of fifth wave of epidemic and the tightened financial conditions weighed heavily on domestic demand and marketing activities. Advertising income from Group's printed publications dropped significantly while digital advertising income generated from Group's digital platforms maintained the growth momentum, particularly, the recruitment advertising platform. Benefited by the tight local labour market, recruitment advertising platform has registered record high digital advertising income for the financial year under review. The overall contribution of Group's digital advertising income has already overtaken printed advertising income and has become the largest source of the Group's advertising income.

Circulation income recorded a decrease of 18% from HK$61.7 million to HK$50.9 million for the financial year under review. The decrease was in line with most of the printed titles, particularly magazines, in the market during the year under review.

Service income for the year ended 31 March 2023 remained stable and recorded HK$422.3 million when compared to the last financial year. 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. Amid the sluggish investment sentiment and tightened financial conditions, local stock market hit a very low level both in index and transaction volume while fund raising activities were extremely quiet. Group's income generated from financial news agency, information and solutions businesses was adversely affected and recorded a drop of 4% for the financial year under review. The printing services income of the Group's printing plants registered an increase of 5% for the year ended 31 March 2023 when compared to the preceding financial year. The enhancement of printing equipment during the year has enabled Group's printing plants to provide a full range of printing and related services in the market.

Our strategic efforts placed on digital platforms and information and solution business development for the past years were paid off. For the financial year ended 31 March 2023, over 60% of the Group's total revenue was generated from our digital platforms and information and solution businesses. The Group would continue its investment initiatives, by ploughing more resources into quality content, advanced technologies and digital talent development, so as to expand and solidify the success aimed at bringing in sustainable growth and long-term business development.

Management Discussion and Analysis

Operating Costs

Gross profit margin for the year ended 31 March 2023 declined by 3.0 percentage point from 44.3% for the year ended 31 March 2022 to 41.3%. Management would continue to monitor and streamline the cost structure, implement effective production control and redeploy resources to improve efficiency and cost effectiveness of the Group's operations.

Staff costs, representing approximately 57% of the Group's total operating costs, increased by 3% as compared to the financial year ended 31 March 2022. The increase was mainly due to general salary increment in line with the employment market, and the increased cost in recruiting and retaining digital talent.

Content costs which mainly consisted of market data license fees to various exchanges, financial index providers and news agencies, constituting around 11% of the Group's total operating costs, maintained at the same level as in the last financial year. The amount was in line with the market data usage of customers who had subscribed for ET Net securities and derivative quotation services under the financial news agency, information and solutions segment.

Income Tax Expense

The effective tax rate of the Group for the financial year ended 31 March 2023 and 2022 were 28.6% and 34.4% respectively. The Group was principally 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. The decrease of effective tax rate was mainly caused by a change in the profitability mix of the Group's subsidiaries and the non-taxable Employment Support Scheme ("ESS") subsidy granted by the Hong Kong Government under the Anti-epidemic Fund for the financial year under review. The Group would closely monitor the related operations from time to time.

Profit Attributable to Owners

Profit attributable to owners of the Group, after the ESS subsidies under the Anti-epidemic Fund of HK$33.3 million, was HK$27.5 million, a decrease of HK$5.5 million as compared to the last financial year. Net profit margin declined slightly by 0.5 percentage point to 2.8% for the financial year under review.

Media segment recorded negative operating results for the financial year under review, an increase of HK$1.8 million when compared to the last financial year. The increase was mainly due to the increased staff costs for recruiting and retaining talent in the digital businesses and the soaring price of newsprint and printing related materials. New and continued investments in technology, talent and innovation have made us more agile and resilient. We will continue to focus on customer experience, value creation and improving our digital capabilities to accelerate the growth momentum of digital advertising income.

Financial news agency, information and solutions segment, remained the solid contributor to the Group, recorded a decrease in results of HK$4.9 million for the year ended 31 March 2023 when comparing to the preceding reporting year. The decrease was mainly attributable to the increase of staff costs in recruiting and retaining tech talents. This segment, capturing the market trend of digitalisation and diversification, had secured various digital solution projects in areas of banking, securities and derivatives trading, wealth management and property data analysis for the year under review. The Group will continue its talent, innovation and technology inputs to meet the rising demand in these innovative digital solutions.

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2023	2022
Net current assets	415.5	423.7
Term deposits, pledged deposits and cash and cash equivalents	464.2	461.0
Owners' equity	871.2	885.3
Gearing ratio	N/A	N/A
Current ratio	2.52 times	2.56 times

The Group's net current assets as at 31 March 2023 decreased by HK$8.2 million from HK$423.7 million to HK$415.5 million. The slight reduction was mainly due to the increase in the recognition of current lease liabilities after the renewal of certain lease agreements of the office premises occupied by the Group during the financial year under review.

An ESS subsidy of HK$33.3 million was granted by the Hong Kong Government under the Anti-epidemic Fund for use of paying part of the wages of employees during the reporting year.

Net cash used in investing activities was HK$170.3 million, consisting of HK$25.8 million used in purchase of property, plant and equipment and HK$150.5 million placed on term deposits with original maturities of over three months.

The Group had distributed the final dividend declared for the financial year ended 31 March 2022 and interim dividend for the six months period ended 30 September 2022 amounting to an aggregate total of HK$41.0 million.

The Group had no gearing (being total interest bearing liabilities divided by total assets) as at 31 March 2023 and 2022.

As at 31 March 2023, the Group had a cash balance of HK$464.2 million as compared to HK$461.0 million as at 31 March 2022. 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.

Management Discussion and Analysis

The Group has a strong balance sheet and cash position to enable it to meet its business needs, support its investment plans, and fulfill the dividend payment policy as well as weather the currently challenging operating and economic environment. We will continue to maintain prudent and disciplined financial and cash flow management.

Outlook

The pandemic had accelerated digital adoption leading to the robust growth of digital advertising. The rise of AI and machine learning will revolutionise all industries including the media sector. We will continue to look into how AI technology benefits our user experience, value creation and improving our digital capabilities including data and analytical tool for quality content creation, audience behavior studies, advanced analytics, cloud computing and smart marketing strategy to accelerate the growth momentum of digital advertising income.

