



東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

(Stock Code : 18)

ANNUAL REPORT



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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

Tel: +852 3600 1125
Fax: +852 3600 1100
e-mail: finance@on.cc

Management Discussion and Analysis

RESULTS

For the year ended 31 March 2015 (the “Reporting Year”), the audited consolidated profit attributable to owners of Oriental Press Group Limited (the “Company”) amounted to HK\$51,052,000 and the total comprehensive income amounted to HK\$89,911,000. Before deductions of the exchange loss arising from the depreciation of the Australian Dollars resulting in an impairment of HK\$37,361,000, payment of bonus to the employees to celebrate the 45th anniversary of the Group in the sum of HK\$21,319,300 and bonus payment to the editorial staff for the over-time work during the “Occupy Central” protests in the sum of HK\$3,536,000 from the revenue of the Group for the year ended 31 March 2015, the consolidated profit of the Group would be HK\$114,060,300.

FINANCIAL RESOURCES AND LIQUIDITY

The Company, together with its subsidiaries, (collectively, the “Group”) always maintains a strong liquidity. The working capital as at 31 March 2015 amounted to approximately HK\$1,820,350,000 (2014: HK\$1,827,039,000), which includes time deposits, bank balances and cash amounting to approximately HK\$1,653,132,000 (2014: HK\$1,741,560,000). As at 31 March 2015, the Group’s gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders’ equity, was 0.5% (2014: 0.4%).

During the Reporting Year, the Group’s capital expenditure was approximately HK\$35,622,000 (2014: HK\$45,839,000).

CONTINGENT LIABILITY

As at 31 March 2015, the Group had no material contingent liability.

DIVIDENDS

The directors of the Company (the “Director(s)”) recommend a final dividend of HK2 cents (2014: final dividend of HK3 cents) per share of the Company (the “Share(s)”) for the Reporting Year, payable to the shareholders of the Company (the “Shareholder(s)”) whose names appear on the Register of Members of the Company on 25 August 2015. Together with the paid interim dividend of HK2 cents (2014: Interim dividend of HK1 cent and a special dividend of HK2 cents) per Share, the dividends for the Reporting Year amount to HK4 cents (2014: HK6 cents) per Share. The proposed final dividend will be payable on or around 7 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 18 August 2015 to 19 August 2015 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the annual general meeting of the Company (“AGM”) to be held on 19 August 2015 and voting in the meeting, all transfers accompanied with the relevant Share certificates must be deposited with the Company’s Share registrar, Tricor Friendly Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:00 p.m. on 17 August 2015.

Subject to Shareholders’ approval at the AGM, the proposed final dividend will be distributed to the Shareholders whose names appear on the Register of Members of the Company on 25 August 2015. The Register of Members of the Company will be closed on 25 August 2015. In order to qualify for payment of the recommended final dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company’s Share registrar, Tricor Friendly Limited, whose address is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:00 p.m. on 24 August 2015.



Management Discussion and Analysis

BUSINESS PERFORMANCE AND BUSINESS OUTLOOK

Review of business performance of the Group during the Reporting Year and the Group's business outlook are disclosed in the section headed "Business Review" of the Directors' Report in this Annual Report.

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 currency giving rise to this risk is primarily Australian Dollars. 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 31 March 2015, the Group employed 2,108 employees (2014: 2,143). 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.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are shown in note 34 to the financial statements.

On behalf of the Board

Ching-fat MA
Chairman

Hong Kong, 19 June 2015

Directors' Report

Directors of Oriental Press Group Limited (the "Director(s)") present their report and the audited consolidated financial statements of Oriental Press Group Limited (the "Company") and its subsidiaries (the "Subsidiaries") (collectively, the "Group") for the year ended 31 March 2015 (the "Reporting Year") (the "Financial Statements").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of the principal Subsidiaries are set out in note 38 to the Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 31 of this annual report of the Company for the Reporting Year ("Annual Report").

The states of affairs of the Group and of the Company as at 31 March 2015 are set out in the consolidated statement of financial position on pages 32 to 33 and the company's statement of financial position on page 78 of this Annual Report respectively.

The consolidated statement of cash flows for the Reporting Year is set out on page 34 of this Annual Report.

The Board of Directors (the "Board") recommends a final dividend of HK2 cents per share of the Company (the "Share") payable to the shareholders of the Company (the "Shareholder(s)"), whose names appear on the Register of Members of the Company on 25 August 2015, which is expected to amount to HK\$47,958,000 in aggregate.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Year are set out in note 15 to the Financial Statements.

SHARE CAPITAL

Details of the changes in the share capital of the Company during the Reporting Year are set out in note 27 to the Financial Statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the Reporting Year are set out in the consolidated statement of changes in equity on page 35 of this Annual Report and note 29 to the Financial Statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves including the proposed dividends of the Company as at 31 March 2015 calculated under section 297 of the Companies Ordinance amounted to HK\$1,048,369,000 (2014: HK\$1,147,721,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 89 of this Annual Report.



Directors' Report

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

During the Reporting Year, neither the Company nor any of the Subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

DONATIONS

During the Reporting Year, the Group made charitable and other donations amounting to approximately HK\$47,000.

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 39 consecutive years. It is truly "The Paper for Hong Kong". According to the research of Added Value, which is regarded as the best marketing research company of the year in Hong Kong, the readership of "Oriental Daily News" achieved a record high of 3,917,806 in November 2014, representing an increase of 149,758 readers over that in July 2013, and is also 73% higher than that of "Apple Daily". The research also revealed that the readership of "Oriental Daily News" has advantage over the readership of "Apple Daily" in terms of the ratios of personal income, family income, involvement in investment activities and purchase of high-end consumer goods. This proves that "Oriental Daily News" has been enjoying the full support of advertisers for decades due to the high income and strong spending power of its readers. As well as providing enriched contents and abundant exclusive news, "Oriental Daily News" expresses the voice of the people on highly controversial issues. In doing so, it has been maintaining its leading position in the newspaper industry, and is highly commended by the public. During the "Occupy Central" protests, the editorial staff of "Oriental Daily News" covered the development of the event day and night to give full coverage to the readers, showing outstanding professionalism and contributing to the reputation of the newspaper.

"The Sun" has been holding fast as the third best-selling Chinese newspaper in Hong Kong for the last 16 consecutive years. According to the research of Added Value, which is regarded as the best marketing research company of the year in Hong Kong, the readership of "The Sun" achieved a record of 1,741,700 in November 2014, which represents an increase of 37,361 readers over that in July 2013. The research also revealed that the spending of the readers of "The Sun" on brand name fashions, travel, electronic products and investment, insurance accounts for a significant proportion of their total spending, which proves their sense of fashion and strong spending power. "The Sun" is most attractive to young readers for its flexible layout, exuberant colours, less text but more images, and elaborate selection of news topics. In the 6th Hong Kong Secondary School Students Poverty News Election held by a registered non-profit-making organisation in 2014, the report by "The Sun" entitled, "200,000 Hong Kong residents living in sub-division of flat units or caged houses", topped the list with the highest number of votes, proving that "The Sun" caters for the taste of young readers.

"Good News", an entertainment paperzine for young readers, is distributed with "The Sun" each Friday and also given out free in certain downtown areas. "Good News" mainly focuses on entertainment news, complemented by information on artists and celebrities in China, Japan, Taiwan, South Korea, Europe, the United States, etc., who are popular with young readers. With sensational topics, combined with current affairs and a variety of leisure information, "Good News" has become a unique entertainment newspaper. "Good News" has been emerging successfully in the market with its diversified advertisements and its introduction of two-booklets-in-one format from time to time to meet the needs of advertisers.

"on.cc" is the flagship online portal of the Group, and also the new media business that the Group has been focusing on in recent years. According to the summary analysis of Hong Kong 2014/2015 reports of comScore Media Metrix, an international market research company, "on.cc" continues to record the largest number of page views and has become the news portal of the highest page views in Hong Kong; and it has recorded a historic high of 4.47 million monthly unique visitors and more than 5.31 million downloads of mobile applications. "on.cc" is highly recognised for its unparalleled fast, extensive and detailed news coverage and unique analyses on current affairs. In response to the rapid development of technology, "on.cc" has been developing its website and mobile applications, optimising the layout and enriching its contents. "on.cc" has added a new feature to

Directors' Report

its mobile application “on.cc Hong Kong and Macau” to push important news, enabling netizens to obtain news and information quickly. During the “Occupy Central” protests which broke out in late September 2014, “on.cc” reporters made overnight coverage of the clearance of protesters from the occupied sites to keep close track of the developments, producing the largest number of live video clips and bringing the most updated, timely and extensive news to netizens. “on.cc” was the first in the newspaper industry to enable viewing of ePapers free of charge globally. During the Reporting Year, “on.cc” has further included “International Daily News”, a US-based Chinese language newspaper, into “on.cc e-newspaper” and combined the printed media with new media, improving the quality of the ePapers to cater for various high-resolution mobile phone products in the market. Entertainment and information websites such as “Wacky” (奇怪趣), “on.cc Baby” (東網Baby) and “Wedding” (囍嫁) have enriched and diversified the contents of “on.cc”, successfully attracting a large number of netizens of different classes and expanding its readership. In April this year, “on.cc” was granted the Gold Award of Web Accessibility Recognition Scheme by the Office of the Government Chief Information Officer in recognition of its outstanding website design which addresses the need of people with disability. “on.cc” has been partnering with international search engines such as Google and Yahoo for years, with numerous news stories reported by “on.cc” widely circulated on social networks, further extending the reach of “on.cc”.

“ontv”, an online television, not only provides latest videos of real-time news, but also produces a variety of programmes to enhance its attractiveness. In August 2014, “ontv” took on a fresh new look, with improved accessibility to enable netizens to watch news videos on desktop browsers, tablet PCs and mobile phones. In late September 2014, “ontv” acted quickly to deliver additional live reports on the “Occupy Central” protests to gain valuable experience in live reporting. After continuous improvement, “ontv” has made a number of live reports on events including Hui Si Yan’s case, the Policy Address, the Financial Budget, International Football Friendly Match and Panasonic School’s Basketball Championship, bringing media television into a new era. With a view to meeting the needs of different netizens, “ontv” introduced a series of new programmes during the Reporting Year, 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), “News Tsunami” (新聞大海嘯), “Ding Sheng’s Commentary on Military and Political Affairs” (軍政鼎盛), “Police Stories” (警察二三事), “Shiqi’s Commentary” (百話齊放), “Property Market Q&A” (房市知多少), “Headaches of Father of Nation” (國父也抓狂) and “Taiwan Election Analysis” (東網戰情室), and entertainment programmes such as “ontv Pop U Show” (東網Pop U秀), “Entertainment Roundup” (娛樂怎麼惹), and “Movie XXL” (電影特大號). With this move, “ontv” has expanded in the market of online television successfully and increased the Group’s influence in Taiwan. “ontv” also utilised social networks to share video clips with netizens, successfully attracting more readers. “ontv” has earned an excellent reputation though it is still at the exploration stage, and it is believed that it has substantial development potential.

“Money 18” is one of the financial information websites of the highest page views in Hong Kong, combining stock information, recommendations on investment, real-time financial news, economic reviews, etc., and its real-time stock quote is particularly popular with investors. In April this year, as the trading volumes of stock markets in Mainland China and Hong Kong kept rising to new highs, the number of downloads of “Money 18” mobile application surged by several times, while the page views also multiplied, reaching a record high. During the Reporting Year, “Money 18” has optimised its layout and launched a dedicated web page for the “Shanghai-Hong Kong Stock Connect”. As well as real-time stock quotes of Shanghai A-share and market analysis, it also provides share-price difference between A and H shares, enabling investors to act in response to price movements. The newly added information has drawn continuous praises, further reinforcing the leading position of “Money 18” as a financial website. By its outstanding reputation and influence, “Money 18” has been an important promotion platform for foreign banks to market callable bull/bear contracts and warrants.

“on.cc Superstar” is a new entertainment information mobile application launched by the Group in this April. It provides netizens with a variety of contents including the latest news of the entertainment circle, and it is highly informative. The application provides clearly defined columns including “Homepage”, “Breaking News”, “Entertainment Video” (視娛樂), “Oriental Daily News”, “The Sun”, “Starhall” (星星廊) and “on.cc Baby” (東網Baby), enabling netizens to select with ease and browse information efficiently. Immediately after its launch, “on.cc Superstar” became a popular application highly sought after by netizens and the talk of the town.



