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**東方報業集團有限公司**

**ORIENTAL PRESS GROUP LTD**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

**INTERIM RESULTS ANNOUNCEMENT FOR  
THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

The board of directors (the “Board”) of Oriental Press Group Limited (the “Company”) announces that the unaudited consolidated results for the six months ended 30 September 2014 of the Company and its subsidiaries (collectively, the “Group”), together with the comparative figures for the corresponding period of the previous year, are as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

		<b>Six months ended</b>	
		<b>30.9.2014</b>	30.9.2013
		<b>(Unaudited)</b>	(Unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	HK\$'000
<b>Revenue</b>	4	<b>681,921</b>	716,526
Other income		<b>17,997</b>	18,337
Raw materials and consumables used		<b>(155,842)</b>	(188,480)
Staff costs including directors' emoluments		<b>(365,231)</b>	(349,180)
Depreciation		<b>(33,397)</b>	(32,288)
Net exchange loss		<b>(11,643)</b>	(26,327)
Other operating expenses		<b>(88,652)</b>	(92,888)
Net (loss)/gain on disposal of property, plant and equipment		<b>(60)</b>	58
<b>Profit from operations</b>		<b>45,093</b>	45,758
Finance costs		<b>(186)</b>	(193)
<b>Profit before tax</b>		<b>44,907</b>	45,565
Income tax expense	5	<b>(8,582)</b>	(12,083)
<b>Profit for the period</b>		<b>36,325</b>	33,482
<b>Other comprehensive income/(expense):</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
- Surplus on revaluation of building		<b>6,290</b>	6,030
<b>Item that may be reclassified subsequently to profit or loss:</b>			
- Exchange loss on translation of financial statements of foreign operations		<b>(748)</b>	(6,942)
<b>Other comprehensive income/(expense) for the period, net of tax</b>		<b>5,542</b>	(912)
<b>Total comprehensive income for the period</b>		<b>41,867</b>	32,570

		<b>Six months ended</b>	
		<b>30.9.2014</b>	30.9.2013
		<b>(Unaudited)</b>	(Unaudited)
<i>Note</i>		<b>HK\$'000</b>	HK\$'000
<b>Profit for the period attributable to:</b>			
	Owners of the Company	<b>36,273</b>	33,560
	Non-controlling interests	<b>52</b>	(78)
		<b>36,325</b>	33,482
<hr/>			
<b>Total comprehensive income for the period attributable to:</b>			
	Owners of the Company	<b>41,913</b>	32,879
	Non-controlling interests	<b>(46)</b>	(309)
		<b>41,867</b>	32,570
<hr/>			
<b>Earnings per share</b>			
	<b>- Basic</b>	<b>HK1.51 cents</b>	HK1.40 cents
		<hr/>	
	<b>- Diluted</b>	<b>HK1.51 cents</b>	HK1.40 cents
		<hr/>	

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**

	<i>Notes</i>	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2014 (Audited) HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>901,396</b>	915,488
Leasehold land		<b>25,602</b>	25,996
Investment properties	9	<b>204,767</b>	216,616
Available-for-sale financial asset		<b>4,745</b>	4,745
Deferred tax assets		<b>36,921</b>	37,984
		<b>1,173,431</b>	1,200,829
<b>Current assets</b>			
Inventories		<b>87,663</b>	70,169
Trade receivables	10	<b>214,468</b>	198,964
Other debtors, deposits and prepayments		<b>20,274</b>	20,265
Taxation recoverable		<b>2,818</b>	1,759
Cash and bank balances		<b>1,672,497</b>	1,741,560
		<b>1,997,720</b>	2,032,717
<b>Current liabilities</b>			
Trade payables	11	<b>25,428</b>	31,420
Other creditors, accruals and deposits received		<b>118,776</b>	153,611
Taxation payable		<b>21,598</b>	12,070
Borrowings		<b>8,190</b>	8,577
		<b>173,992</b>	205,678
<b>Net current assets</b>		<b>1,823,728</b>	1,827,039
<b>Total assets less current liabilities</b>		<b>2,997,159</b>	3,027,868
<b>Non-current liabilities</b>			
Borrowings		<b>3,649</b>	4,356
Deferred tax liabilities		<b>98,882</b>	98,813
		<b>102,531</b>	103,169
<b>Net assets</b>		<b>2,894,628</b>	2,924,699
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	12	<b>1,413,964</b>	1,413,964
Reserves		<b>1,478,544</b>	1,508,569
		<b>2,892,508</b>	2,922,533
<b>Non-controlling interests</b>		<b>2,120</b>	2,166
<b>Total equity</b>		<b>2,894,628</b>	2,924,699