Global growth is projected to decelerate further amid the interest rate hike and the sharp tightening of monetary policy to contain the persistent high inflation, debt distress in emerging market and developing economies and the recent banking sector stress in US and Europe. Apart from that, the tension between China and US and the geopolitical tensions will continue to weigh on global and local economic recovery and affect external demand, though the rebound of the Mainland economy should provide some relief. Nonetheless, as inbound travel resumed and consumption activities increased, Hong Kong economy improved moderately in the first quarter of 2023. The improving consumer sentiment and labour market together with new round of government consumer vouchers and activities would help the economic revival but tight financial conditions will remain a constraint.

Looking forward, the macroeconomic environment remains challenging. The Group will closely monitor the economic and political situations, take a cautious and prudent approach in cost management, operational efficiency and financial discipline. The Group is in a strong financial position with no gearing. As at 31 March 2023, the cash balance was approximately HK$464 million. We are determined to maintain a sustainable dividend policy as well as strong liquidity to preserve its strength for strategic business investment and development. Our steadfast focus on driving innovation, value creation and customer centricity ensure that we are well placed to meet challenges and capture new opportunities.

Employees

As at 31 March 2023, the Group had 1,340 employees (31 March 2022: 1,387 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 2023 (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 23 to the Financial Statements.

Business Review

An analysis of the Group's performance for the year ended 31 March 2023 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 22 to 26 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, emphasising 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 2023 are set out on pages 40 to 96.

Directors' Report

Dividend Distributions

During the year, an interim dividend distribution from the distributable reserves of HK 3.0 cents per share, totalling HK$12,948,000 was paid on 6 December 2022.

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 7.0 cents per share in respect of the year ended 31 March 2023 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 16 August 2023, amounting to HK$30,212,000. The final dividend, payable on 8 September 2023, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 3 August 2023.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out on page 44 of and in note 28(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 22 to the Financial Statements.

Distributable Reserves

Distributable reserves of the Company as at 31 March 2023, calculated under the Cayman Islands Companies Act, amounted to HK$187,456,000 (2022: HK$220,774,000) 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)*
Ms. SEE Sau Mei Salome
Mr. CHAN Cho Biu *(retired on 11 August 2022)*
Ms. WONG Ching

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. LO Foo Cheung
Mr. O'YANG Wiley
Mr. SIN Hendrick

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, Ms. See Sau Mei Salome, Mr. Chu Yu Lun and Mr. Lo Foo Cheung shall retire from office and, are eligible 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

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 2023, 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%
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 2023, 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 shares 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	38,854,000	9.002%
Preferable Situation Assets Limited (Note 3)	21,580,800	5.000%

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.

Note 3: Preferable Situation Assets Limited is wholly owned by Mr. Webb David Michael. For the purpose of Part XV of the SFO, Mr. Webb David Michael is therefore deemed interested in the shares held by Preferable Situation Assets Limited.

Save as disclosed above, as at 31 March 2023, 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.

Directors' Report

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	24%
Sales	
– the largest customer	3%
– five largest customers combined	12%

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 not entered into any certain related party transactions which constitute connected transactions of the Company under the Listing Rules.

Competing Business

As at 31 March 2023, 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 2023 except as stated and explained below.

Under Code C.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, 26 June 2023

Independent Auditor's Report

pwc　　　　羅兵咸永道

To the Shareholders of Hong Kong Economic Times Holdings Limited
(incorporated in the 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"), which are set out on pages 40 to 96, comprise:

- the consolidated balance sheet as at 31 March 2023;
- 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 significant accounting policies and other explanatory information.

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 2023, 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.

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 judgment, 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.

The key audit matter identified in our audit is related to provision of impairment of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for impairment of trade receivables *Refer to note 3.1 (b) (Credit risk), note 4 (Critical accounting estimates and judgements) and note 17 (Trade receivables) to the consolidated financial statements.* As at 31 March 2023, the Group has gross trade receivables of HK$178.0 million. Provision is made for lifetime expected credit losses on trade receivables.	We obtained an understanding of management internal control and impairment assessment process of trade receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and validated the key controls performed by management over the credit control procedures, including its procedures on periodic review on aged trade receivables, and assessment on the expected credit loss allowance of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
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 applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on the external default data of customers of similar nature, 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 auditing of the provision for impairment of trade receivables due to the magnitude of the trade receivables, the higher degree of estimation uncertainty and subjectivity in management's judgement involved in determining the expected credit loss allowance of the trade receivables. The inherent risk in relation to the determining of the expected credit loss allowance of the trade receivables is considered significant due to subjectivity of significant assumptions used, and significant judgements involved in selecting data.	We evaluated the outcome of prior period assessment of impairment of trade receivables to assess the effectiveness of management's estimation process. We tested on a sample basis, the accuracy of ageing profile of trade receivables by checking to the underlying sales invoices. We corroborated and validated management's assessment on the expected credit loss allowance of trade receivables based on the correspondence with the customers, independent research on credit information and market research regarding the relevant forward-looking information such as macroeconomic factors used in management's assessment. Based on the above procedures, we found that the estimation and judgement made by management in respect of the expected credit loss allowance for 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 judgment 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.

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

- 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.

- 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, actions taken to eliminate threats or safeguards applied.

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 Mr. CHAN Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 June 2023

Audited Financial Statements

Consolidated Income Statement

	Note	Year ended 31 March 2023 HK$'000	2022 HK$'000
Revenue	5	**1,022,922**	1,043,595
Cost of sales	6	**(600,116)**	(581,786)
Gross profit		**422,806**	461,809
Selling and distribution expenses	6	**(203,140)**	(194,703)
General and administrative expenses	6	**(220,194)**	(215,533)
Net impairment losses on financial assets		**(845)**	(2,014)
Other income	5	**35,900**	1,800
Operating profit		**34,527**	51,359
Finance income	8	**6,142**	1,327
Finance costs	8	**(496)**	(211)
Finance income – net	8	**5,646**	1,116
Profit before income tax		**40,173**	52,475
Income tax expense	9	**(11,496)**	(18,026)
Profit for the year		**28,677**	34,449
Profit attributable to:			
Owners of the Company		**27,458**	33,017
Non-controlling interests		**1,219**	1,432
		28,677	34,449
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	10	**6.36**	7.65