Directors' Report

“FLASHoN”, a free trendy monthly magazine, combining fashion, beauty, lifestyle, culture and art, is distributed with “Oriental Daily News” in certain high-end residential and commercial areas in Hong Kong. “FLASHoN” caters for trendy readers of high spending ability by selecting and featuring fashionable, creative and distinctive topics. It has now become the advertising partner of many famous international brands. During the Reporting Year, “FLASHoN” has made a breakthrough in advertising concepts by holding a beauty products election titled “Beauty Billboard” and working with customers to hold a sharing luncheon themed “The Key to Chic” to interact with readers. Both activities generated better-than-expected promotional results. In addition, “FLASHoN” launched “flashon mini” during the Reporting Year, which features youth and dynamism, covering Japanese and Korean style girlhood fashion, beauty products and trends, contributing to the expansion of its readership. The website “FLASHoN.com” provided fashion news, exclusive interviews with celebrities etc., which were highly appreciated by netizens. The number of “Likes” received by “FLASHoN.com” on social platforms increased sharply by more than four times as compared with the same period last year.

In respect of overseas investments, each of the Group's rental properties overseas has recorded satisfactory return, and has been generating steady rental income to the Group.

Given the rapid development of technologies and the increasing popularity of smart mobile phones and tablet PCs, the reading habits of readers have changed from printed matter to electronic products, further affecting the business of printed media. During the Reporting Year, the revenue from the Group's printed media business decreased to HK\$1,239,303,000, representing a decrease of approximately 9.2% as compared with the same period last year. On the other hand, as advertisers preferred to use promotion platforms of lower costs, such as websites and mobile phones, in order to reduce their budget, the business revenue from the Group's websites increased to HK\$58,961,000, representing an increase of approximately 25% as compared with the same period last year.

During the Reporting Year, as the “Occupy Central” protests in Hong Kong, which lasted for more than two months, had a material impact on people's willingness to spend, a number of advertisers suspended their large promotional activities and even shelved their promotion plans. Property developers also slowed down their efforts to promote new projects due to the impact of the event. Despite the launch of the “Shanghai-Hong Kong Stock Connect” in last November, advertisements of banks and financial institutions have not recorded any significant increase. These, coupled with the decrease in spending by Mainland tourists, have led to a decrease in advertisements for luxury products and retail, resulting in a decrease in the Group's advertising income.

Moreover, fluctuation of Australian Dollars exchange rate may also have impact on the Group. During the Reporting Year, the exchange loss arising from the depreciation of the Australian Dollars resulted in an impairment of HK\$37,361,000 in the carrying amount, further reducing the Group's earnings. Fortunately, the decrease in production costs in the Reporting Year and the increase in the value of Australian properties do benefit the stability of the Group's profit for the Reporting Year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board considers that effective environmental protection measures will not only contribute to environmental protection but also reduction of the production costs. Over the years, the Group has implemented various measures to reduce waste and pollution and to effectively and efficiently use the resources.

In respect of reduction of waste and pollution, the emissions, such as chemical wastes, waste water, waste paper and exhaust, during the operation of the Group are mainly from production plant, kitchen of staff canteen and vehicles fleet. Chemical wastes produced by the plants are collected and treated properly by licensed waste collectors regularly and waste paper are collected by qualified contractors. As to the staff canteen, waste water is discharged after grease trap procedures. The Group engages qualified contractors to collect grease trap wastes and transport them to landfills designated by the government. In respect of the vehicles fleet, qualified contractors have been retained to collect waste lubricating oil for disposal at the sites approved by Hong Kong government on a regular basis. The Group has used all the shuttle buses meeting EU 5 emission standards. With hybrid vehicles and electric vehicles becoming increasingly sophisticated and popular, the Group plans to replace the current news vehicles with environmental-friendly vehicles gradually after completion of performance test.

Directors' Report

In relation to the efficient use of resources, the Group has introduced various energy conservation measures in the plants, offices and staff canteen, including:

- (i) Adjusting the operation of central air-conditioning in seasons to reduce electricity consumption and installation of energy-efficient T5 fluorescent tubes or electricity-saving fluorescent tubes on each floor to save energy;
- (ii) Installing automatic water faucets in the washrooms in the plants and offices to control the water consumption effectively;
- (iii) Encouraging employees to implement paperless practice whenever possible, print only when necessary and reuse paper that has only been printed on one side in order to reduce the consumption of toner and paper; and
- (iv) Using non-disposable tableware in staff canteen, and encouraging employees to treasure food and reduce food wastes in the staff canteen.

During the Reporting Year, the measures introduced and implemented by the Group for pollution reduction and efficient use of resources achieved the expected results. Management will from time to time review the effectiveness of such measures and monitor the implementation of the relevant environmental protection measures by the departments.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

On the Group's business and operation levels, before using any information or photo which is not taken by the News Department of the Group, the Group shall identify the copyright owner and ascertain the ownership of the relevant copyright work and obtain consent from the copyright owner, or shall obtain news all over the world through other lawful channels such as major overseas news agencies. In addition, if any advertisement placed by the advertiser which may have legal issue or issue about compliance with the applicable laws, rules or regulations, such advertisement shall be pre-vetted by the Legal Department of the Group before acceptance of publication. As to the online newspaper subscribers ("Subscribers"), members of "ontv" and members of "FLASHoN" (collectively, "Members"), the Group keeps reminding the employees of and emphasising the importance of safeguarding the security of personal data (privacy). When collecting and processing such data, the Group complies with the Personal Data (Privacy) Ordinance (the "Privacy Ordinance") and the guidelines issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong, with a view to protecting the privacy of the Subscribers and Members.

In relation to the human resources, the Group is committed to comply with the requirements of the applicable laws and regulations, such as the Privacy Ordinance, ordinances against disability, sex, family status and races discriminations, the Employment Ordinance, the Minimum Wage Ordinance and the ordinances applicable to occupational safety of employees of the plant, in respect of recruitment or daily works of the employees so as to safeguard the benefits and interests of the Group's employees. The Group also values good conduct of the employees and has set out clear guidelines to prevent bribery and to regulate the acceptance of benefits by the employees. The Group also, at appropriate time, issues internal notices from time to time to remind the employees to avoid involving in bribery and conduct of improper acceptance of benefits.

On the corporate level, the Group continuously complies with the requirements under the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and the Securities and Futures Ordinance ("SFO"), such as disclosure of information, corporate governance and Model Code for Securities Transactions by Directors of the Listed Issuers. In relation to the disclosure and handling of "Inside Information" under the SFO, the Inside Information Committee of the Board is delegated to handle disclosure of the "Inside Information".



Directors' Report

During the Reporting Year, there was no material and significant breach of or non-compliance with the applicable laws and rules by the Group.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands that outstanding employees are valuable assets that help the Group grab every opportunity that arises. With a view to retaining talents, the Group will develop and give incentives to its employees based on their performance and productivity. The Group has also implemented a training scheme to groom a new generation of journalists providing employees with work related training and systematic training courses having appropriate guidance given by senior employees. The Group has provided the employees of the administrative departments with other courses and seminars to enable them to grasp the work-related knowledge, skills and attitude in order to keep abreast of the latest trend.

The Group holds staff annual dining party and distributes gifts to employees at festivals, such as moon cakes and Chinese New Year candies. In addition to bonuses given in recognition of excellent performance, employees were given special bonuses during the Reporting Year in celebration of the 45th anniversary of the Group.

As at 31 March 2015, the employee voluntary turnover rate of the Group was approximately 11.3%.

The key customers of the Group include the advertisers and the advertising agents ("Advertisers") and readers of the Group's newspaper and websites ("Readers"). Quality contents and wide readership of the Group's newspaper and website provide effective promotional and marketing platforms to the Advertisers. Most of the Advertisers have established long term business relationship with the Group which ensures steady advertising income of the Group. During the Reporting Year, there was no material and significant dispute between the Group and the Advertisers. As to the Readers, the Group offers telephone hotline and email address to enable the Readers to express their views on the quality of the newspaper and the news contents and the Group will deal with their views on individual cases basis.

The key suppliers of the Group are the producers or suppliers of newsprint and printing materials ("Suppliers"). The Group has established long term, good and firm business relationship with the Suppliers which ensures steady supply and stable quality of the printing materials. During the Reporting Year, there was no material and significant dispute between the Group and the Suppliers.

BUSINESS OUTLOOK

The Board expects Hong Kong economy to remain weak, given the escalating global currency wars and deflation in Mainland China. The reduction of budgets by advertisers led to increased market competition. In an effort to increase its market share, the Group has set up a cross-platform, one-stop advertising channel by making use of newspaper, magazine, website and online television as the most extensive and effective combination to promote products for customers and to maintain the Group's competitiveness. The Group will continue to invest resources to enhance the contents of news, with a view to reinforcing its leading position and influence in the newspaper industry, while paving the way for online news and information.

The Group understands that the development of new media has become a general trend. In response to the decline of printed media in the market share, the Group has accelerated its development of new media business to improve its revenue. It is believed that with its positive image and diversified information, "on.cc" will certainly gain extensive support from customers and readers. In order to explore and exploit new opportunities, the Group is making efforts to develop various mobile applications and will seek partners, with a view to expanding its products offering and attracting more young supporters. The Group is also exploring the feasibility of introducing new products into the Mainland market to generate more profits. Going forward, the Group will focus on the

Directors' Report

development of “ontv” and invest resources to improve its infrastructure and employ high-calibre professionals. It is believed that with the successful experience of “on.cc” in reforms in recent years, “ontv” will make breakthrough more quickly.

The Group has sufficient cash reserve to meet the requirement of future business development. It is estimated that the cost of newspaper production will remain stable in the coming year, which will benefit the Group's cost control. Given the limited future potential of the printed media, the Group will accelerate the feasibility study for property, hotel and other investment projects and may consider to revise its holding structure to align with the goal of business diversification. The Board will study and consider investment opportunities with interests of the Shareholders being its paramount consideration, and hopes that any investment made will create attractive return for the Shareholders. The Board will adopt a cautious approach to the Group's performance in the next year.

DIRECTORS

The Directors in office during the Reporting Year and up to the date of this Directors' Report were:

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

In accordance with Article 103 of the Company's Articles of Association, Mr. Ching-choi MA, Mr. Ping-wing PAO and Mr. Yat-fai LAM shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting (“AGM”) of the Company.

DIRECTORS OF SUBSIDIARIES

The Directors are in the opinion that due to the number of directors of the Subsidiaries and the number of the Subsidiaries, disclosure of the names of all the directors of the Subsidiaries and all the Subsidiaries in this Directors' Report would be of excessive length. Therefore, the information on the directors' names of the Subsidiaries and the Subsidiaries are available at <http://opg.on.cc/en/subsidiaries2015.pdf>.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules on the Stock Exchange during the Reporting Year. The Company has adopted most of the recommended best practices stated therein.



Directors' Report

AUDIT COMMITTEE

The audit committee of the Board ("Audit Committee") was established in compliance with Rules 3.21 of the Listing Rules on the Stock Exchange. It has reviewed the accounting principles and practices adopted by the Group and this Annual Report. The Audit Committee comprises two independent non-executive Directors and one non-executive Director.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors has any interest in a business which competes or is likely to compete with the business of the Group during the Reporting Year.

CONNECTED TRANSACTIONS

During the Reporting Year, the Company did not have any connected transactions which were subject to the requirements of the Listing Rules on the Stock Exchange. Other transactions which were exempt from the Listing Rules on the Stock Exchange requirements are disclosed in note 30 to the Financial Statements.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Year.

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 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 31 March 2015 were as follows:

Interests in the Company

Name of Director	Capacity	Number of ordinary Shares held				Note	Percentage of shareholding
		Personal interests	Family interests	Corporate interests	Other interests (Long Position)		
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%

Directors' Report

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 31 March 2015.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 30 to the Financial Statements, there were no contracts of significance to which the Company or any of the Subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisting at the end of the Reporting Year or at any time during the Reporting Year.

None of the Directors has a service contract with the Company or any of the Subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).



Directors' Report

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 31 March 2015 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.

Directors' Report

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 31 March 2015.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this Directors' Report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the public float as required under the Listing Rules on the Stock Exchange.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Year, the five largest customers of the Group accounted for approximately 50% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer amounted to approximately 23%.

The percentage of purchases attributable to the Group's five largest suppliers is approximately 70% of the Group's total purchases for the Reporting Year and the percentage of purchases attributable to the Group's largest supplier amounted to approximately 16%.