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

Attributable to owners of the Company									
	Share capital	Share premium	Exchange reserve	Properties revaluation reserve	Retained profits	Proposed dividends	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Note)	(Note)	(Note)	(Note)	(Note)			
At 1 April 2013 (audited)	599,479	814,485	33,972	51,360	1,371,649	71,938	2,942,883	2,570	2,945,453
Dividends paid	-	-	-	-	-	(71,938)	(71,938)	-	(71,938)
Interim dividends proposed	-	-	-	-	(23,980)	23,980	-	-	-
Special dividends proposed	-	-	-	-	(47,958)	47,958	-	-	-
Dividends proposed	-	-	-	-	(71,938)	71,938	-	-	-
Transactions with owners of the Company	-	-	-	-	(71,938)	-	(71,938)	-	(71,938)
Profit for the period	-	-	-	-	33,560	-	33,560	(78)	33,482
Other comprehensive expense for the period									
- Surplus on revaluation of building	-	-	-	6,030	-	-	6,030	-	6,030
- Release of property revaluation reserve upon depreciation of leasehold building	-	-	-	(2,926)	2,926	-	-	-	-
- Exchange loss on translation of financial statements of foreign operations	-	-	(6,711)	-	-	-	(6,711)	(231)	(6,942)
Total comprehensive income for the period	-	-	(6,711)	3,104	36,486	-	32,879	(309)	32,570
At 30 September 2013 (unaudited)	599,479	814,485	27,261	54,464	1,336,197	71,938	2,903,824	2,261	2,906,085
At 1 April 2014 (audited)	1,413,964	-	27,154	84,954	1,324,523	71,938	2,922,533	2,166	2,924,699
Dividends paid	-	-	-	-	-	(71,938)	(71,938)	-	(71,938)
Interim dividends proposed	-	-	-	-	(47,958)	47,958	-	-	-
Dividends proposed	-	-	-	-	(47,958)	47,958	-	-	-
Transactions with owners of the Company	-	-	-	-	(47,958)	(23,980)	(71,938)	-	(71,938)
Profit for the period	-	-	-	-	36,273	-	36,273	52	36,325
Other comprehensive income for the period									
- Surplus on revaluation of building	-	-	-	6,290	-	-	6,290	-	6,290
- Release of property revaluation reserve upon depreciation of leasehold building	-	-	-	(3,588)	3,588	-	-	-	-
- Exchange loss on translation of financial statements of foreign operations	-	-	(650)	-	-	-	(650)	(98)	(748)
Total comprehensive income for the period	-	-	(650)	2,702	39,861	-	41,913	(46)	41,867
<b>At 30 September 2014 (unaudited)</b>	<b>1,413,964</b>	<b>-</b>	<b>26,504</b>	<b>87,656</b>	<b>1,316,426</b>	<b>47,958</b>	<b>2,892,508</b>	<b>2,120</b>	<b>2,894,628</b>

*Note:* These reserve accounts comprise of the consolidated reserves of HK\$1,478,544,000 (six months ended 30 September 2013: HK\$2,304,345,000) in the consolidated statement of financial position of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014**

**1. BASIS OF PREPARATION**

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. Accordingly, no prior period adjustment has been required.