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 March 2023 HK$'000	2022 HK$'000
Profit for the year		**28,677**	34,449
Other comprehensive loss:			
Item that may be reclassified to profit or loss			
Currency translation differences arising from foreign operations		**(627)**	422
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of long service payment provision	12	**32**	(695)
Other comprehensive loss for the year, net of tax		**(595)**	(273)
Total comprehensive income for the year		**28,082**	34,176
Total comprehensive income attributable to:			
Owners of the Company		**26,863**	32,744
Non-controlling interests		**1,219**	1,432
		28,082	34,176

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Audited Financial Statements

Consolidated Balance Sheet

	Note	As at 31 March 2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment	13	442,148	436,576
Investment properties	14	42,176	42,950
Deferred income tax assets	15	23,538	23,449
Deposits paid for property, plant and equipment		248	–
		508,110	502,975
Current assets			
Inventories	16	20,264	23,706
Trade receivables	17	169,907	178,549
Deposits and other receivables		17,617	15,685
Prepayments		14,486	14,733
Tax recoverable		2,680	1,723
Term deposits with original maturities of over three months	18	248,649	98,190
Cash and cash equivalents	18	215,509	362,765
		689,112	695,351
Current liabilities			
Trade payables	19	24,764	30,774
Fees in advance	5	124,743	124,135
Accruals, other payables and provisions	20	113,139	113,780
Lease liabilities	21	10,565	2,802
Current income tax liabilities		360	164
		273,571	271,655
Net current assets		415,541	423,696
Total assets less current liabilities		923,651	926,671

	Note	As at 31 March 2023 HK$'000	2022 HK$'000
Equity attributable to owners of the Company			
Share capital	22	43,160	43,160
Reserves		828,042	842,181
		871,202	885,341
Non-controlling interests		21,220	20,281
Total equity		892,422	905,622
Non-current liabilities			
Deferred income tax liabilities	15	18,867	17,614
Lease liabilities	21	1,403	357
Other non-current liabilities	12	10,959	3,078
		31,229	21,049
Total equity and non-current liabilities		923,651	926,671

The consolidated financial statements on pages 40 to 96 were approved by Board of Directors on 26 June 2023 and were signed on its behalf.

Fung Siu Por, Lawrence
Chairman

See Sau Mei Salome
Director

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Audited 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 2021	43,160	8,007	69,944	6,120	614	9,725	753,871	891,441	19,129	910,570
Profit for the year	–	–	–	–	–	–	33,017	33,017	1,432	34,449
Other comprehensive income/(loss)										
Currency translation differences arising from foreign operations	–	–	–	–	422	–	–	422	–	422
Remeasurement of long service payment provision	–	–	–	–	–	(695)	–	(695)	–	(695)
Total comprehensive income/(loss)	–	–	–	–	422	(695)	33,017	32,744	1,432	34,176
Transactions with owners										
Final dividend for the year ended 31 March 2021	–	–	–	–	–	–	(25,896)	(25,896)	–	(25,896)
Dividend declared by a subsidiary for the year ended 31 March 2021	–	–	–	–	–	–	–	–	(280)	(280)
Interim dividend for the year ended 31 March 2022	–	–	–	–	–	–	(12,948)	(12,948)	–	(12,948)
Balance at 31 March 2022	43,160	8,007	69,944	6,120	1,036	9,030	748,044	885,341	20,281	905,622
Balance at 1 April 2022	43,160	8,007	69,944	6,120	1,036	9,030	748,044	885,341	20,281	905,622
Profit for the year	–	–	–	–	–	–	27,458	27,458	1,219	28,677
Other comprehensive income/(loss)										
Currency translation differences arising from foreign operations	–	–	–	–	(627)	–	–	(627)	–	(627)
Remeasurement of long service payment provision	–	–	–	–	–	32	–	32	–	32
Total comprehensive income/(loss)	–	–	–	–	(627)	32	27,458	26,863	1,219	28,082
Transactions with owners										
Final dividend for the year ended 31 March 2022	–	–	–	–	–	–	(28,054)	(28,054)	–	(28,054)
Dividend declared by a subsidiary for the year ended 31 March 2022	–	–	–	–	–	–	–	–	(280)	(280)
Interim dividend for the year ended 31 March 2023	–	–	–	–	–	–	(12,948)	(12,948)	–	(12,948)
Balance at 31 March 2023	43,160	8,007	69,944	6,120	409	9,062	734,500	871,202	21,220	892,422

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

	Note	Year ended 31 March 2023 HK$'000	2022 HK$'000
Cash flows from operating activities			
Cash generated from operations	24(a)	88,414	114,641
Interest paid	8	(496)	(211)
Hong Kong profits tax paid		(11,092)	(15,198)
Net cash generated from operating activities		76,826	99,232
Cash flows from investing activities			
Bank interest received	8	6,142	1,327
Purchases of property, plant and equipment and investment properties		(25,784)	(53,412)
Deposits paid for purchase of property, plant and equipment		(248)	–
Proceeds from disposal of property, plant and equipment	24(b)	16	67
(Increase)/decrease in term deposits with original maturities of over three months		(150,459)	142,633
Decrease in pledged deposits		–	1,742
Net cash (used in)/generated from investing activities		(170,333)	92,357
Cash flows from financing activities			
Principal elements of lease payments	24(c)	(11,840)	(18,039)
Interim dividend paid to owners of the Company		(12,948)	(12,948)
Final dividend paid to owners of the Company		(28,054)	(25,896)
Dividend paid to non-controlling interests		(280)	(280)
Net cash used in financing activities		(53,122)	(57,163)
Net (decrease)/increase in cash and cash equivalents		(146,629)	134,426
Effect of foreign exchange rate changes, net		(627)	422
Cash and cash equivalents at beginning of the year		362,765	227,917
Cash and cash equivalents at end of the year	18	215,509	362,765

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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 Act, 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 and magazines and operation of their associated digital businesses; the operation of recruitment advertising and lifestyle platforms; and the provision of electronic financial and property market information services.

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 Hong Kong Financial Reporting Standards ("HKFRS") 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 HKFRS 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.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Amendments adopted by the Group

A number of new or amended standards became applicable for the current financial year. The adoption of these new standard and amendments to existing standards did not have a significant effect on the financial statements or result in any significant changes in the Group's significant accounting policies.