None of the Directors, their associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued Shares) has an interest in the share capital of any of those customers or suppliers.

AUDITOR

HLM CPA Limited (formerly known as Messrs. HLM & Co.) has acted as auditor of the Company for the past 4 years. The consolidated financial statements for the Reporting Year have been audited by HLM CPA Limited who will retire and seek for re-election at the forthcoming AGM of the Company.

On behalf of the Board

Ching-fat MA
Chairman

19 June 2015



Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ching-fat MA, *BBS*, aged 55, was appointed as an executive Director and the Chairman of the Board on 17 May 2005. Mr. MA is also the chairman of the Executive Committee and Corporate Social Responsibility Committee of the Board. Mr. MA joined the Group in 1985 and was appointed as an executive Director for the period from 11 December 1991 to 4 October 1999. During the period from 20 November 2004 to 17 May 2005, Mr. MA was the President of the Company. Mr. MA graduated from the Department of Journalism, Chu Hai College. Mr. MA is elder brother of Mr. Ching-choi MA and nephew of Mr. Shun-chuen LAM. He is also a director of Magicway Investment Limited and Perfect Deal Trading Limited, all of which have an interest in the Shares which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Ching-choi MA, aged 53, was appointed as an executive Director and the Vice Chairman of the Board on 28 September 2005. He assists mainly the Chairman in discharge of his duties. Mr. MA is also a member of the Executive Committee of the Board and the chairman of the Investment Committee of the Board. Mr. MA joined the Group in 1986 and was appointed as an executive Director from 20 February 1995 to 4 October 1999. During the period from 31 August 2002 to 28 September 2005, Mr. MA was a Senior Vice President of the Company. Mr. MA was educated at Dominican College of California, U.S.A., majoring in business administration. Mr. MA is younger brother of Mr. Ching-fat MA, and nephew of Mr. Shun-chuen LAM. He is also a director of Magicway Investment Limited, China Access (Hong Kong) Limited and Perfect Deal Trading Limited, all of which have an interest in the Shares which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Shun-chuen LAM, aged 66, has been an executive Director since October 1999 and is currently the Chief Executive Officer of the Company, responsible for the day-to-day management of the Group's business. Mr. LAM is also a member of the Executive Committee and Investment Committee of the Board. He is also a director of most of the subsidiaries of the Company. Mr. LAM joined the Group in 1972 and was in charge of the distribution of the Group's publications. Mr. LAM is uncle of Mr. Ching-fat MA and Mr. Ching-choi MA.

NON-EXECUTIVE DIRECTOR

Mr. Dominic LAI, aged 68, has been a Director since August 1998 and is currently a non-executive Director and a member of the Audit Committee of the Board. He is also a non-executive director of Midas International Holdings Limited and NWS Holdings Limited, both of which are the public companies listed on the Stock Exchange. Mr. LAI is a senior partner of a Hong Kong law firm, Lu, Lai & Li, the legal advisers to the Group. He is a practising solicitor in Hong Kong and has also been admitted as a solicitor in England, Republic of Singapore, and the States of New South Wales and Victoria, Australia.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau-nam CHAM, aged 68, has been appointed as an independent non-executive Director since March 2006 and is currently a member of the Corporate Social Responsibility Committee of the Board. Mr. CHAM has over 20 years of experience in the securities industry. He obtained his Bachelor degree in Science from St. Mary's University, Bachelor degree in Engineering (Electrical) from Nova Scotia Technical College and Master degree in Business Administration from University of British Columbia, in Canada. Mr. CHAM is a non-executive director and the chairman of the audit committee of Deswell Industries, Inc., a public company listed on NASDAQ in U.S.A.

Mr. Ping-wing PAO, *JP*, aged 67, has been a Director since July 1987 and is currently an independent non-executive Director, a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Social Responsibility Committee of the Board. He is also an independent non-executive director of UDL Holdings Limited, Zhuzhou CSR Times Electric Co., Ltd., Capital Environment Holdings Limited (formerly known as New Environment Energy Holdings Limited), Maoye International Holdings Limited, Soundwill Holdings Limited and HL Technology Group Limited, Sing Lee Software (Group) Limited and JC Group Holdings Limited (with effect from 1 January 2015), all of which are public companies listed on the Stock Exchange. Mr. PAO was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past years, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. PAO holds a Master of Science degree in human settlements planning & development.

Mr. Yat-fai LAM, aged 49, has been an independent non-executive Director since September 2004. He is also the chairman of the Audit Committee, Remuneration Committee, Nomination Committee and a member of the Investment Committee of the Board. Mr. LAM is also an independent non-executive director of Tianda Pharmaceuticals Limited, a public company listed on the Stock Exchange. Mr. LAM is a Certified Public Accountant (Practising). He is a fellow member of the Hong Kong Institute of Certified Public Accountants and of the Association of Chartered Certified Accountants. He worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years and has over 25 years of experience in auditing, taxation, corporate finance and accounting.

The executive Directors are also senior management members of the Group.



Corporate Governance Report

CORPORATE GOVERNANCE

Oriental Press Group Limited (the “Company”) is committed to maintain a high standard of corporate governance practices to safeguard the interests of the shareholders of the Company (the “Shareholders”) and enhance the performance of the Company and its subsidiaries (collectively, the “Group”). The Company has adopted and applied a corporate governance policy.

The Company has complied with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 March 2015 (the “Reporting Year”). The Company has adopted most of the recommended best practices stated therein.

BOARD OF DIRECTORS

The board (the “Board”) of Directors (the “Director(s)”) of the Company is responsible for the leadership and control of the Company and oversees the Group’s business, strategic decisions and financial performances. The Board delegates to the management team the day-to-day operations of the Group’s business, including the preparation of annual and interim reports, and for implementation of internal control, business strategies and plans developed by the Board.

The Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. More than one-third of the Board members are independent non-executive Directors and two of them have appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Board believes that the balance between the number of executive Directors and non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group.

The Board has adopted the Board diversity policy (the “Board Diversity Policy”) with a view to achieving a sustainable and balanced development of the Company. The Company views the increasing Board diversity as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In determining the composition of the Board, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service are taken into account in respect of the diversity of the Board. All Board appointments will be based on meritocracy and candidates will be selected based on objective criteria, having due regard for the benefits of diversity of the Board. Final decisions to be made by the Board will be based on each candidate’s attributes and contributions to be made to the Board. The nomination committee of the Board (the “Nomination Committee”) monitors the implementation of the Board Diversity Policy, reviews the Board Diversity Policy as and when appropriate and recommends any revisions for the Board’s approval.

Each of the independent non-executive Directors has made an annual confirmation of his independence in accordance with the guidelines as set out in Rule 3.13 of the Listing Rules. The Company also considers that all independent non-executive Directors are independent parties since they do not get involved in the daily management of the Company and there are not any relationships or factors which would impair their independence. During the Reporting Year, each non-executive Director entered into a letter of appointment with the Company for a term of 3 years, subject to retirement by rotation once at least every 3 years in accordance with the Company’s Articles of Association at the Company’s annual general meeting (the “AGM”). As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance is no less exacting than the standard set out in the Code. According to A.4.3 of the Code, further appointment of an independent non-executive director who serves more than 9 years should be subject to a separate resolution to be approved by shareholders. Mr. Ping-wing PAO and Mr. Yat-fai LAM, who are independent non-executive Directors and have served the Board for more than 9 years, will retire by rotation and offer themselves for re-

Corporate Governance Report

election at the Company's forthcoming AGM in 2015. The re-elections of Mr. Ping-wing PAO and Mr. Yat-fai LAM as independent non-executive Directors will be considered by a vote on separate resolutions at the Company's forthcoming AGM.

To the best knowledge of the Company, except for: (i) the relationship between the Directors as disclosed in the "Biographical Details of Directors and Senior Management" of this Annual Report; and (ii) interests as set out in the sections headed "Directors' and Chief Executive Officer's Interests and Short Positions" and "Disclosable Interests and Short Positions of Shareholders under the SFO", respectively, in the "Directors' Report" of this Annual Report, there is no other financial, business, family or other material/relevant relationship between the Board members.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board is Mr. Ching-fat MA while the Chief Executive Officer ("CEO") of the Company is Mr. Shun-chuen LAM. There is a clear division of responsibilities between the Chairman and the CEO, in that the Chairman bears primary responsibilities for the functioning of the Board, by ensuring its effective operation, and ensuring good corporate governance practices and procedures being in place and maintained, while the CEO bears executive responsibility for the management of the day-to-day operations of the Group.

FUNCTIONS OF CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties including:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of the Directors and the senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct applicable to the employees and the Directors; and
5. to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

BOARD MEETINGS

Regular Board meetings are held at least 4 times a year by the Company at approximately quarterly intervals. The company secretary of the Company ("Company Secretary") assists the Chairman in preparing agenda for the Board meeting. Notice of convening the meeting shall be issued at least 14 days in advance of the meeting. Agenda for the meeting together with the relevant documents shall be dispatched to the Directors no less than 3 days prior to the meeting for their review. All Directors were given opportunity to include matters in the agenda that they would like to discuss at the meeting. The Company Secretary shall record matters considered by the Board and maintains the minutes of meetings. Draft minutes of the Board meetings will be circulated to the Directors for their comment within reasonable time after the Board meeting is held and copies of final version of the minutes will also be sent to all Directors for information and records. The Board committees will also adopt and follow the foregoing procedures for the Board committee meetings.

Besides the regular Board meetings, all Directors are provided with monthly updates on the Company's performance, position and prospects.



Corporate Governance Report

For the Reporting Year, the attendance of the Board meetings, the Board committees' meetings and the AGM are as follows:

Name of Directors	Board Meetings	Audit committee of the Board (the "Audit Committee") Meetings	Remuneration committee of the Board (the "Remuneration Committee") Meetings		Nomination Committee Meetings	AGM
			Meetings attended/held			
* Mr. Ching-fat MA, <i>BBS</i>	4/4	–	–	–	–	1/1
* Mr. Ching-choi MA	4/4	–	–	–	–	1/1
* Mr. Shun-chuen LAM	4/4	–	–	–	–	1/1
^ Mr. Dominic LAI	4/4	2/2	–	–	–	1/1
# Mr. Yau-nam CHAM	4/4	–	–	–	–	1/1
# Mr. Ping-wing PAO, <i>JP</i>	4/4	2/2	1/1	–	1/1	1/1
# Mr. Yat-fai LAM	4/4	2/2	1/1	–	1/1	1/1

* *Executive Director*
 ^ *Non-executive Director*
 # *Independent Non-executive Director*

During the Reporting Year, the Board convened 4 meetings and conducted, inter alia, the following activities:

1. to approve the interim and annual reports, and matters necessary to be considered at the AGM;
2. to review the overall performance and financial position of the Group; and
3. to review and approve corporate strategies of the Group.

In addition to the Board meetings, the Chairman also held one meeting with non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the Reporting Year.

SENIOR MANAGEMENT MEMBERS' REMUNERATIONS

Details of the remuneration of the Directors are set out in note 14 to the financial statements in the audited consolidated financial statements (the "Financial Statements") of the Group for the Reporting Year. Pursuant to B.1.5 of the Code, for the Reporting Year, the remuneration range of the senior management members of the Company, who are the executive Directors, is set out below:

Remuneration range (HK\$'000)	Number of persons
2,500 to 3,500	1
15,000 to 20,000	2

Corporate Governance Report

DIRECTORS' TRAINING

All Directors are encouraged to participate in continuous professional development (“CPD”) training to refresh their knowledge and skills. The Company Secretary provides the Directors with updates on latest development in and amendment to the Listing Rules and other relevant legal and regulatory requirements from time to time. During the Reporting Year, the Company also arranged 4 CPD training courses conducted by the qualified professionals and provided reading materials to the Directors for internal training. Topics of the CPD training courses comprised corporate governance and compliance related matters, and updates on the Listing Rules amendments and other Ordinance amendments. The Directors are required to provide the Company with the details of the CPD training undertaken by them. Based on the details provided by the Directors, the Directors have complied with A.6.5 of the Code in relation to the CPD requirements during the Reporting Year.

The Company received confirmations from the Directors and was confirmed that they provided sufficient time and attention to the affairs of the Company during the Reporting Year.

BOARD COMMITTEES

The Board committees established by the Board have clearly-defined written terms of reference. The independent views and recommendations of these committees ensure proper control of the Company and the continuous achievement of the high standard corporate governance. Each committee is authorised by the Board to investigate any activity and seek any information it requires within its terms of reference. It is also authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if necessary.

