



東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

(Stock Code : 18)

INTERIM REPORT

2014



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ching-fat MA, *BBS*
Chairman

Mr. Ching-choi MA
Vice Chairman

Mr. Shun-chuen LAM
Chief Executive Officer

Non-executive Director

Mr. Dominic LAI

Independent Non-executive Directors

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

EXECUTIVE COMMITTEE

Mr. Ching-fat MA, *BBS* (*Chairman*)
Mr. Ching-choi MA
Mr. Shun-chuen LAM

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

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

INVESTMENT COMMITTEE

Mr. Ching-choi MA (*Chairman*)
Mr. Shun-chuen LAM
Mr. Yat-fai LAM

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ching-fat MA, *BBS* (*Chairman*)
Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*

COMPANY SECRETARY

Mr. Wing-leung CHEUNG

SOLICITORS

Iu, Lai & Li, Solicitors

AUDITOR

HLM CPA Limited
Certified Public Accountants

BANKERS

Hang Seng Bank
Industrial and Commercial Bank
of China (Asia)
Chong Hing Bank

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Friendly Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

The Stock Exchange of
Hong Kong Limited 18

CONTACT INFORMATION

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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

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

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2014

	<i>Notes</i>	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	901,396	915,488
Leasehold land		25,602	25,996
Investment properties	9	204,767	216,616
Available-for-sale financial asset		4,745	4,745
Deferred tax assets		36,921	37,984
		1,173,431	1,200,829
Current assets			
Inventories		87,663	70,169
Trade receivables	10	214,468	198,964
Other debtors, deposits and prepayments		20,274	20,265
Taxation recoverable		2,818	1,759
Cash and bank balances		1,672,497	1,741,560
		1,997,720	2,032,717
Current liabilities			
Trade payables	11	25,428	31,420
Other creditors, accruals and deposits received		118,776	153,611
Taxation payable		21,598	12,070
Borrowings		8,190	8,577
		173,992	205,678
Net current assets		1,823,728	1,827,039
Total assets less current liabilities		2,997,159	3,027,868

	<i>Note</i>	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000
Non-current liabilities			
Borrowings		3,649	4,356
Deferred tax liabilities		98,882	98,813
		102,531	103,169
Net assets		2,894,628	2,924,699
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	1,413,964	1,413,964
Reserves		1,478,544	1,508,569
		2,892,508	2,922,533
Non-controlling interests		2,120	2,166
Total equity		2,894,628	2,924,699



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Six months ended	
	30.9.2014 (Unaudited) HK\$'000	30.9.2013 (Unaudited) HK\$'000
Cash flows from operating activities		
Profit before tax	44,907	45,565
Adjustments for:		
Interest income	(5,614)	(4,884)
Interest expense	186	193
Impairment of trade receivables	537	296
Bad debt recovered	–	(17)
Depreciation	33,397	32,288
Net exchange loss	11,643	26,327
Amortisation of leasehold land	394	394
Net loss/(gain) on disposal of property, plant and equipment	60	(58)
	<hr/>	<hr/>
Operating profit before working capital changes	85,510	100,104
Increase in inventories	(17,494)	(3,245)
(Increase)/decrease in trade receivables	(16,041)	32,000
(Increase)/decrease in other debtors, deposits and prepayments	(211)	1,114
Decrease in trade payables	(5,992)	(5,975)
(Decrease)/increase in other creditors, accruals and deposits received	(34,835)	71,240
	<hr/>	<hr/>
Cash generated from operations	10,937	195,238
Income tax paid	(691)	–
Income tax refunded	339	38
Interest paid	(186)	(193)
	<hr/>	<hr/>
Net cash generated from operating activities	10,399	195,083
	<hr/>	<hr/>
Cash flows from investing activities		
Purchases of property, plant and equipment	(13,221)	(11,573)
Net proceeds from disposal of property, plant and equipment	96	59
Interest received	5,614	5,747
	<hr/>	<hr/>
Net cash used in investing activities	(7,511)	(5,767)
	<hr/>	<hr/>