Amendments that have not yet been adopted

The following amendments to standards are relevant to the Group but are not effective for the Group's financial year beginning on or after 1 April 2022 and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
HKAS 1 and HKFRS practice statement 2	Disclosure of accounting policies (amendments)	1 January 2023
HKAS 8	Definition of accounting estimates (amendments)	1 January 2023
HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction (amendments)	1 January 2023
HKAS 1 (amendments)	Classification of liabilities as current or non-current (amendments)	1 January 2024
HKFRS 16 (amendments)	Lease liability in a sale and leaseback (amendments)	1 January 2024

The expected impacts from the adoption of the above amendments are still being assessed by the management, and management is not yet in a position to state whether they would have a significant impact on the Group's financial performance and position.

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.

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.

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment

Buildings comprise mainly offices and factories. All 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.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

Buildings	20 to 50 years
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 their estimated useful lives or over the unexpired periods of the leases, 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.

2. Summary of significant accounting policies (Continued)

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following measurement categories:

— those to be measured subsequently at fair value (either though 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.

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. Impairment losses are presented as separate line item in the consolidated income statement.

2.8.4 Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECL") 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 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.

For other financial assets carried at amortised cost, the loss allowance recognised is based on the 12-month ECL. 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 ECL.

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. 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.

2. Summary of significant accounting policies (Continued)

2.15 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.

(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.

2. Summary of significant accounting policies (Continued)

2.16 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 are 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)

2.16 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 Mainland China, the Group is required to contribute an amount to certain retirement benefit schemes for those employees in Mainland China. 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 Mainland China 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.

2.17 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. Summary of significant accounting policies (Continued)

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling price.

The Group recognised revenue as follows:

(a) Sales of goods

Circulation income, comprises the sales of newspapers, magazines and books, are recognised at a point in time 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.

(b) Provision of services

Revenue from providing services includes:

- Income from advertisement is recognised overtime when the relevant advertisement in newspapers, magazines and online are published since the customers simultaneously receive and consume benefit provided by the Group;

- Service income derived from the provision of printing services and sales of products, are recognised at point in time when the services are rendered;

- Service income derived from the provision of information subscription services, solution and other related maintenance services and provision of professional training, are recognised over time when the services are rendered since the customers simultaneously receive and consume benefit provided by the Group.

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.

2. Summary of significant accounting policies (Continued)

2.18 Revenue recognition (Continued)

(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.

(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).

2.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.20 Leases

(a) As a lessee

The Group leases various properties including offices and workshops. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leasehold land is included in right-of-use assets. Leases are recognised as a right-of-use asset (included in property, plant and equipment) and a corresponding liability at the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are depreciated over the shorter of the assets useful life and the lease terms on a straight-line basis.

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

(a) *As a lessee* (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred by the lease in dismantling and removing the underlying asset.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

2. Summary of significant accounting policies (Continued)

2.20 Leases (Continued)

(a) As a lessee (Continued)

Extension options are included in the property leases across the Company. These terms are used to maximise operational flexibility in terms of managing contracts. All extension options held are exercisable only by the Company and not by the respective lessor. The Company considers all facts and circumstances that create an economic incentive to exercise an extension option in determining the lease term. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment.

(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.

2.21 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.

2.22 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.

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 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 2023 and 2022, the Group did not have any outstanding hedging instruments.

(ii) Interest rate risk

Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rates expose the Group to fair value interest rate risk.

Except for bank deposits grouped under '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 2023, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit for the year by approximately HK$986,000 (2022: HK$1,812,000), 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, deposits and other receivables 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.

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.

<u>Trade receivables</u>

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.

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

- 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 represents the gross carrying amount and the provision for impairment in respect of the individually assessed receivables as at 31 March 2023 and 2022.

	2023 HK$'000	2022 HK$'000
Gross carrying amount	6,583	4,739
Provision for impairment	(5,160)	(4,619)
Net carrying amount	1,423	120

- 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 applying ECL rates to respective gross carrying amounts of the receivables.

The ECL rates are based on external default data of customers of similar nature and are adjusted to reflect current and forward looking information on factors affecting the ability of the customers to settle the receivables. The provision for loss allowance was approximately HK$3,219,000 (31 March 2022: approximately HK$3,308,000) based on expected credit loss rates up to 5.8% applied on different groupings of customers.

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.

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

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

For cash and cash equivalents, term deposits with original maturities of over three months and other financial assets at amortised cost, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero (31 March 2022: same).

(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 2023 and 2022, the Group does not have undrawn borrowing facilities.

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.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000
At 31 March 2023		
Trade payables	24,764	–
Other accruals and payables	54,303	–
Lease liabilities	10,829	1,427
At 31 March 2022		
Trade payables	30,774	–
Other accruals and payables	54,573	–
Lease liabilities	2,849	363

3. Financial risk management (Continued)

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 2023 and 2022, 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. Lease Liabilities are initially measured on a present value basis by discounting the lease payments to net present value using the Company's incremental borrowing rate.

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.

4. Critical accounting estimates and judgements (Continued)

(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.

(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 the higher of value-in-use calculations and 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:

	2023 HK$'000	2022 HK$'000
Revenue		
Advertising income	549,702	559,502
Circulation income	50,894	61,742
Service income	422,326	422,351
	1,022,922	1,043,595
Other income		
Rental income from investment properties	2,532	1,731
Government subsidies (note)	33,296	–
Others	72	69
	35,900	1,800
Total revenue and other income	1,058,822	1,045,395

Note: Government subsidies recognised were primarily related to subsidies received from the Hong Kong Government under the Anti-epidemic Fund. There were no unfulfilled conditions and other contingencies attached to the receipts of these subsidies.

The Group has recognised the following liabilities related to contracts with customers:

	2023 HK$'000	2022 HK$'000
Fees in advance	124,743	124,135

The following table shows revenue recognised in relation to contract liabilities during the years ended 31 March 2023 and 31 March 2022 related to carried forward contract liabilities at the beginning of the year:

	2023 HK$'000	2022 HK$'000
Revenue recognised in relation to contract liabilities at the beginning of the year – fees in advance	112,141	107,804

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

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 two reportable segments:

(i) Media segment – principally engaged in the printing and publication of newspapers, magazines and books and the operation of digital platforms, including recruitment, finance and lifestyle. This segment generates advertising income, circulation income and service income from these publications and 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.