Executive Committee

The executive committee of the Company (the “Executive Committee”) comprises three executive Directors, Mr. Ching-fat MA, Mr. Ching-choi MA and Mr. Shun-chuen LAM. Mr. Ching-fat MA is the chairman of the Executive Committee.

The principal duties of the Executive Committee are to manage and develop generally the business of the Company and to review the corporate governance policies and make recommendations to the Board.

Audit Committee and Accountability

The Audit Committee comprises two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO, and one non-executive Director, Mr. Dominic LAI. Mr. Yat-fai LAM is the chairman of the Audit Committee.

The terms of reference of the Audit Committee were formulated in accordance with the requirements of the Listing Rules and have been published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal duties of the Audit Committee are to monitor the integrity of the Company’s financial statements, reports, accounts and financial controls; review the internal controls and risk management system; and monitor the audit procedures of the external auditor. During the Reporting Year, the Audit Committee discharged its principal duties. The Audit Committee also reviewed the Group’s audited financial statements for the year ended 31 March 2014, unaudited interim financial statements for the six months ended 30 September 2014 and the internal control reports.



Corporate Governance Report

The Directors acknowledge their responsibility for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the Group's results and cash flow for that period. The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management. The Directors confirm that the Financial Statements for the Reporting Year were prepared in accordance with statutory requirements and applicable accounting standards. The Directors also confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, they were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

Remuneration Committee

The Remuneration Committee comprises two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. Mr. Yat-fai LAM is the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management; reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and making recommendations to the Board on the remuneration of non-executive Directors. During the Reporting Year, the Remuneration Committee discharged its principal duties. The Remuneration Committee also reviewed the remuneration policies of the Directors and made the recommendations to the Board. The Directors' remuneration is determined with reference to their performance, duties with the Company, the Company's prevailing standards for emoluments and the market conditions.

Nomination Committee

The Nomination Committee comprises two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. Mr. Yat-fai LAM is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board; assessing the independence of the independent non-executive Directors; monitoring the implementation of the Board Diversity Policy and reviewing the Board Diversity Policy as appropriate to ensure its effectiveness; and identifying suitable candidate for being a Director and making recommendation to the Board accordingly. During the Reporting Year, the Nomination Committee discharged its principal duties.

Investment Committee

The investment committee of the Board (the "Investment Committee") comprises two executive Directors, Mr. Ching-choi MA and Mr. Shun-chuen LAM and one independent non-executive Director, Mr. Yat-fai LAM. Mr. Ching-choi MA is the chairman of the Investment Committee.

The principal duties of the Investment Committee are to enhance the Company's risk management; provide market information; and advise and make recommendations to the Board on the Company's proposed investments which are not related to the core business of the Group.

Corporate Governance Report

Corporate Social Responsibility Committee

The corporate social responsibility committee of the Company (the “CSR Committee”) comprises one executive Director, Mr. Ching-fat MA and two independent non-executive Directors, Mr. Yau-nam CHAM and Mr. Ping-wing PAO. Mr. Ching-fat MA is the chairman of the CSR Committee.

The CSR Committee is mainly responsible for developing and reviewing the strategies and policies of the corporate social responsibilities of the Company; and monitoring the Company’s environmental and social governance to ensure the compliance with the legal and regulatory requirements. The CSR Committee is also responsible for preparing the annual Environmental, Social and Governance Report to be submitted to the Board for consideration and approval.

INTERNAL CONTROL

The Board delegates the Audit Committee to review and monitor the implementation of the internal control system of the Group to ensure the effective operation of the system. The internal control system helps the Group attain its business objectives, protect the assets from unauthorised uses or disposals, and ensure the maintenance of proper accounting records. It can also provide reliable financial information for internal uses or external dissemination while ensuring the compliance with relevant ordinances and regulations.

Internal Control Environment

The Group has established an organisational structure and a comprehensive reporting system to specify the relevant operating policies and procedures, duties and authorities.

The management is delegated by the Board to enforce the established corporate strategies, policies and contracts and deal with the related issues. The management holds meetings regularly to review the day-to-day operating performance and formulates operating objectives and strategies. Supervisors from all departments shall report the working progress, relay the feedback and discuss the current policies. They shall also enhance the communication and coordination with other departments and improve the quality of their work to attain the business objectives. Operating budgets shall be prepared by the relevant departments and shall be implemented subject to the review by the management. The Group has procedures in place to assess, review and approve the major capital and recurring expenses, and to analyse the discrepancy between the operating results and the budgets and report to the Board on a regular basis.

Internal Audit

The Group has established an internal control group to perform internal audit and carry out other duties related to review or investigation in nature. The internal control group also reviews the internal control measures of the Group, and assesses the sufficiency and effectiveness of the measures and makes recommendations to the management. The scope of audit primarily covers financial control, operating control, compliance of regulations and risk management. The internal control group operates independently and has access to the information necessary to discharge its duties.



Corporate Governance Report

The audit duties include:

1. carrying out regular on-site review and examination of all departments to ensure the proper implementation and preservation of the established policies, operating procedures and maintenance of records of the Group, the adequate protection of assets and the appropriate utilisation of resources;
2. reviewing the risks or specific concerns suggested by the Audit Committee or the management; and
3. establishing the relevant procedures for the purpose of mitigating the risk of failure to attain business objectives.

The internal control group reports the review findings and recommendations to the management on a regular basis. The reports together with the feedback of the management shall be submitted to the Audit Committee for further discussion and approval before it is submitted to the Board for review.

For the Reporting Year, the Audit Committee and the Board have reviewed the effectiveness of the Group's internal control system and there was no material internal control deficiency that may affect the Shareholders, which has come to the attention of the Audit Committee or the Board.

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 Reporting Year.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matter. The Company Secretary confirms that during the Reporting Year, he has taken no less than 15 hours of relevant professional training.

AUDITORS' REMUNERATION

For the Reporting Year, the external auditor received approximately HK\$890,000, being the audit fees in full in relation to the audit services rendered and approximately HK\$115,000 being the fees for non-audit services rendered.

CONSTITUTIONAL DOCUMENT

Save and except for the changes in the Company's Articles of Association disclosed in the Company's Annual Report 2014 due to operation of the Companies Ordinance, which have become effective since 3 March 2014, there was no change in the Company's Articles of Association during the Reporting Year.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Shareholders are encouraged to attend all general meetings of the Company. Shareholders holding not less than 5% of the total voting rights of all Shareholders have rights to call for a general meetings and put forward agenda items for consideration by Shareholders. Shareholders may make such a request together with the proposed agenda items by written or electronic format and send to the Company Secretary. If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may by themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date.

In addition, Shareholders representing not less than 2.5% of the total voting rights of all Shareholders or of at least 50 Shareholders, may put forward proposals for consideration at the AGM. However, all proposals should be submitted by written or electronic format and send to the Company Secretary at least 6 weeks before the AGM or the time at which notice is given of that AGM in the case of a requisition requiring notice of a resolution or one week before the AGM in the case of any other requisition. The Company shall send a copy of such notice of resolution or the statement in respect of any other requisition to the Shareholders at the Company's expenses. If, however, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, the AGM is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the time required as referred to above shall be deemed to have been properly deposited for the purposes thereof.

Enquiries may be put to the Board through the Company Secretary by post at Oriental Press Centre, 23 Dai Cheong Street, Tai Po Industrial Estate, Hong Kong or by email to finance@on.cc.

COMMUNICATION WITH SHAREHOLDERS

The Company has developed a Shareholders' communication policy. The policy aims to promote effective communication with Shareholders and other stakeholders and is reviewed on a regular basis. AGMs of the Company are the Company's primary channel for communication with Shareholders. The chairman of the AGMs proposes separate resolutions for each issue to be considered. During the Reporting Year, the chairmen of the Board, Audit Committee, Remuneration Committee and Nomination Committee and external auditor attended the Company's AGM to answer Shareholders' questions. The notice of AGMs and related information will be given to Shareholders at least 20 business days before the meeting. The chairman of the AGMs exercises his power under the Company's Articles of Association to put each proposed resolution to the vote by way of conducting a poll. The rules and procedures of the vote will be clearly explained before it commences at the meeting, and the results will be announced on the respective websites of the Company and the Stock Exchange on the same day.



Environmental, Social and Governance Report

Set up in March 2013, the Corporate Social Responsibility Committee of Oriental Press Group Limited (the “Company”) is chaired by Mr. Ching-fat MA, the chairman of the Company, together with its subsidiaries (collectively, the “Group”). The Committee has set relevant objectives and policies in order to make preparation for and manage risks arising from economic, environmental and social development, creating value of sustainable development and fulfilling the Group’s corporate social responsibilities.

COMMUNITY

For the period from 1 April 2014 to 31 March 2015 (the “Reporting Year”), the Group has taken part in and promoted various activities as always, making contribution to the society. The following is a summary of these activities:

The Group co-organises the “Panasonic School’s Basketball Championship” in May every year. The tournament has become one of the four major schools events. More than 40 schools have participated in the event. In the tournament of this year, celebrities enthusiastic in basketball were invited to take part in the exhibition game, making the atmosphere of event more exciting. The tournament attracted more than ten thousand spectators each year. “Oriental Daily News”, “The Sun” and “on.cc” have reported the features and results of the event in order to promote healthy sports among young people and to encourage more schools to participate in it.

In addition to implementing environmental protection measures in the offices, the Group has also encouraged its employees to participate in the environmental protection activities in the community. During the Reporting Year, the Group’s employees again participated in “Hong Kong Cleanup” organised by Ecovision Asia. They worked with the participating artists cleaning Wu Kai Sha Beach and were awarded the Best Team Spirit Gold Award in the event. This activity was reported by the Group through “Oriental Daily News”, “The Sun” and “FLASHoN” to raise readers’ awareness of environmental protection, encouraging the public to contribute to environmental protection in Hong Kong.

In addition, in order to develop a new generation of journalists and drive social development, the Group has organised students from secondary schools and colleges to visit Oriental Press Centre over the years, enabling young people to better understand the operation of media industry and the newspaper printing process, so as to increase students’ interest in journalism and identify those who have the potential to become media professionals. Students from a number of schools and associations including the Chinese Media Writing and Production programme of Lingnan Institute of Further Education, Lingnan Secondary School, Bishop Hall Jubilee School, Yan Oi Tong Tin Ka Ping Secondary School, VTC School of Business and Information Systems, The Church Of Christ In China Kei To Secondary School, Ching Chung Hau Po Woon Secondary School and SKH Holy Carpenter Secondary School took such tour during the Reporting Year. Through the tour, students further understood newspaper printing and the production of website news. Some students even had the opportunity to act as online news anchors. The students said that the tour was really eye-opening and that they were impressed by the media profession.

In addition to the above activities, the Group has upheld the philosophy of serving society and organised various charity and fundraising activities through “Oriental Daily News Charitable Fund”, which was established in May 1985, and “The Sun Charitable Fund”, which was established in March 1999. Every dollar raised has been used for charitable purposes, providing appropriate assistance to the vulnerable groups.

During the Reporting Year, the Group continued to fund all the administrative expenses of “Oriental Daily News Charitable Fund” and “The Sun Charitable Fund”. The Group also reserved spaces in the two papers to call for donations for individual cases, giving support to people in need. The donations raised by the two charitable funds were allocated to individuals in need, for the purposes including medical treatment, burial, emergency aid, bursaries and other special needs. In addition, the activities organised by the charitable funds of the two newspapers independently or in conjunction with other organisations in the Reporting Year include:

Environmental, Social and Governance Report

Social Work Students Bursaries

Social workers assume the responsibility of “Life on Life”. However, many social work students are unable to focus on their study due to economic problems. In view of this, “Oriental Daily News Charitable Fund” and “The Sun Charitable Fund” have held “Social Work Students Bursaries” continuously for years, giving bursaries to outstanding social work students in need of financial assistance. Since its establishment in 1990, the programme has allocated over HK\$13,480,000, benefiting more than 1,176 students.

Soup with Love Programme

A bowl of hot double-stewed soup not only provides inpatients with more nourishment, but also lets them feel the care of the community. Initiated by “Oriental Daily News Charitable Fund” since 1992, Soup with Love Programme has been providing long-term inpatients of Haven of Hope Hospital with soup every week and on traditional Chinese festivals to show support for them. For the past years, the fund has donated nearly HK\$1,370,000 to 430,000 beneficiaries.