## 2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKFRSs (Amendments)	Annual Improvements to HKFRS 2010-2012 Cycle <sup>2</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRS 2011-2013 Cycle <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRS 2012-2014 Cycle <sup>4</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>3</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>5</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
HKFRS 7 and HKFRS 9 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 7, HKFRS 9 and HKAS 29 <sup>7</sup>
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations <sup>4</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>4</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plant <sup>4</sup>
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions <sup>1</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements <sup>4</sup>

*Notes:*

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

<sup>3</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>7</sup> Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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.

#### 4. SEGMENT INFORMATION

Based on the regular internal financial information reported to the Group's executive Directors, being the chief operating decision makers, for their decision about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one reportable operating segment, the publication of newspapers (including internet subscription and advertising income). The revenue of other operating segments includes rental income from investment properties, license fee income from hotel property and income from restaurant operation.

Reportable segment revenue represented turnover of the Group in the condensed consolidated statement of profit or loss and other comprehensive income. Reconciliation between the reportable segment profit or loss to the Group's profit before income tax is presented below:

	Six months ended					
	Publication of newspapers		All other segments		Total	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Reportable segment revenue from external customers	<b>668,886</b>	704,778	<b>13,035</b>	11,748	<b>681,921</b>	716,526
Reportable segment profit/(loss)	<b>57,134</b>	57,498	<b>743</b>	(724)	<b>57,877</b>	56,774
Unallocated corporate income					<b>7,604</b>	6,608
Unallocated corporate expenses					<b>(20,574)</b>	(17,817)
Profit before tax					<b>44,907</b>	45,565
<b>Other information</b>						
Depreciation and amortisation	<b>(33,351)</b>	(32,354)	<b>(440)</b>	(328)	<b>(33,791)</b>	(32,682)
Additions to non-current assets (property, plant and equipment and investment properties) during the period	<b>13,136</b>	13,870	<b>287</b>	80	<b>13,423</b>	13,950

#### 4. SEGMENT INFORMATION (Continued)

##### Reportable segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	Publication of newspapers		All other segments		Unallocated		Total	
	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000
<b>ASSETS</b>								
Segment assets	1,260,343	1,239,445	233,566	247,796	-	-	1,493,909	1,487,241
Available-for-sale financial asset	-	-	-	-	4,745	4,745	4,745	4,745
Cash and bank balances	-	-	-	-	1,672,497	1,741,560	1,672,497	1,741,560
<b>Consolidated total assets</b>	<b>1,260,343</b>	<b>1,239,445</b>	<b>233,566</b>	<b>247,796</b>	<b>1,677,242</b>	<b>1,746,305</b>	<b>3,171,151</b>	<b>3,233,546</b>
<b>LIABILITIES</b>								
Segment liabilities	266,084	299,674	10,439	9,173	-	-	276,523	308,847

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

	Revenue from external customers		Non-current assets	
	30.9.2014 (Unaudited) HK\$'000	30.9.2013 (Unaudited) HK\$'000	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000
Hong Kong (country of domicile)	674,455	709,739	922,351	936,423
Australia	7,466	6,787	209,414	221,677
	<b>681,921</b>	<b>716,526</b>	<b>1,131,765</b>	<b>1,158,100</b>

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

During the current interim period, HK\$240,389,000 (six months ended 30 September 2013: HK\$264,470,000) out of the Group's revenue of HK\$681,921,000 (six months ended 30 September 2013: HK\$716,526,000) was contributed by two (six months ended 30 September 2013: two) customers. No other single customer contributed 10% or more to the Group's revenue for both period in 2014 and 2013.