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

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.

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

The segment results for the years ended 31 March 2023 and 2022 are as follows:

	Media		Financial news agency, information and solutions		Corporate		Total	
	2023 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000
REVENUE								
Revenue	702,630	714,879	325,144	333,998	–	–	1,027,774	1,048,877
Inter-segment transactions	(1,057)	(803)	(3,795)	(4,479)	–	–	(4,852)	(5,282)
Revenue – from external customers	701,573	714,076	321,349	329,519	–	–	1,022,922	1,043,595
RESULTS								
Profit/(loss) for the year	(13,158)	(11,388)	40,979	45,873	856	(36)	28,677	34,449

The Group is domiciled in Hong Kong. All revenue from external customers is attributed to Hong Kong. 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 Mainland China.

The total non-current assets other than deferred income tax assets located in Hong Kong and other locations are HK$484,191,000 (2022: HK$479,093,000) and HK$381,000 (2022: HK$433,000), respectively.

6. Expenses by nature

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

	2023 HK$'000	2022 HK$'000
Charging		
Staff costs including Directors' and CEO's remuneration (note 7)	585,253	566,202
Content costs	115,594	112,929
Cost of inventories sold or consumed (note 16)	92,325	82,580
Auditors' remuneration	2,720	2,800
Depreciation of property, plant and equipment and investment properties (notes 13 and 14)	41,650	41,930
Loss on disposal of property, plant and equipment (note 24(b))	25	117
Direct operating expenses arising from investment properties that generate rental income (note 14)	372	192
Provision/(reversal of provision) for obsolete inventories	12	(2)
Inventories written off	61	54

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

	2023 HK$'000	2022 HK$'000
Wages, salaries and bonuses	552,941	542,117
Unutilised pay leave	(143)	285
Pension costs – defined contribution plans (note a)	24,106	23,607
Long service payment (note 12)	8,349	193
Total	585,253	566,202

(a) Pension costs – defined contribution plans

Contributions totalling approximately HK$2,925,000 (2022: HK$2,974,000) 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 2023 (2022: nil). Furthermore, no forfeited contributions were available at the year end to reduce future contributions (2022: 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, 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:

	For the year ended 31 March 2023				
	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))	3,816	–	432	191	4,439
Ms. SEE Sau Mei Salome	3,816	–	432	191	4,439
Mr. CHAN Cho Biu (note (ii))	1,042	–	–	47	1,089
Ms. WONG Ching	3,240	–	367	18	3,625
Non-executive Director					
Mr. CHU Yu Lun	–	165	–	–	165
Independent Non-executive Directors					
Mr. LO Foo Cheung	–	165	–	–	165
Mr. O'YANG Wiley	–	200	–	–	200
Mr. SIN Hendrick (note (iii))	–	165	–	–	165
Total	11,914	695	1,231	447	14,287

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

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

	For the year ended 31 March 2022				
	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))	3,600	–	570	180	4,350
Ms. SEE Sau Mei Salome	3,600	–	570	180	4,350
Mr. CHAN Cho Biu	2,760	–	322	138	3,220
Ms. WONG Ching	2,760	–	426	18	3,204
Non-executive Director					
Mr. CHU Yu Lun	–	165	–	–	165
Independent Non-executive Directors					
Mr. CHOW On Kiu (note (iv))	–	124	–	–	124
Mr. LO Foo Cheung	–	165	–	–	165
Mr. O'YANG Wiley	–	200	–	–	200
Mr. SIN Hendrick (note (iii))	–	41	–	–	41
Total	12,720	695	1,888	516	15,819

Note (i): The Director is also the CEO, hence no separate disclosure in respect of the remuneration of the CEO has been made (2022: same).

Note (ii): Mr. Chan Cho Biu retired as executive director of the Company on 11 August 2022.

Note (iii): Mr. Sin Hendrick was appointed as independent non-executive director of the Company on 1 January 2022.

Note (iv): Mr. Chow On Kiu resigned as independent non-executive director of the Company on 1 January 2022.

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 (2022: nil). No consideration was provided to or receivable by third parties for making available directors' services (2022: nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2022: nil).

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

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

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 (2022: same).

(c) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group for the year include three (2022: four) Executive Directors whose remuneration are reflected in the analysis presented above. The remuneration to the remaining two (2022: one) individuals during the year is as follows:

	2023 HK$'000	2022 HK$'000
Wages and salaries	4,171	2,039
Discretionary bonuses	411	269
Pension costs – defined contribution plans	36	18
	4,618	2,326

The emoluments fell within the following band:

	Number of individuals 2023	 2022
Emoluments band (in HK dollars)		
HK$2,000,001 – HK$2,500,000	2	1

(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.

8. Finance income and costs

	2023 HK$'000	2022 HK$'000
Finance income		
Bank interest income	6,142	1,327
Finance costs		
Interest on leases	(496)	(211)
Finance income – net	5,646	1,116

9. Income tax expense

	2023 HK$'000	2022 HK$'000
Current income tax		
Hong Kong profits tax	10,388	12,707
China enterprise income tax	14	16
(Over)/under provisions in prior years	(70)	6
Total current income tax	10,332	12,729
Deferred income tax (note 15)	1,164	5,297
Income tax expense	11,496	18,026

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the year.

(b) The China enterprise income tax

The China enterprise income tax is calculated at the rate of 25% (2022: 25%) on the profits for the China statutory financial reporting purposes, adjusted for those items which are not assessable or deductible for the China 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:

	2023 HK$'000	2022 HK$'000
Profit before income tax	40,173	52,475
Calculated at tax rate of 16.5% (2022: 16.5%)	6,629	8,658
Effect of difference on tax rate arising from the operations in Mainland China	42	53
Effect of two-tiered profits tax rates regime (note (i))	(165)	(165)
Income not subject to tax	(6,588)	(391)
Expenses not deductible for tax purposes	488	976
Utilisation of previously unrecognised deferred tax assets	(533)	(82)
Tax losses for which no deferred income tax assets were recognised	11,693	8,971
(Over)/under provisions in prior years	(70)	6
Income tax expense	11,496	18,026

Note (i):

For the years ended 31 March 2023 and 2022, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. 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%. The assessable profits of other Hong Kong 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% (2022: same).