Rice Donation Programme

“Oriental Daily News Charitable Fund” has been implementing its “Rice Donation Programme” since 1998. Every month, the fund gives out rice to approximately 6,000 beneficiaries through 80 elderly homes and community service organisations throughout Hong Kong to relieve the financial burden of the elderly from low-income families. Through all the years of continuing efforts, the programme has benefited more than 1,170,000 elderly people, giving out a total donation of more than HK\$28,400,000.

Rice Dumpling with Love Donation

Rice dumpling is a traditional festival food for the Dragon Boat Festival and it is of significance. “Oriental Daily News Charitable Fund” and “The Sun Charitable Fund” worked with CCT Telecom Holdings Charitable Foundation to give out rice dumplings in 2014. Rice dumplings were distributed to elderly people and low-income families through 78 community service organisations, benefiting more than 21,000 people. They are able to feel the caring of the community when enjoying tasty food.

Hong Thai Great Achievers Tour 2014

“Great Achievers Tour 2014” was organised by Hong Thai Study Tour Centre of Hong Thai Travel Services with the support from “The Sun Charitable Fund”. The fund selected outstanding senior secondary students from poverty-stricken families in Hong Kong to join a tour to Seoul, South Korea. Through the tour, they had the opportunity to experience the Korean Wave by exploring technology, traditional culture and even the K-pop trend in South Korea. A total of 16 students, including top scorers in HKDSE and top students from Mainland China, enjoyed the memorable tour to Seoul, obtaining real experience of learning through travelling.

Book with Love Scheme

In order to relieve the financial burden of poverty-stricken families as well as encouraging the students to study hard, “The Sun Charitable Fund” has been organising the “Book with Love Scheme” since 2000. In April 2014, the fund held the book donation activity, the fourth time jointly with Henderson Warmth Foundation, providing more than 330 outstanding students from poverty-stricken families with full sets of new textbooks. With the total sum sponsored exceeding HK\$1,000,000, the number of students benefited and the sum sponsored reached a record high. Thanks to the generous support of numerous kind-hearted people, the scheme has sponsored a total sum of over HK\$7,700,000 and benefited more than 3,500 students.



Environmental, Social and Governance Report

Half-Day Tour to the Clearwater Bay Golf and Country Club

The best way to learn is to experience and try personally. However, the scope of learning of teenagers from low-income families is limited to learning at school due to financial difficulty. In September 2014, “The Sun Charitable Fund” held the first “Half-Day Tour to the Clearwater Bay Golf and Country Club” jointly with the Clearwater Bay Golf and Country Club and Sai Kung District Community Centre Jockey Club Integrated Service, helping approximately 20 teenagers experiencing the sports of playing golf and tennis and learning table manners during the lunch time. The participants gained valuable experience from the activity.

Mooncakes as a Token of Love

Mid-Autumn Festival is a day for family reunion, and mooncakes are the special food for the festival. But many low-income elderly people and families do not buy mooncakes as they try to save money. On the Mid-Autumn Festival in 2014, “Oriental Daily News Charitable Fund” and “The Sun Charitable Fund” worked with CCT Telecom Holdings Charitable Foundation again holding the mooncakes distribution activity, distributing mooncakes to low-income families and elderly people through 157 community service organisations, benefiting more than 28,000 people.

Guided Tour to Ocean Park

In November 2014, “The Sun Charitable Fund” worked with Octopus Cards Limited for the first time to organise a “Guided Tour to Ocean Park”. The fund invited 40 children of low-income families from Chinese YMCA of Hong Kong visiting the Ocean Park. The tour helped them to understand the importance of conservation and protection of animals by experiencing various facilities in the park.

Warmth Giving Programme

“Oriental Daily News Charitable Fund” has been holding this activity since 1996, presenting useful gift packages to more than 10,000 elderly people and poverty-stricken families each year, relieving the financial burden of such low-income people and showing its care and greetings to them. In December 2014, “Oriental Daily News Charitable Fund” and “The Sun Charitable Fund” joined hands with Henderson Warmth Foundation again for the fourth time to give out 12,000 gift packages to the elderly and low-income families through 59 community service organisations and elderly homes.

Christmas Fun Tour on Star Cruises

Christmas is a festival celebrated around the world. With a view to bringing happiness to every corner, “The Sun Charitable Fund” worked with Genting Hong Kong Limited for the first time to organise “Christmas Fun Tour on Star Cruises” in December 2014. A total of 150 people from around 50 low-income families participated in a party on a liner on the sea. All of them enjoyed a happy night.

As of 31 December 2014, “Oriental Daily News Charitable Fund” has received donations amounting to approximately HK\$534,370,000 in from a total 751,798 donors and provided assistance to a total of 1,786,875 beneficiaries in 24,233 cases. The aggregate allocations amounted to more than HK\$488,470,000. As of 31 December 2014, “The Sun Charitable Fund” has received donations amounting to approximately HK\$26,900,000 in aggregate from a total of 31,942 donors and provided assistance to a total of 225,628 beneficiaries in 5,403 cases. The aggregate allocations amounted to approximately HK\$23,530,000.

Through the above activities, the Group has been promoting community activities and helping people in need, thereby performing its corporate social responsibilities and contributing to the community.

Independent Auditor's Report

恒健會計師行有限公司 HLM CPA LIMITED

Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

To the members of Oriental Press Group Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Oriental Press Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 88, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

HLM CPA Limited

Certified Public Accountants

Ng Fai Fiona

Practicing Certificate Number P4986

Hong Kong, 19 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	5	1,324,717	1,436,486
Other income	5	41,913	40,526
Raw materials and consumables used		(300,732)	(367,826)
Staff costs including directors' emoluments	7	(732,718)	(710,490)
Depreciation		(78,062)	(74,485)
Net exchange loss		(37,361)	(26,973)
Other operating expenses		(174,702)	(178,958)
Fair value adjustments on investment properties		33,976	9,370
Net gain on disposal of property, plant and equipment		538	26
Profit from operations	8	77,569	127,676
Finance costs	9	(337)	(419)
Profit before tax		77,232	127,257
Income tax expense	10	(25,388)	(37,056)
Profit for the year		51,844	90,201
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
– Surplus on revaluation of building		47,656	44,273
– Deferred tax liabilities arising on revaluation of building		(4,620)	(4,290)
		43,036	39,983
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange loss on translation of financial statements of foreign operations		(4,969)	(7,062)
Other comprehensive income for the year, net of tax		38,067	32,921
Total comprehensive income for the year		89,911	123,122
Profit for the year attributable to:			
Owners of the Company	11	51,052	90,361
Non-controlling interests		792	(160)
		51,844	90,201
Total comprehensive income attributable to:			
Owners of the Company		89,501	123,526
Non-controlling interests		410	(404)
		89,911	123,122
Earnings per share for profit attributable to owners of the Company	13		
– Basic		HK2.13 cents	HK3.77 cents
– Diluted		HK2.13 cents	HK3.77 cents



Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	919,627	915,488
Leasehold land	16	25,208	25,996
Investment properties	17	210,169	216,616
Available-for-sale financial asset	18	4,745	4,745
Deferred tax assets	19	27,808	37,984
		1,187,557	1,200,829
Current assets			
Inventories	20	71,730	70,169
Trade receivables	21	187,397	198,964
Other debtors, deposits and prepayments	22	17,437	20,265
Taxation recoverable		12,047	1,759
Cash and bank balances	23	1,653,132	1,741,560
		1,941,743	2,032,717
Current liabilities			
Trade payables	24	26,528	31,420
Other creditors, accruals and deposits received	25	86,384	153,611
Taxation payable		363	12,070
Borrowings	26	8,118	8,577
		121,393	205,678
Net current assets		1,820,350	1,827,039
Total assets less current liabilities		3,007,907	3,027,868

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Non-current liabilities			
Borrowings	26	5,882	4,356
Deferred tax liabilities	19	107,311	98,813
		<u>113,193</u>	<u>103,169</u>
Net assets		<u>2,894,714</u>	<u>2,924,699</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	27	1,413,964	1,413,964
Reserves		1,478,174	1,508,569
		<u>2,892,138</u>	<u>2,922,533</u>
Non-controlling interests		<u>2,576</u>	<u>2,166</u>
Total equity		<u>2,894,714</u>	<u>2,924,699</u>

Ching-fat MA
Director

Ching-choi MA
Director



Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities			
Profit before tax		77,232	127,257
Adjustments for:			
Interest income		(11,676)	(10,297)
Interest expenses		337	419
Bad debts		–	348
Impairment losses on trade receivables		871	228
Depreciation		78,062	74,485
Net exchange loss		37,361	26,973
Amortisation of leasehold land		788	788
Fair value adjustments on investment properties		(33,976)	(9,370)
Net gain on disposal of property, plant and equipment		(538)	(26)
Operating profit before working capital changes		148,461	210,805
(Increase)/decrease in inventories		(1,561)	33,405
Decrease in trade receivables		10,696	49,273
Decrease/(increase) in other debtors, deposits and prepayments		1,178	(4,889)
Decrease in trade payables		(4,892)	(7,935)
(Decrease)/increase in other creditors, accruals and deposits received		(67,029)	32,543
Cash generated from operations		86,853	313,202
Income tax paid		(36,561)	(25,364)
Income tax refunded		339	12,568
Interest paid		(337)	(419)
Net cash generated from operating activities		50,294	299,987
Cash flows from investing activities			
Purchases of property, plant and equipment		(30,027)	(27,906)
Additions to investment properties		–	(34)
Net proceeds from disposal of property, plant and equipment		854	5,395
Interest received		11,478	10,297
Net cash used in investing activities		(17,695)	(12,248)
Cash flows from financing activities			
Dividends paid		(119,896)	(143,876)
Repayment of obligations under finance leases		(1,667)	(1,337)
Net cash used in financing activities		(121,563)	(145,213)
Net (decrease)/increase in cash and bank balances		(88,964)	142,526
Cash and bank balances at 1 April		1,741,560	1,601,803
Effect of foreign exchange rate changes		536	(2,769)
Cash and bank balances at 31 March	23	1,653,132	1,741,560

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Equity attributable to owners of the Company						Non-controlling		Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note)	Exchange reserve HK\$'000 (Note)	Properties revaluation reserve HK\$'000 (Note)	Retained profits HK\$'000 (Note)	Proposed dividend HK\$'000 (Note)	Total HK\$'000	interests HK\$'000	
At 1 April 2013	599,479	814,485	33,972	51,360	1,371,649	71,938	2,942,883	2,570	2,945,453
2013 final dividend paid	-	-	-	-	-	(47,959)	(47,959)	-	(47,959)
2013 special dividend paid	-	-	-	-	-	(23,979)	(23,979)	-	(23,979)
2014 interim dividend paid	-	-	-	-	(23,979)	-	(23,979)	-	(23,979)
2014 special dividend paid	-	-	-	-	(47,959)	-	(47,959)	-	(47,959)
Transactions with owners	-	-	-	-	(71,938)	(71,938)	(143,876)	-	(143,876)
Profit for the year	-	-	-	-	90,361	-	90,361	(160)	90,201
Other comprehensive income									
- Surplus on revaluation of building	-	-	-	44,273	-	-	44,273	-	44,273
- Deferred tax liability arising on revaluation of building	-	-	-	(4,290)	-	-	(4,290)	-	(4,290)
- Release of property revaluation reserve upon depreciation of leasehold building	-	-	-	(6,389)	6,389	-	-	-	-
- Exchange loss on translation of financial statements of foreign operations	-	-	(6,818)	-	-	-	(6,818)	(244)	(7,062)
Total comprehensive income for the year	-	-	(6,818)	33,594	96,750	-	123,526	(404)	123,122
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance	814,485	(814,485)	-	-	-	-	-	-	-
Proposed 2014 final dividend (Note 12)	-	-	-	-	(71,938)	71,938	-	-	-
At 31 March 2014 and 1 April 2014	1,413,964	-	27,154	84,954	1,324,523	71,938	2,922,533	2,166	2,924,699
2014 final dividend paid	-	-	-	-	-	(71,938)	(71,938)	-	(71,938)
2015 interim dividend paid	-	-	-	-	(47,958)	-	(47,958)	-	(47,958)
Transactions with owners	-	-	-	-	(47,958)	(71,938)	(119,896)	-	(119,896)
Profit for the year	-	-	-	-	51,052	-	51,052	792	51,844
Other comprehensive income									
- Surplus on revaluation of building	-	-	-	47,656	-	-	47,656	-	47,656
- Deferred tax liability arising on revaluation of building	-	-	-	(4,620)	-	-	(4,620)	-	(4,620)
- Release of property revaluation reserve upon depreciation of leasehold building	-	-	-	(7,773)	7,773	-	-	-	-
- Exchange loss on translation of financial statements of foreign operations	-	-	(4,587)	-	-	-	(4,587)	(382)	(4,969)
Total comprehensive income for the year	-	-	(4,587)	35,263	58,825	-	89,501	410	89,911
Proposed 2015 final dividend (Note 12)	-	-	-	-	(47,958)	47,958	-	-	-
At 31 March 2015	1,413,964	-	22,567	120,217	1,287,432	47,958	2,892,138	2,576	2,894,714

Note: These reserve accounts comprise the consolidated reserves of HK\$1,478,174,000 (2014: HK\$1,508,569,000) in the consolidated statement of financial position of the Group.