## 5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2013: 16.5%) on the estimated assessable profit for the period.

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

	<b>Six months ended</b>	
	<b>30.9.2014</b>	30.9.2013
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current tax:		
— Hong Kong Profits Tax	<b>8,552</b>	12,989
— Overseas Income Tax	<b>271</b>	418
	<b>8,823</b>	13,407
Under provision in prior year:		
— Overseas	<b>-</b>	1,695
	<b>8,823</b>	15,102
Deferred tax:		
— Current period	<b>(241)</b>	(3,019)
Income tax expense	<b>8,582</b>	12,083

Deferred tax has been provided for at the rate that is expected to apply in the period when the liability is settled or the asset is realised.

## 6. DIVIDENDS

During the current interim period, a final dividend of HK3 cents per share in respect of the year ended 31 March 2014 (2013: final dividend of HK2 cents per share and special dividend of HK1 cent per share in respect of the year ended 31 March 2013) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amount to HK\$71,938,000 (2013: HK\$71,938,000).

Subsequent to the end of the current interim period, the Directors of the Company have determined that an interim dividend of HK2 cents (for the six months ended 30 September 2013: HK1 cent and a special dividend of HK2 cents) per share will be paid to the owners of the Company whose names appear on the Register of Members on 11 December 2014.

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$36,273,000 (six months ended 30 September 2013: HK\$33,560,000) and on 2,397,917,898 (six months ended 30 September 2013: 2,397,917,898) ordinary shares in issue during the period.

For the periods ended 30 September 2014 and 2013, diluted earnings per share was the same as the basic earnings per share as no potential ordinary shares were issued for both periods.

## 8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$156,000 (six months ended 30 September 2013: HK\$1,000) for sale proceeds of HK\$96,000 (six months ended 30 September 2013: HK\$59,000), resulting in a loss on disposal of HK\$60,000 (six months ended 30 September 2013: gain on disposal of HK\$58,000).

In addition, during the current interim period, the Group acquired HK\$13,423,000 (six months ended 30 September 2013: HK\$13,950,000) of certain property, plant and equipment in which HK\$202,000 (six months ended 30 September 2013: HK\$2,377,000) were non-cash transactions.

At 30 September 2014, the carrying amounts of the Group's leasehold building were stated at fair value, which were determined by the Directors with reference to the estimated market value. The resulting revaluation surplus of HK\$6,290,000 has been credited to the properties revaluation reserve in the shareholders equity (six months ended 30 September 2013: revaluation surplus of HK\$6,030,000).

## 9. MOVEMENTS IN INVESTMENT PROPERTIES

No addition (six months ended 30 September 2013: Nil) of investment properties was made during the current interim period.

At the end of the current interim period, the Group's investment properties were fairly valued by the Directors with reference to the estimated market value. There was no further revaluation surplus or deficit arising from the revaluation of the investment properties as at 30 September 2014 (six months ended 30 September 2013: Nil). Consequently, no revaluation surplus or deficit has been recognised in the current interim period.

## 10. TRADE RECEIVABLES

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

The following is an aged analysis of trade receivables after deducting the allowance for doubtful debts presented based on invoice dates at the end of the reporting period:

	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2014 (Audited) HK\$'000
0 – 60 days	<b>103,811</b>	87,702
61 – 90 days	<b>44,550</b>	37,342
Over 90 days	<b>66,107</b>	73,920
	<b>214,468</b>	198,964

## 11. TRADE PAYABLES

The credit period granted by the Group's suppliers ranges from 30 to 90 days. Based on the invoice dates, the aged analysis of trade payables at the end of the reporting period is as follows:

	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2014 <b>(Audited)</b> <b>HK\$'000</b>
0 – 60 days	<b>21,932</b>	25,463
61 – 90 days	<b>407</b>	1,911
Over 90 days	<b>3,089</b>	4,046
	<b>25,428</b>	31,420