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$27,458,000 (2022: HK$33,017,000) and the number of 431,600,000 (2022: 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 2023 (2022: same).

11. Dividends

	2023 HK$'000	2022 HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 3.0 cents (2022: HK 3.0 cents) per ordinary share	12,948	12,948
Proposed final dividend of HK 7.0 cents (2022: HK 6.5 cents) per ordinary share	30,212	28,054
	43,160	41,002
Dividends paid during the year	41,002	38,844

A final dividend in respect of the year ended 31 March 2023 of HK 7.0 cents per ordinary share, amounting to a total dividend of HK$30,212,000, is to be proposed at the annual general meeting on 3 August 2023. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet.

12. Other non-current liabilities

	2023 HK$'000	2022 HK$'000
Long service payment provision	10,959	3,078

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 2023 and 2022 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:

	2023 HK$'000	2022 HK$'000
Present value of the long service payment provision	10,959	3,078

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

	2023 HK$'000	2022 HK$'000
At beginning of the year	3,078	2,569
Current service costs	144	162
Past service costs (note)	8,157	–
Interest expense	48	31
Remeasurement:		
– Gain from changes in financial assumptions	(786)	(210)
– Loss from experience adjustments	754	905
Actual benefits paid	(436)	(379)
At end of the year	10,959	3,078

Note: The Legislative Council passed the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 on 9 June 2022 to abolish the use of the accrued benefits of employers' mandatory contributions under the MPF to offset severance payment (SP) and long service payment (LSP) ("MPF offsetting arrangement"). The Government has announced that the abolition of MPF offsetting arrangement will take effect on 1 May 2025. The abolition of MPF offsetting arrangement resulted in past service costs payable arising from plan amendments, which has been recognised in the consolidated income statement for current year.

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

	2023 HK$'000	2022 HK$'000
Current service costs	144	162
Past service costs	8,157	–
Interest expense	48	31
Total expenses recognised in the consolidated income statement	8,349	193

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:

	2023 HK$'000	2022 HK$'000
At beginning of the year	(9,030)	(9,725)
Remeasurement for the year	(32)	695
At end of the year	(9,062)	(9,030)

The principal actuarial parameters used are as follows:

	2023	2022
Discount rate	4.00%	1.75%
Expected inflation rate	3.00%	3.00%

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 0.25%	Decrease 2.52%
	Decrease by 0.25%	Increase 2.60%
Expected inflation rate	Increase by 0.50%	Increase 0.99%
	Decrease by 0.50%	Decrease 1.13%

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

	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	Right-of-use assets HK$'000	Total HK$'000
At 1 April 2021								
Cost	170,095	32,887	129,613	185,127	3,380	109,304	300,884	931,290
Accumulated depreciation and impairment	(43,907)	(25,827)	(100,998)	(167,502)	(2,245)	(95,799)	(35,402)	(471,680)
Net book value at 1 April 2021	126,188	7,060	28,615	17,625	1,135	13,505	265,482	459,610
Net book value at 1 April 2021	126,188	7,060	28,615	17,625	1,135	13,505	265,482	459,610
Additions	–	2,243	536	7,242	944	5,499	2,586	19,050
Depreciation	(5,375)	(3,079)	(5,727)	(8,326)	(479)	(6,271)	(12,456)	(41,713)
Disposals	–	(13)	–	(27)	(120)	(24)	(187)	(371)
Net book value at 31 March 2022	120,813	6,211	23,424	16,514	1,480	12,709	255,425	436,576
At 31 March 2022								
Cost	170,095	35,002	129,938	190,877	3,624	114,443	298,382	942,361
Accumulated depreciation and impairment	(49,282)	(28,791)	(106,514)	(174,363)	(2,144)	(101,734)	(42,957)	(505,785)
Net book value at 31 March 2022	120,813	6,211	23,424	16,514	1,480	12,709	255,425	436,576
Net book value at 1 April 2022	120,813	6,211	23,424	16,514	1,480	12,709	255,425	436,576
Additions	–	830	5,422	11,945	369	7,218	20,705	46,489
Depreciation	(5,375)	(2,678)	(6,083)	(8,376)	(475)	(5,898)	(11,991)	(40,876)
Disposals	–	–	–	(12)	(28)	(1)	–	(41)
Net book value at 31 March 2023	115,438	4,363	22,763	20,071	1,346	14,028	264,139	442,148
At 31 March 2023								
Cost	170,095	35,832	122,210	199,445	3,872	121,378	297,965	950,797
Accumulated depreciation and impairment	(54,657)	(31,469)	(99,447)	(179,374)	(2,526)	(107,350)	(33,826)	(508,649)
Net book value at 31 March 2023	115,438	4,363	22,763	20,071	1,346	14,028	264,139	442,148

The carrying amounts of buildings and leasehold land in 'right-of-use assets' as at 31 March 2023 are approximately HK$367,675,000 (2022: HK$373,765,000). Fair values of these buildings and leasehold land are approximately HK$995,900,000 (2022: HK$1,037,800,000) as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

14. Investment properties

	Total HK$'000
At 1 April 2021	
Cost	8,187
Accumulated depreciation	(2,238)
Net book value at 1 April 2021	5,949
Net book value at 1 April 2021	5,949
Additions	37,218
Depreciation	(217)
Net book value at 31 March 2022	42,950
At 31 March 2022	
Cost	45,405
Accumulated depreciation	(2,455)
Net book value at 31 March 2022	42,950
Net book value at 1 April 2022	42,950
Depreciation	(774)
Net book value at 31 March 2023	42,176
At 31 March 2023	
Cost	45,405
Accumulated depreciation	(3,229)
Net book value at 31 March 2023	42,176

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

	2023 HK$'000	2022 HK$'000
Rental income (note 5)	2,532	1,731
Direct operating expenses arising from investment properties that generate rental income (note 6)	372	192

14. Investment properties (Continued)

The fair values of investment properties as at 31 March 2023 are approximately HK$67,000,000 (2022: HK$68,500,000) as valued by an independent professionally qualified valuer, on an open market value and existing state basis.