Notes to the Financial Statements

For the year ended 31 March 2015

1. GENERAL INFORMATION

Oriental Press Group Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Oriental Press Centre, 23 Dai Cheong Street, Tai Po Industrial Estate, Hong Kong and, its principal place of business is in Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities and other particulars of its subsidiaries are set out in note 38.

The financial statements for the year ended 31 March 2015 were approved and authorised for issue by the Board of Directors of the Company on 19 June 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements on pages 31 to 88 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

2.2 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties, which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Basis of preparation *(Continued)*

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Basis of consolidation *(Continued)*

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if these results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Investments in subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in subsidiaries are stated at cost less any identified impairment loss in the statement of financial position of the Company.

2.5 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (HK\$), which is also the Company's functional and the Group's presentation currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group, using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Leasehold building is stated at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and any subsequent impairment losses. Fair value is determined in appraisals by external professional valuers with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on revaluation of leasehold building is recognised in other comprehensive income and is accumulated in the properties revaluation reserve in equity, unless the carrying amount of that asset has previously suffered a revaluation decrease or impairment loss as described in note 2.18. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of leasehold building arising on revaluations or impairment testing is recognised in other comprehensive income to the extent of the revaluation surplus in the properties revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost or fair value, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost or fair value of assets less their residual values over their useful life, using the straight-line method, at the following rates per annum:

Leasehold building	Over the lease terms
Plant, machinery and printing equipment	5.0%–33.3%
Furniture, fixtures and equipment	20.0%–33.3%
Leasehold improvement	20.0%
Motor vehicles	18.8%–25.0%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful life on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 Leasehold land

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.14. Amortisation is calculated on a straight line basis over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2.8 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries are set out below.

Financial assets are classified into the categories of loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and, where allowed and appropriate, re-evaluates this designation at the end of each reporting period.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At the end of the each reporting period, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial assets.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(ii) Available-for-sale financial assets

Available-for-sale financial asset comprises club membership. Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are also classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised directly in other comprehensive income and accumulated separately in the available-for-sale financial assets revaluation reserve in equity, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity would be recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

For available-for-sale assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the each reporting period subsequent to initial recognition.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets *(Continued)*

Impairment of financial assets

At the end of the each reporting period, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial asset includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost; and
- the disappearance of an active market for financial asset because of financial difficulties.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Financial assets *(Continued)*

Impairment of financial assets (Continued)

(ii) Available-for-sale financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(iii) Financial assets carried at cost

The amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

2.11 Cash and bank balances

Cash and bank balances represent cash at banks and in hand, time deposits with banks and other financial institutions, and short-term liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition. For the purpose of the consolidated statement of cash flows, bank overdrafts or bank loans, if any, which are repayable on demand and form an integral part of an enterprise's cash managements are also included as component of cash and cash equivalents.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Financial liabilities

The Group's financial liabilities include borrowings, trade payables, other creditors, accruals and deposit received. They are included in line items in the consolidated statement of financial position as borrowings under current or non-current liabilities, trade payables, other creditors, accruals and deposits received.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in profit or loss. Those financial liabilities are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Borrowings

Borrowings (except for finance lease liabilities) are recognised initially at fair value, net of transaction costs incurred. Borrowings (except for finance lease liabilities) are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Included in the borrowings, finance lease liabilities are measured at initial value less capital element of lease repayment as set out in note 2.14.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group or the Company issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group or the Company under the guarantee and the amount of that claim on the Group or the Company is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Leasing *(Continued)*

The Group as lessee (Continued)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from leased asset are consumed.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of the each reporting period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events that are not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

2.16 Share capital

Ordinary shares are classified as equity.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of rebates and discounts and after elimination of sales and services rendered within the Group.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Revenue recognition *(Continued)*

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably as follows:

- (i) Revenue from sales of newspapers to distributors or customers is recognised when the products are delivered and title has passed.
- (ii) Advertising income is recognised when the relevant advertisement is published.
- (iii) Provision of printing services is recognised upon provision of the services.
- (iv) Restaurant operation income is recognised upon the sale of goods.
- (v) Rental income receivable under operating leases is recognised as revenue in profit or loss on a straight-line basis over the periods covered by the lease terms. Lease incentives granted are recognised as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.
- (vi) Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.
- (vii) Internet subscription income is recognised upon provision of the services.
- (viii) Internet advertising income is recognised on a straight-line basis over the period of the relevant advertisement is published.
- (ix) License fee income from hotel property is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Impairment of tangible and intangible assets other than goodwill *(Continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.19 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group’s obligations under the MPF Scheme are limited to the fixed percentage contributions payable.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Long service payments

Employees who have completed at least 5 years of services with the Group are entitled to a long service payment. The Group’s net obligations in respect of long service payments are the amounts of future benefits that employees have earned in return for their service in the current and prior periods, calculated in accordance with the applicable laws in Hong Kong.

2.20 Borrowing costs

All borrowing costs are expensed as incurred.



Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Financial Statements

For the year ended 31 March 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.23 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major product and service lines. The Group has identified only one reportable segment, the publication of newspapers.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except the corporate income and expenses which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but investments in available-for-sale financial asset.



Notes to the Financial Statements

For the year ended 31 March 2015

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted the following amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants, which are or have become effective for the Group's financial year beginning on 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments) HKAS 32 (Amendments)	Investment Entities Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Impairment of Assets – 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
HKFRS 2 included in Annual Improvements 2010-2012 Cycle (Amendments)	Definition of Vesting Condition ¹
HKFRS 3 included in Annual Improvements 2010-2012 Cycle (Amendments)	Accounting for Contingent Consideration in a Business Combination ¹
HKFRS 13 included in Annual Improvements 2010-2012 Cycle (Amendments)	Short-term Receivables and Payables
HKFRS 1 included in Annual Improvements 2011-2013 Cycle (Amendments)	Meaning of Effective HKFRSs

Note:

¹ Effective from 1 July 2014

The adoption of the new or revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Notes to the Financial Statements

For the year ended 31 March 2015

3. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2015 and which have not been adopted in these financial statements as follows:

HKFRS 9	Financial Instruments ⁶
HKFRS 14	Regulatory Deferral Accounts ³
HKFRS 15	Revenue from Contracts with Customers ⁵
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle ²
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 – 2014 Cycle ⁴
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception ⁴
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations ⁴
HKAS 1 (Amendments)	Disclosure Initiative ⁴
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ⁴
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants 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, with earlier application permitted

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, with earlier application permitted

⁵ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

⁶ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

The Group is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year; and as a result, there are changes to presentation and disclosure of certain information in the consolidated financial statements.



Notes to the Financial Statements

For the year ended 31 March 2015

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) *Estimated fair value of leasehold building and investment properties (collectively as "Building and Properties")*

The Building and Properties of the Group were stated at fair value in accordance with the accounting policy stated in notes 2.6 and 2.8. The fair value of the Building and Properties is determined by a firm of independently qualified professional valuers and the fair value of Building and Properties as at respective year end is set out in notes 15 and 17. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the estimation, consideration has been given to assumptions that are mainly based on market condition existing at the end of the reporting period and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

(ii) *Depreciation*

The Group depreciates the property, plant and equipment on a straight-line basis over the estimated useful lives as mentioned in note 2.6, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(iii) *Impairment of receivables*

The Group's management assesses the collectability of receivables. This estimate is based on the credit history of its customers and current market conditions. Management reassesses the impairment of receivables at the end of the each reporting period. Details of the assessment are set out in note 21.

(iv) *Provision for long service payment*

The Group's provision for long service payments is based on the best estimation of the probable future payments that have been earned by the employees from their services to the Group at the end of the reporting period. The payments due are dependent on future events and recent payment experience may be not indicative of future payments. Any increase or decrease in the provision would affect profit or loss in future years.

Notes to the Financial Statements

For the year ended 31 March 2015

5. REVENUE AND TURNOVER

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
Publication of newspapers	1,239,303	1,365,724
Internet subscription and advertising income	58,961	47,144
Rental income from investment properties	8,619	6,236
License fee income from hotel property	6,728	7,312
Income from restaurant operation	11,106	10,070
	<hr/> 1,324,717 <hr/>	<hr/> 1,436,486 <hr/>

	2015 HK\$'000	2014 <i>HK\$'000</i>
Included in other income are:		
Interest earned on bank deposits	11,676	10,297
Sales of scrap materials	5,697	6,726
	<hr/> 17,373 <hr/>	<hr/> 17,023 <hr/>

6. 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 revenues of other operating segments include rental income from investment properties, license fee income from hotel property and income from restaurant operation.



Notes to the Financial Statements

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6. SEGMENT INFORMATION (Continued)

Reportable segment revenue represented turnover of the Group in the 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, net exchange loss, 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:

	Publication of newspapers		All other segments		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000 (Restated)
Reportable segment revenue from external customers	<u>1,298,264</u>	<u>1,412,868</u>	<u>26,453</u>	<u>23,618</u>	<u>1,324,717</u>	<u>1,436,486</u>
Reportable segment profit	<u>86,730</u>	<u>156,331</u>	<u>36,161</u>	<u>8,650</u>	<u>122,891</u>	<u>164,981</u>
Unallocated corporate income					<u>27,446</u>	<u>28,350</u>
Unallocated corporate expenses					<u>(73,105)</u>	<u>(66,074)</u>
Profit before tax					<u>77,232</u>	<u>127,257</u>
Other information						
Depreciation and amortisation	<u>(77,983)</u>	<u>(74,567)</u>	<u>(867)</u>	<u>(706)</u>	<u>(78,850)</u>	<u>(75,273)</u>
Net surplus on revaluation of property, plant and equipment	<u>47,656</u>	<u>44,273</u>	<u>-</u>	<u>-</u>	<u>47,656</u>	<u>44,273</u>
Fair value adjustments on investment properties	<u>-</u>	<u>-</u>	<u>33,976</u>	<u>9,370</u>	<u>33,976</u>	<u>9,370</u>
Additions to non-current assets (Property, plant and equipment & investment properties) during the year	<u>34,698</u>	<u>42,494</u>	<u>924</u>	<u>3,345</u>	<u>35,622</u>	<u>45,839</u>

Notes to the Financial Statements

For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)

Reportable segment assets and liabilities

	Publication of newspapers		All other segments		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS								
Segment assets	1,241,691	1,239,445	229,732	247,796	–	–	1,471,423	1,487,241
Available-for-sale financial asset	–	–	–	–	4,745	4,745	4,745	4,745
Cash and bank balances	–	–	–	–	1,653,132	1,741,560	1,653,132	1,741,560
Consolidated total assets	1,241,691	1,239,445	229,732	247,796	1,657,877	1,746,305	3,129,300	3,233,546
LIABILITIES								
Segment liabilities	219,968	299,674	14,618	9,173	–	–	234,586	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	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (country of domicile)	1,309,370	1,422,938	940,465	936,423
Australia	15,347	13,548	214,539	221,677
	1,324,717	1,436,486	1,155,004	1,158,100

The geographical location of customers is determined based on the location in 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 revenues 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 year, HK\$484,966,000 (2014: HK\$ 527,443,000) out of the Group's revenue of HK\$1,324,717,000 was contributed by two (2014: two) customers. No other single customer contributed 10% or more to the Group's revenue for both 2015 and 2014.