## 12. SHARE CAPITAL

	<b>Number of shares</b>	<b>HK\$'000</b>
<b>Maximum number of shares can be issued:</b>		
At 1 April 2013 and 30 September 2013, ordinary shares of HK\$0.25 each	<b>500,000,000</b>	<b>1,250,000</b>
At 31 March 2014, 1 April 2014 and 30 September 2014 (Note)	<b>N/A</b>	<b>N/A</b>
<b>Issued and fully paid:</b>		
At 1 April 2013 and 30 September 2013, ordinary shares of HK\$0.25 each	<b>2,397,917,898</b>	<b>599,479</b>
Transfer from share premium (Note)	<b>-</b>	<b>814,485</b>
<b>At 31 March 2014, 1 April 2014 and 30 September 2014, ordinary shares with no par value</b>	<b>2,397,917,898</b>	<b>1,413,964</b>

Note:

An entirely new Hong Kong Companies Ordinance (Cap. 622) came into effect on 3 March 2014, which has abolished authorised share capital, par value, share premium, and share redemption reserve, in respect of the share capital of Hong Kong companies. As a result, the Company has no authorised share capital and the amounts of share premium of the Company are transferred to the share capital.

### 13. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2014 (Audited) HK\$'000
Within one year	<b>4,351</b>	5,927
In the second to fifth years	<b>2,424</b>	6,294
	<b>6,775</b>	12,221

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

### 14. OPERATING LEASE ARRANGEMENTS

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

	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2014 (Audited) HK\$'000
Within one year	<b>3,982</b>	4,637
In the second to fifth years	<b>5,635</b>	3,836
	<b>9,617</b>	8,473

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

### 15. RELATED PARTIES TRANSACTIONS

The Group paid legal fees amounting to HK\$952,000 (six months ended 30 September 2013: HK\$332,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive Director of the Company, is a senior partner of Messrs. Iu, Lai & Li, during the current interim period. The transaction prices were considered by the Directors of the Company as estimated market price.

The remuneration of key management personnel during the interim period was as follows:

	<b>30.9.2014</b> <b>(Unaudited)</b> <b>HK\$'000</b>	30.9.2013 (Unaudited) HK\$'000
Salary and short-term benefit	<b>17,650</b>	17,460
Post-employment benefit	<b>26</b>	23

## 16. CAPITAL COMMITMENTS

	<b>30.9.2014</b>	31.3.2014
	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment and refurbishment to investment properties, contracted but not provided for in the financial statements	<b>5,216</b>	7,963

## 17. OUTSTANDING LITIGATIONS

At the end of the reporting period, there have been several outstanding defamatory and other litigations brought against the Group. The Group has been strongly contesting those claims. Based on legal opinion, the Directors are of the opinion that adequate provision has been made in the financial statements to cover any potential liabilities arising from the litigations.

## 18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board on 21 November 2014.

## 19. CONTINGENT LIABILITIES

As at 30 September 2014, the Company had given guarantees to two banks in connection with general banking facilities granted by the banks to a subsidiary amounting to approximately HK\$135,000,000 and US\$15,000,000. The maximum liability of the Company under the guarantees issued represented the amount could be drawn down by the subsidiary. As at 30 September 2014, such facilities could be drawn down by the subsidiary to the extent of HK\$60,000,000 and US\$15,000,000. Under the facilities, the Company would be liable to pay the banks if the banks are unable to recover the loan. No facilities were utilised by the subsidiary at the end of the reporting period (31 March 2014: HK\$2,228,000). No provision for the Company's obligation under the guarantee contract has been made as the Directors considered that it was not probable that the repayment of the loan would be in default.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

For the six months ended 30 September 2014 (the “Reporting Period”), the unaudited consolidated profit attributable to owners of Oriental Press Group Limited (the “Company”) amounted to HK\$36,273,000.