	Six months ended	
	30.9.2014	30.9.2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cash flows from financing activities		
Dividends paid	(71,938)	(71,938)
Repayment of obligations under finance leases	(701)	(759)
	<hr/>	<hr/>
Net cash used in financing activities	(72,639)	(72,697)
	<hr/>	<hr/>
Net (decrease)/increase in cash and bank balances	(69,751)	116,619
Cash and bank balances at 1 April	1,741,560	1,601,803
Effect of changes in foreign exchange rate	688	422
	<hr/>	<hr/>
Cash and bank balances at 30 September	1,672,497	1,718,844
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Properties revaluation reserve	Retained profits	Proposed dividends	Total		
	HK\$'000	HK\$'000 (Note)	HK\$'000 (Note)	HK\$'000 (Note)	HK\$'000 (Note)	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000
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
At 30 September 2014 (unaudited)	1,413,964	-	26,504	87,656	1,316,426	47,958	2,892,508	2,120	2,894,628

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

Notes:

¹ Effective for annual periods beginning on or after 1 July 2014

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

³ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2016

⁵ Effective for annual periods beginning on or after 1 January 2017

⁶ Effective for annual periods beginning on or after 1 January 2018

⁷ 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 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.

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.

4. SEGMENT INFORMATION (Continued)

Reportable segment revenue represented turnover of the Group in the condensed consolidated statement of profit or loss and other comprehensive income. Segment profit or loss represents the profit earned by or loss from each segment without allocation of Directors' emoluments, interest income, sundry income and finance costs. Reconciliation between the reportable segment profit or loss to the Group's profit before income tax is presented below:

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



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
ASSETS								
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
Consolidated total assets	1,260,343	1,239,445	233,566	247,796	1,677,242	1,746,305	3,171,151	3,233,546
LIABILITIES								
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
	681,921	716,526	1,131,765	1,158,100

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.

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

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

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

12. SHARE CAPITAL

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

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:

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

	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) HK\$'000
Within one year	3,982	4,637
In the second to fifth years	5,635	3,836
	9,617	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. Lu, Lai & Li. Mr. Dominic LAI, a non-executive Director of the Company, is a senior partner of Messrs. Lu, 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:

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

16. CAPITAL COMMITMENTS

	30.9.2014 (Unaudited) HK\$'000	31.3.2014 (Audited) 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	5,216	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. In mid-November, Shanghai Stock Exchange and Hong Kong Stock Exchange launching the “Shanghai-Hong Kong Stock Connect”, “Money 18” has taken 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 to 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.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

The interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required (a) to be recorded in the register required to be kept by the Company under section 352 of the SFO; or (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as at 30 September 2014 were as follows:

Interests in the Company

Name of Director	Capacity	Number of ordinary Shares held				Other interests (Long position)	Note	Percentage of shareholding
		Personal interests	Family interests	Corporate interests				
Ching-fat MA	Founder of a discretionary trust	-	-	-	1,552,651,284	(i)	64.75%	
	Founder of a discretionary trust	-	-	-	95,916,000	(ii)	4.00%	
	Beneficiary of a discretionary trust	-	-	-	149,870,000	(iii)	6.25%	
Ching-choi MA	Founder of a discretionary trust	-	-	-	149,870,000	(iv)	6.25%	
	Beneficiary of a discretionary trust	-	-	-	95,916,000	(v)	4.00%	

Notes:

- (i) Mr. Ching-fat MA is the founder of Marsun Trust, and Marsun Group Limited, as the trustee of Marsun Trust, indirectly holds the entire issued share capital of Magicway Investment Limited and Ever Holdings Limited. Magicway Investment Limited and Ever Holdings Limited in turn hold 1,222,941,284 Shares and 329,710,000 Shares respectively. Mr. Ching-fat MA, as the founder of Marsun Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of Marsun Trust under the SFO.
- (ii) Mr. Ching-fat MA is also the founder of A & N Trust, and Natural Skyline Limited, as the trustee of A & N Trust, holds the entire issued share capital of Prosper Time Trading Limited. Prosper Time Trading Limited in turn holds 95,916,000 Shares. Mr. Ching-fat MA, as the founder of A & N Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of A & N Trust under the SFO.
- (iii) Mr. Ching-fat MA is a beneficiary of CF Trust, and China Access (Hong Kong) Limited, as the trustee of CF Trust, holds the entire issued share capital of Perfect Deal Trading Limited. Perfect Deal Trading Limited in turn holds 149,870,000 Shares. Mr. Ching-fat MA, as a beneficiary of CF Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of CF Trust under the SFO.