Notes to the Financial Statements

For the year ended 31 March 2015

7. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

	2015 HK\$'000	2014 HK\$'000
Wages and salaries	704,866	680,261
Long service payments	–	4,560
Termination benefits	1,480	1,593
Pension costs – defined contribution plans	26,372	24,076
	<u>732,718</u>	<u>710,490</u>

8. PROFIT FROM OPERATIONS

	2015 HK\$'000	2014 HK\$'000
Profit from operations is arrived at after charging/(crediting):		
Auditor's remuneration	1,309	1,263
Cost of inventories recognised as expense	300,732	367,826
Bad debts	–	348
Impairment losses on trade receivables	871	228
Depreciation:		
– Owned assets	75,459	72,712
– Leased assets	2,603	1,773
Amortisation of leasehold land	788	788
Net exchange loss	37,361	26,973
Net gain on disposal of property, plant and equipment	(538)	(26)
Operating lease charges in respect of buildings	6,365	8,125
Rental income from investment properties (excluding hotel property)	(8,619)	(6,236)
Less: Outgoings associated with rental income	1,270	1,047
Rental income from investment properties (excluding hotel property) less outgoings	<u>(7,349)</u>	<u>(5,189)</u>

9. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interest charges on borrowings wholly repayable within 5 years:		
Other loan	269	290
Finance leases	68	129
	<u>337</u>	<u>419</u>

Notes to the Financial Statements

For the year ended 31 March 2015

10. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2015 HK\$'000	2014 HK\$'000
Current tax		
– Hong Kong Profits Tax	13,733	26,473
– Overseas Income Tax	516	826
	14,249	27,299
Under/(over) provision in prior year:		
– Hong Kong	–	(25)
– Overseas	–	1,680
	–	1,655
Deferred taxation (<i>Note 19</i>)		
– Current year	11,139	8,102
	25,388	37,056

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 HK\$'000	2014 HK\$'000
Profit before tax	77,232	127,257
Hong Kong Profits Tax at rate of 16.5% (2014:16.5%)	12,743	20,997
Effect of different tax rates of subsidiaries operating in other jurisdictions	4,512	780
Tax effect of non-taxable revenue	(2,045)	(2,042)
Tax effect of non-deductible expenses	10,236	9,031
Under provision in respect of prior year	–	1,655
Utilisation of tax losses previously not recognised	(246)	(30)
Tax effect on temporary differences not recognised	(14)	–
Tax effect of tax losses not recognised	409	246
Decrease in deferred tax asset resulting from disallowable tax losses	–	6,619
Tax effect on tax reduction	(207)	(120)
Others	–	(80)
Income tax expense	25,388	37,056



Notes to the Financial Statements

For the year ended 31 March 2015

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Of the consolidated profit attributable to owners of the Company of HK\$51,052,000 (2014: HK\$90,361,000), a profit of HK\$20,544,000 (2014: HK\$229,473,000) has been dealt with in the financial statements of the Company.

12. DIVIDENDS

(a) Dividends attributable to the year

	2015 HK\$'000	2014 HK\$'000
Interim dividend paid HK2 cents (2014: HK1 cent) per share	47,958	23,979
Special dividend paid Nil (2014: HK2 cents) per share	—	47,959
Proposed final dividend HK2 cents (2014: HK3 cents) per share	47,958	71,938
	<u>95,916</u>	<u>143,876</u>

A final dividend of HK2 cents (2014: final dividend of HK3 cents) per share has been proposed by the Board of Directors and is subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) Dividends recognised as distributions during the year

	2015 HK\$'000	2014 HK\$'000
2013 Final dividend	—	47,959
2013 Special dividend	—	23,979
2014 Interim dividend	—	23,979
2014 Special dividend	—	47,959
2014 Final dividend	71,938	—
2015 Interim dividend	47,958	—
	<u>119,896</u>	<u>143,876</u>

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$51,052,000 (2014: HK\$90,361,000) and on 2,397,917,898 (2014: 2,397,917,898) ordinary shares in issue during the year.

For the year ended 31 March 2015 and 2014, diluted earnings per share was the same as the basic earnings per share as there were no dilutive potential ordinary shares in issue for both years.

Notes to the Financial Statements

For the year ended 31 March 2015

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the seven (2014: seven) Directors were as follows:

	Fees <i>HK\$'000</i>	Salaries and allowances <i>HK\$'000</i>	Contribution to defined contribution plan <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2015				
Executive Directors				
Mr. Ching-fat MA	–	19,513	18	19,531
Mr. Ching-choi MA	–	15,613	18	15,631
Mr. Shun-chuen LAM	–	3,396	18	3,414
Non-executive Director				
Mr. Dominic LAI	120	–	–	120
Independent Non-executive Directors				
Mr. Yau-nam CHAM	110	–	–	110
Mr. Ping-wing PAO	140	–	–	140
Mr. Yat-fai LAM	145	–	–	145
	<u>515</u>	<u>38,522</u>	<u>54</u>	<u>39,091</u>
Year ended 31 March 2014				
Executive Directors				
Mr. Ching-fat MA	–	19,500	15	19,515
Mr. Ching-choi MA	–	15,600	15	15,615
Mr. Shun-chuen LAM	–	2,730	15	2,745
Non-executive Director				
Mr. Dominic LAI	120	–	–	120
Independent Non-executive Directors				
Mr. Yau-nam CHAM	110	–	–	110
Mr. Ping-wing PAO	140	–	–	140
Mr. Yat-fai LAM	145	–	–	145
	<u>515</u>	<u>37,830</u>	<u>45</u>	<u>38,390</u>



Notes to the Financial Statements

For the year ended 31 March 2015

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

The Directors' emoluments are determined with reference to Directors' duties and responsibilities with the Company, the Company's current standards for emoluments and the market conditions.

There was no arrangement under which a Director waived or agreed to waive any emoluments during the year.

During the year, no emoluments were paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

- (b) The emoluments of the top five individuals during the year included three (2014: three) Directors, details of whose emoluments are set out in note 14(a) above. The emoluments payable to the remaining two individuals during the year (2014: two) are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Salaries and other benefits	9,270	8,391
Contribution to defined contribution plan	35	30
	9,305	8,421

The emoluments of them fell within the following bands:

	Number of individuals	
Emolument bands	2015	2014
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$5,500,001 to HK\$6,000,000	–	1
HK\$6,500,001 to HK\$7,000,000	1	–

During the year, no emoluments were paid by the Group to these individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Notes to the Financial Statements

For the year ended 31 March 2015

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building <i>HK\$'000</i>	Plant, machinery and printing equipment <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Leasehold improvement <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost or valuation						
At 1 April 2013	603,000	869,372	126,746	4,352	23,001	1,626,471
Additions	-	29,003	7,959	2,770	6,073	45,805
Disposals	-	(3,380)	(6,666)	-	(4,420)	(14,466)
Revaluation surplus	26,000	-	-	-	-	26,000
Exchange adjustment	-	-	(1,566)	-	(83)	(1,649)
At 31 March 2014 and 1 April 2014	629,000	894,995	126,473	7,122	24,571	1,682,161
Additions	-	20,778	4,263	498	10,083	35,622
Disposals	-	(8,793)	(2,821)	-	(7,368)	(18,982)
Revaluation surplus	28,000	-	-	-	-	28,000
Exchange adjustment	-	(483)	(1,249)	-	(107)	(1,839)
At 31 March 2015	657,000	906,497	126,666	7,620	27,179	1,724,962
Depreciation						
At 1 April 2013	-	585,869	113,863	1,355	19,148	720,235
Provided for the year	18,273	46,930	4,233	1,424	3,625	74,485
Eliminated on disposal	-	(3,365)	(1,649)	-	(4,083)	(9,097)
Eliminated on revaluation	(18,273)	-	-	-	-	(18,273)
Exchange adjustment	-	-	(609)	-	(68)	(677)
At 31 March 2014 and 1 April 2014	-	629,434	115,838	2,779	18,622	766,673
Provided for the year	19,656	49,040	3,959	1,524	3,883	78,062
Eliminated on disposal	-	(8,697)	(2,697)	-	(7,272)	(18,666)
Eliminated on revaluation	(19,656)	-	-	-	-	(19,656)
Exchange adjustment	-	(45)	(935)	-	(98)	(1,078)
At 31 March 2015	-	669,732	116,165	4,303	15,135	805,335
Carrying value						
At 31 March 2015	657,000	236,765	10,501	3,317	12,044	919,627
At 31 March 2014	629,000	265,561	10,635	4,343	5,949	915,488



Notes to the Financial Statements

For the year ended 31 March 2015

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 March 2015, certain plant, machinery and printing equipment of the Group with a total net book value of HK\$5,690,000 (2014: HK\$4,503,000) are held under finance lease. The acquisition costs of HK\$5,595,000 (2014: HK\$17,899,000) were non-cash transactions during the year.

The carrying value of property shown above comprises:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Leasehold building situated in Hong Kong held under medium-term lease:	657,000	629,000

If leasehold building was stated on the historical cost basis, the amount would be as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Cost	546,636	546,636
Accumulated depreciation	(166,367)	(154,484)
Carrying values	380,269	392,152

The analysis of carrying value at cost or valuation of the above property, plant and equipment at 31 March 2015 and 2014 is as follows:

	Leasehold building <i>HK\$'000</i>	Plant, machinery and printing equipment <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Leasehold improvement <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At cost	–	236,765	10,501	3,317	12,044	262,627
At valuation – 2015	657,000	–	–	–	–	657,000
At 31 March 2015	657,000	236,765	10,501	3,317	12,044	919,627
At cost	–	265,561	10,635	4,343	5,949	286,488
At valuation – 2014	629,000	–	–	–	–	629,000
At 31 March 2014	629,000	265,561	10,635	4,343	5,949	915,488

Notes to the Financial Statements

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The building situated in Hong Kong was revalued at 31 March 2015 and 31 March 2014 by Messrs. DTZ Debenham Tie Leung Limited ("DTZ"), independent professional qualified valuer not connected to the Group. DTZ is a member of the Hong Kong Institute of Surveyor. The valuation was arrived at on a depreciated replacement cost basis. There has been no change to the valuation technique during the year in estimating the fair value of the property, the highest and best use of the properties is their current use.

There is a revaluation surplus of HK\$43,036,000 (2014: revaluation surplus of HK\$39,983,000), net of applicable deferred income tax, which was credited to the properties revaluation reserve in the equity attributable to owners of the Company.

Fair value measurement of the Group's leasehold building

Details of the Group's leasehold building and information about the fair value hierarchy as at 31 March 2015 are as follows:

	Level 3 <i>HK\$'000</i>	Fair value as at 31/3/2015 <i>HK\$'000</i>	Fair value as at 31/3/2014 <i>HK\$'000</i>
Leasehold building in Hong Kong	657,000	657,000	629,000

There were no transfers into or out of Level 3 during the year.

The following table gives information about how the fair values of the leasehold building are determined (in particular, the valuation techniques and inputs used).

Leasehold building held by the Group	Valuation techniques	Significant unobservable inputs	Sensitivity
Oriental Press Centre 23 Dai Cheong Street Tai Po Industrial Estate Hong Kong	Depreciated Replacement Costs ("DRC") approach	Replacement cost ranging from HK\$3,700 to HK\$14,400 per square metre from quantity surveyor report Depreciation rate of 2% per annum	A slight increase in the replacement cost per square metre would result in a significant increase in the fair value measurement of the building and vice versa



Notes to the Financial Statements

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16. LEASEHOLD LAND

The Group's interests in leasehold land representing prepaid operating lease payments and their carrying values are analysed as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
In Hong Kong held on:		
– Terms of leases from 10 to 50 years	<u>25,208</u>	<u>25,996</u>
Opening carrying values	25,996	26,784
Annual charges of prepaid operating lease payments	(788)	(788)
Closing carrying values	<u>25,208</u>	<u>25,996</u>

17. INVESTMENT PROPERTIES

Investment properties represent real estate properties located in overseas, which are owned for investment purposes only.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Fair value		
At 1 April	216,616	234,206
Additions	–	34
Exchange adjustments	(40,423)	(26,994)
Fair value adjustments	33,976	9,370
At 31 March	<u>210,169</u>	<u>216,616</u>
Unrealised gain on properties revaluation included in profit or loss	<u>33,976</u>	<u>9,370</u>

Notes to the Financial Statements

For the year ended 31 March 2015

17. INVESTMENT PROPERTIES (Continued)

Fair value measurement of the Group's investment properties

Investment properties situated in Australia were revalued at 31 March 2015 and 31 March 2014 by Messrs. Jeffrey Perkins & Assoc. Property Valuers & Consultants, independent qualified professional valuer not connected to the Group. Messrs. Jeffrey Perkins & Assoc. Property Valuers & Consultants is a member of the Real Estate Institute of New South Wales. The valuations were arrived at by reference to comparable sales evidence as available in the relevant market and, where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the respective properties at the end of the reporting period.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2015 are as follows:

	Level 3 <i>HK\$'000</i>	Fair value as at 31/3/2015 <i>HK\$'000</i>	Fair value as at 31/3/2014 <i>HK\$'000</i>
Investment properties located in Australia	210,169	210,169	216,616

There were no transfers into or out of Level 3 during the year.