### FINANCIAL RESOURCES AND LIQUIDITY

The Company, together with its subsidiaries, (collectively, the “Group”) always maintains a strong liquidity. The working capital as at 30 September 2014 amounted to approximately HK\$1,823,728,000 (31 March 2014: HK\$1,827,039,000), which includes time deposits, bank balances and cash amounting to approximately HK\$1,672,497,000 (31 March 2014: HK\$1,741,560,000). As at 30 September 2014, the Group’s gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders’ equity, was 0.4% (31 March 2014: 0.4%).

During the Reporting Period, the Group’s capital expenditure was approximately HK\$13,423,000 (31 March 2014: HK\$45,839,000).

### DIVIDENDS

The directors of the Company (the “Director(s)”) recommend an interim dividend of HK2 cents (six months ended 30 September 2013: HK1 cent and a special dividend of HK2 cents) per share of the Company (the “Share(s)”) for the Reporting Period, payable to the shareholders of the Company (the “Shareholder(s)”) whose names appear on the Register of Members of the Company on 11 December 2014. The proposed interim dividend will be payable on or around 19 December 2014.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 10 December 2014 to 11 December 2014, during which period no transfer of Shares will be effected. In order to qualify for the interim dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company’s Share registrar, Tricor Friendly Limited, whose address is Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:00 p.m. on 9 December 2014.

### BUSINESS REVIEW

“**Oriental Daily News**” continues to be the best-selling and most widely read newspaper in Hong Kong, and has been so for the last 38 consecutive years. It is truly “The Paper for Hong Kong”. According to the research of Oracle Added Value, which has been regarded as the best marketing research company of the year in Hong Kong, “Oriental Daily News” with its large quality readership, achieved a record high readership of 3,768,048 in June and July 2013, 56% higher than that of “Apple Daily”. “Oriental Daily News” strikes a chord with the public by speaking out for justice, expressing the voice of the people with its substantial influence, revealing the truth courageously and sharing analyses and insights into issues. With its unswerving endeavour and unparalleled strength, “Oriental Daily News” has gained extensive support from readers and advertisers, thereby maintaining its leading position in the newspaper industry, and becoming the best choice for advertisers.

“**The Sun**” is holding fast as the third best-selling Chinese newspaper in Hong Kong for the last 15 consecutive years. According to the research of Oracle Added Value, which has been regarded as the best marketing research company of the year in Hong Kong, “The Sun” achieved a record high readership of 1,704,339 in June and July 2013, which represents an increase of 69,839 readers over that in October 2011. “The Sun” features a flexible layout catering for dynamic young readers, while expanding the width and depth of news from various perspectives. Columns such as “SUN Focus” (SUN 焦點), “SUN Caricature” (SUN 搞作) and “Free Talk” (自由講) are highly appreciated by young readers. During the period under review, “The Sun” introduced a new column for complaints, providing readers with a platform to air their grievances. By offering special feature reports of different themes seven days a week, together with the latest overseas entertainment news, “Goodlife”, the supplement of “The Sun”, has become highly popular with young readers today, attracting a large number of trendy fashion clients.

“**Good News**”, an exclusive entertainment paperzine for young readers, is distributed with “The Sun” each Friday and also given out free and separately in downtown areas. “Good News” carries profuse exclusive “secrets” which give rise to heated discussions from time to time, while its exclusive interviews with celebrities and artists revealing their inner world are most popular with readers. “Good News” provides readers with the most extensive and detailed Chinese and foreign entertainment news, as well as information on trends, food, leisure, etc. It has received much appreciation from advertisers and successfully attracted advertisements in the market of free newspapers, contributing to the Group’s earnings continuously. To meet the needs of advertisers, “Good News” also introduces the two-booklets-in-one format from time to time, with enriched contents of better readability, are highly appreciated by young readers.