Details of investment property as at 31 March 2023:

Address of the property	Type	Lease term
Unit 7B, 7th Floor, Tai Ping Industrial Centre, 67 Ting Kok Road, Tai Po, New Territories	Industrial building	Long
Workshop No. 12, 10th Floor, Kodak House II, No. 39 Healthy Street East, North Point, Hong Kong	Workshop unit	Long

15. Deferred income tax

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

	2023 HK$'000	2022 HK$'000
Deferred income tax assets	23,538	23,449
Deferred income tax liabilities	(18,867)	(17,614)
	4,671	5,835

15. Deferred income tax (Continued)

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$'000	Others HK$'000	Total HK$'000
At 1 April 2021	17,302	5,066	22,368
Recognised in the consolidated income statement	1,033	(244)	789
At 31 March 2022	18,335	4,822	23,157
Recognised in the consolidated income statement	1,644	(244)	1,400
At 31 March 2023	19,979	4,578	24,557

Deferred income tax assets

	Tax losses HK$'000	Others HK$'000	Total HK$'000
At 1 April 2021	(32,810)	(690)	(33,500)
Recognised in the consolidated income statement	4,560	(52)	4,508
At 31 March 2022	(28,250)	(742)	(28,992)
Recognised in the consolidated income statement	193	(429)	(236)
At 31 March 2023	(28,057)	(1,171)	(29,228)

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$55,719,000 (2022: HK$44,740,000) in respect of tax losses amounting to HK$336,356,000 (2022: HK$269,854,000) that can be carried forward against future taxable income. The tax losses of HK$333,772,000 from Hong Kong subsidiaries have no expiry date while other tax losses from the subsidiaries in Mainland China amounting to HK$2,045,000 and HK$289,000 and HK$250,000 will expire in 2025, 2026 and 2027 respectively.

16. Inventories

	2023 HK$'000	2022 HK$'000
Raw materials	16,553	20,707
Finished goods	3,878	3,209
Less: provision for obsolete inventories	(167)	(210)
	20,264	23,706

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$92,325,000 (2022: HK$82,580,000).

17. Trade receivables

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

	2023 HK$'000	2022 HK$'000
0 to 30 days	63,577	53,277
31 to 60 days	42,088	43,315
61 to 90 days	17,645	31,067
Over 90 days	54,976	58,817
Trade receivables, gross	178,286	186,476
Less: provision for impairment of trade receivables	(8,379)	(7,927)
	169,907	178,549

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.

17. Trade receivables (Continued)

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

	2023 HK$'000	2022 HK$'000
At beginning of the year	7,927	6,531
Provision made for impairment	642	1,502
Amounts written off as uncollectible	(190)	(106)
At end of the year	8,379	7,927

The bad debt directly written off of HK$203,000 is charged to the consolidated income statement for the year ended 31 March 2023 (2022: HK$512,000).

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.

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

	2023 HK$'000	2022 HK$'000
Cash at bank and on hand	215,509	362,765
Cash and cash equivalents	215,509	362,765
Term deposits with original maturities of over three months	248,649	98,190
Total	464,158	460,955
Maximum exposure to credit risk	463,790	460,507
Denominated in:		
– HK dollars	411,344	407,318
– RMB	11,302	12,340
– US dollars and other currencies	41,512	41,297
	464,158	460,955

18. Cash and cash equivalents and term deposits with original maturities of over three months (Continued)

The Group's weighted effective interest rate on term deposits was 3.93% (2022: 0.61%) per annum with an average maturity of 295 (2022: 105) days.

The Group's bank balances and cash of approximately HK$11,126,000 (2022: HK$12,135,000) as at 31 March 2023 were denominated in RMB and kept with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the foreign exchange restrictions imposed by the government of Mainland China.

19. Trade payables

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

	2023 HK$'000	2022 HK$'000
0 to 30 days	21,367	27,420
31 to 60 days	740	1,366
61 to 90 days	554	643
Over 90 days	2,103	1,345
	24,764	30,774

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

20. Accruals, other payables and provisions

	2023 HK$'000	2022 HK$'000
Staff costs accruals and provisions	58,836	59,207
Other accruals and payables	54,303	54,573
	113,139	113,780

The carrying amounts of accruals, other payables and provisions approximate their fair values. Majority of the accruals, other payables and provisions are denominated in HK dollars.

21. Leases

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2023 HK$'000	2022 HK$'000
Right-of-use assets		
Leasehold land	252,238	252,952
Properties	11,901	2,473
	264,139	255,425

	2023 HK$'000	2022 HK$'000
Lease liabilities		
Current	10,565	2,802
Non-current	1,403	357
	11,968	3,159

	2023 HK$'000	2022 HK$'000
Lease liabilities		
Properties	11,968	3,159

During the year ended 31 March 2023, additions to the right-of-use assets were HK$20,705,000 (2022: HK$2,586,000).

21. Leases (Continued)

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts related to leases:

	2023 HK$'000	2022 HK$'000
Depreciation charge of right-of-use assets		
Leasehold land	714	714
Properties	11,277	11,742
	11,991	12,456

	2023 HK$'000	2022 HK$'000
Interest on lease liabilities (note 8)	496	211

The total cash outflow for leases for the year ended 31 March 2023 are HK$12,336,000 (2022: HK$18,250,000), including the payment of principal elements and interest elements of lease liabilities amounting to HK$11,840,000 (2022: HK$18,039,000) and HK$496,000 (2022: HK$211,000) respectively.