- (iv) Mr. Ching-choi MA is the founder of CF Trust, and China Access (Hong Kong) Limited, as the trustee of CF Trust, holds the entire issued share capital of Perfect Deal Trading Limited. Perfect Deal Trading Limited in turn holds 149,870,000 Shares. Mr. Ching-choi MA, as the founder of CF Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of CF Trust under the SFO.
- (v) Mr. Ching-choi MA is a beneficiary of A & N Trust, and Natural Skyline Limited, as the trustee of A & N Trust, holds the entire issued share capital of Prosper Time Trading Limited. Prosper Time Trading Limited in turn holds 95,916,000 Shares. Mr. Ching-choi MA, as a beneficiary of A & N Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of A & N Trust under the SFO.

Other than the holdings disclosed above, no interests or short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein as at 30 September 2014.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

So far as was known to the Directors and chief executive of the Company, the interests and short positions of any persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO as at 30 September 2014 were as follows:

Interests in the Company

Name	Capacity	Number of ordinary Shares (Long position)	Note	Percentage of shareholding
Marsun Group Limited	Trustee	1,552,651,284	(i)	64.75%
Marsun Holdings Limited	Interest of controlled corporations	1,552,651,284	(ii)	64.75%
Magicway Investment Limited	Beneficial owner	1,222,941,284		51.00%
Ever Holdings Limited	Beneficial owner	329,710,000		13.75%
China Access (Hong Kong) Limited	Trustee	149,870,000	(iii)	6.25%
Perfect Deal Trading Limited	Beneficial owner	149,870,000		6.25%
Mui-fong HUNG	Interest of spouse	1,798,437,284	(iv)	75.00%
Maria Lai-chun CHAN	Interest of spouse	245,786,000	(v)	10.25%



Notes:

- (i) Marsun Group Limited, as the trustee of Marsun Trust, holds the entire issued share capital of Magicway Investment Limited and Ever Holdings Limited through its wholly-owned subsidiary, Marsun Holdings Limited. Magicway Investment Limited and Ever Holdings Limited in turn hold 1,222,941,284 Shares and 329,710,000 Shares respectively. Marsun Group Limited, as the trustee of Marsun Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of Marsun Trust under the SFO.
- (ii) Marsun Holdings Limited holds the entire issued share capital of Magicway Investment Limited and Ever Holdings Limited and is, by virtue of its interest in Magicway Investment Limited and Ever Holdings Limited, deemed to be interested in the same parcel of Shares in which Magicway Investment Limited and Ever Holdings Limited are interested.
- (iii) China Access (Hong Kong) Limited, as the trustee of CF Trust, holds the entire issued share capital of Perfect Deal Trading Limited. Perfect Deal Trading Limited in turn holds 149,870,000 Shares. China Access (Hong Kong) Limited, as the trustee of CF Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of CF Trust under the SFO.
- (iv) Ms. Mui-fong HUNG, as the spouse of Mr. Ching-fat MA, is deemed to be interested in the same parcel of Shares comprised in the trust assets of Marsun Trust, A & N Trust and CF Trust under the SFO as Mr. Ching-fat MA is the founder of Marsun Trust and A & N Trust and also a beneficiary of CF Trust and a Director.
- (v) Ms. Maria Lai-chun CHAN, as the spouse of Mr. Ching-choi MA, is deemed to be interested in the same parcel of Shares comprised in the trust assets of CF Trust and A & N Trust under the SFO as Mr. Ching-choi MA is the founder of CF Trust and also a beneficiary of A & N Trust and a Director.

Save as disclosed above, no other party had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO as at 30 September 2014.

On behalf of the Board
Ching-fat MA
Chairman

Hong Kong, 21 November 2014