“**on.cc**” is the flagship online portal of the Group. According to a summary analysis of the first two quarters in 2014 in Hong Kong by comScore Media Metrix, an international market research company, “on.cc” continues to be the news portal of the highest page views in Hong Kong, and has recorded another historic high of 4.47 million monthly unique visitors and more than 4.79 million downloads of mobile applications. During the period under review, “on.cc” continued to deliver unparalleled, fast, extensive and detailed real-time news. It has also introduced a new column, “Big Events” (大事件), enabling netizens to keep track of hot news. “on.cc” has also been optimising the layout of commentaries on current affairs in Hong Kong, Macao, Taiwan and Mainland China, providing insightful analyses that exert substantial influence. “on.cc e-newspaper” offers “Oriental Daily ePaper”, “The Sun ePaper”, “Good News ePaper”, “FLASHoN” and “Supplement ePaper” free of charge globally, which can be browsed conveniently through mobile applications as well as on the website. Benefiting from its information websites such as “Luxe” (最豪) and “Starhall” (星星廊), “on.cc” has enriched and diversified its contents, successfully attracting a large number of netizens of different classes and expanding its readership. “on.cc” has been partnering with international search engines such as Google and Yahoo for years, with numerous news stories reported by “on.cc” being widely circulated on social networks. “on.cc” has become a new promotion platform for advertisers, as well as one of the important websites for Chinese people worldwide to access news and information.

“ontv” online television not only provides latest videos of real-time news, but also produces a variety of programmes to enhance its attractiveness. In August this year, “ontv” took on a fresh new look, with improved accessibility to enable netizens to watch news videos on computer browsers, tablet PCs and mobile phones. In late September, “Occupy Central” protests broke out in Hong Kong, which caused tension. “ontv” acted quickly and aired additional live reports to enable people to keep track of the latest developments. With a view to meeting the needs of different netizens, “ontv” introduced a series of new programmes during the period under review, including current affairs programme “Ding Sheng’s Commentary on Military and Political Affairs” (軍政鼎盛), entertainment programme “on.cc Baby” (東網Baby), sports programme “Premier League Beauties” (英超美女戰隊), as well as horse race programmes including “Horse Race Fans” (馬友友) and “Horse Race onShow” (馬上onShow), all of which have drawn lavish praises. In addition, “ontv” has even reached beyond Hong Kong by launching “Taiwan Channel”, which features current affairs programmes such as “Cho-shui’s Views” (濁閱天下), “Military Strategies” (論略談兵), “Ding Sheng’s Commentary on Military and Political Affairs” (軍政鼎盛), “Property Market Q&A” (房市知多少), “Police Stories” (警察二三事), “News Tsunami” (新聞大海嘯), and entertainment programmes such as “ontv Pop U Show” (東網Pop U秀) and “Entertainment Roundup” (娛樂怎麼惹). With this move, “ontv” has expanded in the market of online television successfully and increased the Group’s influence in Taiwan.

“Money 18” is one of the financial information websites of the highest page views in Hong Kong, and its real-time quote is particularly popular with investors. During the period under review, “Money 18” has undergone a major revamp. In addition to optimising its layout, it has introduced more financial information columns and increased its line up of stock commentators. The real-time stock analysis provided by “Money18” has received unanimous recognition. Because of its outstanding reputation and influence, “Money 18” has been an important promotion platform for foreign banks to market callable bull/bear contracts and warrants. Shanghai Stock Exchange and Hong Kong Stock Exchange have launched the “Shanghai-Hong Kong Stock Connect” in mid-November, “Money 18” took the lead and launched a dedicated web page, providing investors with more information about A-Share, including real-time quotes of Shanghai A-Share and market analysis. This has further strengthened its leading position among financial websites.