(iii) The Group's leasing activities

The Groups leases various properties. Rental contracts are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

22. Share capital

	2023 HK$'000	2022 HK$'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

23. Subsidiaries

Particulars of the principal subsidiaries at 31 March 2023 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 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%

23. Subsidiaries (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 People's Republic of China	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 People's Republic of China	Provision of advertising services in Mainland China	Registered capital HK$1,000,000	100%

A wholly foreign owned enterprise in Mainland China

24. Notes to the consolidated cash flow statement

(a) Cash generated from operations

	2023 HK$'000	2022 HK$'000
Profit before income tax	40,173	52,475
Adjustments for:		
– Depreciation of property, plant and equipment and investment properties (note 6)	41,650	41,930
– Loss on disposal of property, plant and equipment (see below)	25	117
– Finance income (note 8)	(6,142)	(1,327)
– Finance costs (note 8)	496	211
– Net impairment losses on financial assets	845	2,014
– Provision/(reversal of provision) for obsolete inventories (note 6)	12	(2)
– Inventories written off (note 6)	61	54
– Provision/(reversal of provision) for long service payment	8,349	(193)
– Unrealised exchange gain	(27)	(18)
Changes in working capital:		
– Decrease/(increase) in inventories	3,369	(6,921)
– Decrease in trade receivables, deposits and other receivables and prepayments	6,110	689
– (Decrease)/increase in trade payables, fees in advance and accruals, other payables and provisions	(6,507)	25,612
Cash generated from operations	88,414	114,641

24. 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 (excluding right-of-use assets) comprise:

	2023 HK$'000	2022 HK$'000
Net book amount (note 13)	41	184
Loss on disposal of property, plant and equipment (note 6)	(25)	(117)
Proceeds from disposal of property, plant and equipment	16	67

(c) Changes in financial liabilities arising from financing activities

Movements in lease liabilities are analysed as follows:

	2023 HK$'000	2022 HK$'000
At beginning of the year	3,159	18,819
Finance cost (note 8)	496	211
Cash flows		
– Principal elements of payments	(11,840)	(18,039)
– Interest paid	(496)	(211)
Non-cash changes		
– Additions of lease liabilities	20,705	2,586
– Early termination of lease	–	(209)
– Unrealised exchange loss	(56)	2
At end of the year	11,968	3,159

25. Commitments

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

	2023 HK$'000	2022 HK$'000
Property, plant and equipment		
Contracted but not yet provided for	953	3,647
Authorised but not yet contracted for	58	155
	1,011	3,802

(b) Commitments under operating leases as lessor

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

	2023 HK$'000	2022 HK$'000
Not later than one year	1,740	1,003
Later than one year and not later than five years	139	72
	1,879	1,075

26. Contingent liability

A subsidiary of the Group, which is engaged in the provision of printing services for publications, was named as one of the defendants who were alleged to be infringing intellectual property in a legal proceeding submitted to the High Court on 18 October 2022. The claim amount is not specified by the plaintiff. Management, based on legal advice from an external legal counsel, believes that it is impracticable to evaluate the likely outcome of the case and to estimate the financial effect to the Group as it is still at an early stage of the proceedings.

27. Event after the balance sheet date

Subsequent to the year end date, the Group is in the process of acquiring an office premise in Hong Kong for business operational purpose with a total consideration of approximately HK$15,000,000. The acquisition is completed in June 2023.

28. Balance sheet and reserve movements of the Company

(a) Balance sheet of the Company

	Note	As at 31 March 2023 HK$'000	2022 HK$'000
Non-current assets			
Investments in subsidiaries	23	178,627	178,627
		178,627	178,627
Current assets			
Deposits and other receivables		858	14
Prepayments		180	175
Amounts due from subsidiaries		847,262	943,615
Term deposits with original maturities of over three months		88,000	–
Cash and cash equivalents		40,209	22,090
		976,509	965,894
Current liabilities			
Accruals, other payables and provisions		507	446
Amounts due to subsidiaries		917,893	874,021
		918,400	874,467
Net current assets		58,109	91,427
Total assets less current liabilities		236,736	270,054
Equity attributable to owner of the Company			
Share capital		43,160	43,160
Reserves	28(b)	193,576	226,894
Total equity		236,736	270,054

The balance sheet of the Company was approved by the Board of Directors on 26 June 2023 and were signed on its behalf.

Fung Siu Por, Lawrence
Chairman

See Sau Mei Salome
Director

28. 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 2021	155,434	6,120	97,394	258,948
Profit for the year	–	–	6,790	6,790
Final dividend for the year ended 31 March 2021	–	–	(25,896)	(25,896)
Interim dividend for the year ended 31 March 2022	–	–	(12,948)	(12,948)
At 31 March 2022	155,434	6,120	65,340	226,894
At 1 April 2022	155,434	6,120	65,340	226,894
Profit for the year	–	–	7,684	7,684
Final dividend for the year ended 31 March 2022	–	–	(28,054)	(28,054)
Interim dividend for the year ended 31 March 2023	–	–	(12,948)	(12,948)
At 31 March 2023	155,434	6,120	32,022	193,576

Five-Year Financial Summary

(in HK$ millions, except per share amounts)	Year ended 31 March 2023	2022	2021	2020	2019
Operating Results					
Revenue	1,023	1,044	1,000	1,132	1,281
Gross profit	423	462	416	444	503
Operating profit	34	51	26	20	89
Finance income – net	6	1	2	3	3
Profit before income tax	40	52	28	23	92
Income tax (expense)/credit	(12)	(18)	5	(11)	(18)
Profit for the year	28	34	33	12	74
Attributable to					
– equity holders of the Company	27	33	31	10	72
– non-controlling interests	1	1	2	2	2
	28	34	33	12	74
Earnings per share (in HK cents)	6.36	7.65	7.16	2.45	16.57
Assets and Liabilities					
Non-current assets	508	503	494	591	607
Current assets	689	695	701	622	659
Total assets	1,197	1,198	1,195	1,213	1,266
Other liabilities	(305)	(292)	(285)	(308)	(340)
Total liabilities	(305)	(292)	(285)	(308)	(340)
Net assets	892	906	910	905	926
Equity holders' fund	871	886	891	888	911
Non-controlling interests	21	20	19	17	15
Total equity	892	906	910	905	926

Five-Year Financial Summary

	Year ended 31 March				
	2023	2022	2021	2020	2019
Key Financial Ratio					
Gross profit margin	41.3%	44.3%	41.6%	39.2%	39.2%
Operating profit margin	3.4%	4.9%	2.6%	1.8%	6.9%
Net profit margin	2.8%	3.3%	3.3%	1.1%	5.7%
Gearing ratio	N/A	N/A	N/A	N/A	N/A
Current ratio	2.52 times	2.56 times	2.66 times	2.34 times	2.22 times
Quick ratio	2.44 times	2.47 times	2.60 times	2.21 times	1.98 times