“FLASHoN” is a free trendy monthly magazine that combines fashion, beauty, lifestyle, culture and art which is distributed with “Oriental Daily News” in certain high-end residential and commercial areas in Hong Kong. “FLASHoN” features a lofty style and is widely known for its pursuit of aesthetics. By keeping track of trends in fashion, beauty and culture, searching for the latest famous brands and international fashion shows, and sharing tips of fashion and beauty, “FLASHoN” has become a must-read for people who enjoy their life as well as members of the fashion profession and the beauty profession in Hong Kong. “FLASHoN” extends its elegant taste to its website “FLASHoN.com”. During the period under review, “FLASHoN.com” has been innovated by the addition of exclusive interviews with celebrities and behind-the-scene clips. As a result, the page views of “FLASHoN.com” have multiplied, which is an encouraging result, attracting more international famous brands to become its advertising partners.

On the Group’s overseas investments, each of the Group’s rental properties overseas has recorded satisfactory return, and has been generating steady rental income for the Group.



During the period under review, Hong Kong economy experienced a weak growth momentum. Advertisers have cut their advertising expenses due to factors including high rental costs suffocating business growth, slow trading in the property market and the investment market, and a decrease in the spending of Mainland visitors. Further, the increasing trend of advertisements flowing from the print media into the new media has also limited the growth of advertising income of the Group. On the other hand, the adjustment of staff salaries during the year resulted in higher operating costs of the Group. This, coupled with the exchange loss arising from the depreciation of the Australian dollar, has caused a further impact on the Group's earnings. Fortunately, as Hong Kong economy continued to benefit from the economic development of China, the Group's business remained stable during the period under review. The Group's commitment to the development of new media business has led to a breakthrough, with a significant increase in its advertising market share. The policy introduced by the Group to cut down expenditure has successfully reduced production cost, partly offsetting the increased expenditure costs.

## **BUSINESS OUTLOOK**

The board of directors (the "Board") anticipates that the Group's performance will continue to be affected by political and economic uncertainties. End of QE3 by the United States and the expectation of interest rate hike next year will further dampen investor sentiment. The "Occupy Central" protests which broke out in Hong Kong in late September have aggravated the political instability in Hong Kong. Consumers' willingness to spend has been depressed amid widespread concern. The resulting delay or cancellation by some advertisers of their product marketing campaigns will inevitably affect the Group's advertising income.

With a view to addressing the downward risks in external economies and the gradual contraction of the print media business, the Group adopts prudent strategies and enhances its news reporting continuously, thereby maintaining its leading position and strong influence in the media industry. It is expected that the cost of newspaper production will remain stable, which will benefit the Group's control over operating costs. In addition, the Group will accelerate the development of its new media business and make efforts to develop mobile applications to attract advertisements for the new media. The Group's professional team is developing a number of unique mobile applications which the Group is confident to attract the younger generation. The Group hopes that such initiatives will open up new paths for the development of the Group and improve the operational efficiency of its business.

The Group will accelerate the feasibility study for property and other investment projects. The Board will make investment decisions based on the interests of the Shareholders. The Group hopes that the investment projects will create attractive return for the Shareholders.

## **EXPOSURE TO FOREIGN EXCHANGE**

The Group mainly operates in Hong Kong and most of the Group's transactions are denominated in Hong Kong Dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The currencies giving rise to this risk are primarily Australian Dollars and Renminbi. Currently, the Group does not have foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2014, the Group employed 2,129 employees (31 March 2014: 2,143 employees). Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the prevailing market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

## **OTHER INFORMATION**

### **REVIEW OF INTERIM RESULTS**

The audit committee of the Company (the “Audit Committee”) comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2014 and has no disagreement with the accounting treatment adopted.

### **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 September 2014. The Company has adopted most of the recommended best practices stated therein.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the Company’s Model Code for Directors’ securities transactions.

Following specific enquiries by the Company, all Directors have confirmed in writing their compliance with the required standards set out in the Model Code for the six months ended 30 September 2014.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

### **PUBLICATION OF INTERIM REPORT**

The interim report for the six months ended 30 September 2014 will be dispatched to the Shareholders and published on both of the websites of the Company and the Stock Exchange in due course.

On behalf of the Board  
**Ching-fat MA**  
Chairman

Hong Kong, 21 November 2014

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