The following table gives information about how the fair values of the major investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties held by the Group	Valuation techniques and key input	Significant unobservable inputs	Sensitivity
Hotel located in 383 Bulwara Road Ultimo 2007 Sydney Australia	Direct comparison approach from available sales evidence equates to approximately AUD135,417 per guest room and equates to approximately AUD5,773 per square metre land and building Income capitalisation approach from potential income stream	Potential significant income growth from increased tourism after completion of nearby Darling Harbour Convention Centre, approximately 7% per annum Increased development potential as a result of improving Sydney residential development market Planned upgrading of subject should significantly improve income over longer term, currently equivalent to approximately 7.7% per annum gross with improvement after upgrading	Increased fair value as a result of assumed potential income growth from increased tourism pending completion of Darling Harbour Convention Centre Increased fair value as potential development site subsequent to increasingly buoyant Sydney residential apartment market



Notes to the Financial Statements

For the year ended 31 March 2015

17. INVESTMENT PROPERTIES *(Continued)*

Fair value measurement of the Group's investment properties *(Continued)*

Investment properties held by the Group	Valuation techniques and key input	Significant unobservable inputs	Sensitivity
Retail and office building located in 2 Short Street Double Bay NSW Australia	Direct comparison approach from available sales evidence. Subject equates to approximately AUD9,097 per square metre, land and building	<p>The property has lowered its vacancy rate, but still has relatively high vacancy</p> <p>New restaurant tenant with extensive fitout at tenant's expense</p> <p>In inferior location to many comparable</p> <p>Improving Sydney commercial market, 4% of expected yield</p> <p>Residential development very buoyant</p> <p>A potential gross income stream capitalised at 7.27% expected yield</p>	<p>Increased fair value due to improving commercial market and new restaurant tenant, lowering vacancy factor</p> <p>However, possibly less development potential due to increased lease terms</p> <p>Inferior location reduces fair value on direct comparison basis</p>
Commercial and retail premises located in 29, 31 & 33 Bay Street Double Bay NSW Australia	Direct comparison approach from available sales evidence. Subject equates to approximately AUD12,418 per square metre, land and building	<p>The three premises overlap and are largely utilised as a single holding</p> <p>The Sydney commercial property market has improved</p> <p>Increased development potential as a result of buoyant Sydney residential development market, 4% of expected yield</p> <p>Moderate lease terms may facilitate development potential</p> <p>Superior retail location</p> <p>A potential gross income stream, capitalised at approximately 6% expected yield</p>	<p>Increased fair value as potential development site subsequent to increasingly buoyant Sydney residential apartment market</p> <p>Increased fair value from improving commercial market</p>

Notes to the Financial Statements

For the year ended 31 March 2015

17. INVESTMENT PROPERTIES (Continued)

Fair value measurement of the Group's investment properties (Continued)

Investment properties held by the Group	Valuation techniques and key input	Significant unobservable inputs	Sensitivity
Commercial and retail premises located in 35, 37 & 39 Bay Street Double Bay NSW Australia	Direct comparison approach from available sales evidence. Subject equates to approximately AUD14,377 per square metre, land and building	<p>A significant increase in the rental income of the property</p> <p>The three premises overlap and are largely utilised as a single holding</p> <p>The Sydney commercial property market has improved</p> <p>Increased development potential as a result of buoyant Sydney residential development market, 4% of expected yield</p> <p>Relatively large site improves development potential</p> <p>Superior retail location</p> <p>A potential gross income stream, capitalised at approximately 8% expected yield</p>	<p>Increased rental income has significantly increased fair value of the property</p> <p>Increased fair value as potential development site subsequent to increasingly buoyant Sydney residential apartment market</p>

There has been no change from the valuation technique used in the prior year.

In estimating the fair value for the properties, the highest and best use of the properties is their current use.

The Group's interest in investment properties at their carrying amounts is analysed as follows:

	2015 HK\$'000	2014 HK\$'000
Outside Hong Kong, freehold	<u>210,169</u>	<u>216,616</u>

18. AVAILABLE-FOR-SALE FINANCIAL ASSET

	2015 HK\$'000	2014 HK\$'000
Club membership, stated at cost	<u>4,745</u>	<u>4,745</u>

The club membership does not have a quoted market price in an active market and whose fair value cannot be reliably measured. The Group intends to continue to hold the membership.



Notes to the Financial Statements

For the year ended 31 March 2015

19. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates at end of the reporting period in the tax jurisdiction concerned.

The movement in deferred tax assets and liabilities during the year is as follows:

	Accelerated tax depreciation <i>HK\$'000</i>	Revaluation of properties <i>HK\$'000</i>	Tax losses <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013	69,703	10,635	(32,945)	(3,191)	44,202
Recognised in profit or loss (<i>Note 10</i>)	(833)	2,822	6,473	(360)	8,102
Recognised in other comprehensive income	–	4,290	–	–	4,290
Exchange differences	–	1,763	2,472	–	4,235
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014 and 1 April 2014	68,870	19,510	(24,000)	(3,551)	60,829
Recognised in profit or loss (<i>Note 10</i>)	(372)	10,193	65	1,253	11,139
Recognised in other comprehensive income	–	4,620	–	–	4,620
Exchange differences	–	691	2,224	–	2,915
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	68,498	35,014	(21,711)	(2,298)	79,503

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Deferred tax assets	(27,808)	(37,984)
Deferred tax liabilities	107,311	98,813
	<hr/>	<hr/>
	79,503	60,829

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. These tax losses have no expiry date. The Group has unrecognised tax losses of approximately HK\$2,479,000 (2014: HK\$1,491,000) due to the unpredictability of the future profit streams.

Notes to the Financial Statements

For the year ended 31 March 2015

20. INVENTORIES

	2015 HK\$'000	2014 <i>HK\$'000</i>
Newsprint and printing materials	55,067	54,059
Spare parts and supplies	14,930	14,672
Others	1,733	1,438
	71,730	70,169

Inventories of spare parts and supplies totalling HK\$14,930,000 (2014: HK\$14,672,000) are expected to be consumed and charged to profit or loss after more than twelve months.

21. TRADE RECEIVABLES

	2015 HK\$'000	2014 <i>HK\$'000</i>
Trade receivables	190,256	200,962
Less: Allowance for doubtful debts	(2,859)	(1,998)
	187,397	198,964

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

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
0 – 60 days	79,563	87,702
61 – 90 days	34,706	37,342
Over 90 days	73,128	73,920
	187,397	198,964

The carrying amount of trade receivables is considered a reasonable approximation of fair value as this financial asset is expected to be paid within a short timescale, such that the time value of money impact is not significant.

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.



Notes to the Financial Statements

For the year ended 31 March 2015

21. TRADE RECEIVABLES (Continued)

At the end of each reporting period, the Group's trade receivables over 365 days are individually and collectively assessed for any impairment. The individually impaired receivables, if any, are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision is recognised.

Included in the Group's trade receivables, the carrying amount of HK\$73,128,000 (2014: HK\$73,920,000) are past due but not impaired at the end of the reporting period.

Aging analysis of trade receivables which are past due but not impaired is as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
91 – 120 days	21,842	31,111
121 – 365 days	50,024	41,416
Over 365 days	1,262	1,393
	73,128	73,920

Trade receivables that were past due but not impaired are related to independent customers that had a good track record with the Group. Based on the past experience, management believed that no allowance for doubtful debts is necessary in respect of these balances as there had not been any significant change in credit quality and the balances were considered fully recoverable. The Group does not hold any collateral over the balances.

Movement in the allowance for doubtful debts is as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
At 1 April	1,998	2,478
Impairment losses recognised on receivables	1,607	245
Amount recovered during the year	(736)	(17)
Amounts written off as uncollectible	(10)	(708)
At 31 March	2,859	1,998

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$1,607,000 (31 March 2014: HK\$245,000) which have either been placed under liquidation or in severe financial difficulties.

Notes to the Financial Statements

For the year ended 31 March 2015

22. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2015 HK\$'000	2014 <i>HK\$'000</i>
Other debtors	4,679	4,625
Deposits	7,318	7,450
Prepayments	5,440	8,190
	<hr/> 17,437 <hr/>	<hr/> 20,265 <hr/>

The carrying amounts of other debtors, deposits and prepayments approximate to their fair values and are neither past due nor impaired.

23. CASH AND BANK BALANCES

	2015 HK\$'000	2014 <i>HK\$'000</i>
Cash at banks and in hand	122,785	264,677
Short-term bank deposits	1,530,347	1,476,883
	<hr/> 1,653,132 <hr/>	<hr/> 1,741,560 <hr/>

Included in cash and bank balances in the consolidated statement of financial position are the following amounts denominated in a currency other than the functional currency of the group entities to which they relate:

	2015 HK\$'000	2014 <i>HK\$'000</i>
United States Dollars ("US\$")	26,565	11,035
Australian Dollars ("AUD")	7,128	3,198
Renminbi("RMB")	1,110	439
Other Currencies	520	408
	<hr/> 35,323 <hr/>	<hr/> 15,080 <hr/>

Cash at banks earns interest at floating rates based on daily bank deposits rates. The effective interest rate of short-term bank deposits is ranging from 0.001% to 2.3% (2014: 0.01% to 4.4%) per annum and have a maturity period within one month and are eligible for immediate cancellation without receiving any interest for the last deposit period.



Notes to the Financial Statements

For the year ended 31 March 2015

24. TRADE PAYABLES

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
0 – 60 days	20,666	25,463
61 – 90 days	813	1,911
Over 90 days	5,049	4,046
	<hr/> 26,528 <hr/>	<hr/> 31,420 <hr/>

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

25. OTHER CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

	2015 HK\$'000	2014 <i>HK\$'000</i>
Other creditors	43,627	52,234
Accruals	25,745	35,276
Accrued wages	2,064	52,491
Deposits received	14,948	13,610
	<hr/> 86,384 <hr/>	<hr/> 153,611 <hr/>

The Group's accruals under current liabilities included the provision of long service payment and provision of litigation, as follows:

	Long service payment <i>HK\$'000</i>	Litigation <i>HK\$'000</i>
At 1 April 2014	30,386	982
Over-provision in respect of prior years	(5,764)	(19)
Reduction arising from payments	(3,112)	(848)
At 31 March 2015	<hr/> 21,510 <hr/>	<hr/> 115 <hr/>

All amounts are short term and hence the carrying values of the Group's other creditors and accruals are considered to be a reasonable approximation of fair value.

Notes to the Financial Statements

For the year ended 31 March 2015

26. BORROWINGS

	2015 HK\$'000	2014 HK\$'000
Borrowings wholly repayable within five years:		
– Other loan	5,962	7,173
– Obligations under finance leases	8,038	5,760
	14,000	12,933
Less: Current portion due within one year included under current liabilities		
– Other loan	5,962	7,173
– Obligations under finance leases	2,156	1,404
	8,118	8,577
Non-current portion included under non-current liabilities		
– Obligations under finance leases	5,882	4,356

At 31 March 2015 and 2014, the other loan is denominated in Australian Dollars made by a non-controlling shareholder of a subsidiary of the Company, unsecured, bearing interest at 4% per annum and repayable on demand.

The carrying amounts of borrowings approximate their fair value.



Notes to the Financial Statements

For the year ended 31 March 2015

26. BORROWINGS (Continued)

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

	Minimum lease payments		Present value of minimum lease payments	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Obligation under finance leases:				
Due within one year	2,190	1,479	2,156	1,404
Due in the second to fifth year	5,915	4,430	5,882	4,356
	8,105	5,909	8,038	5,760
Less: Future finance charges on finance leases	(67)	(149)		
Present value of lease obligations	8,038	5,760		
Less: Amount due for settlement within one year included under current liabilities			(2,156)	(1,404)
Amount due for settlement in the second to the fifth year included under non-current liabilities			5,882	4,356

The Group has entered into finance leases for certain plant, machinery and printing equipment. The leases run for a period of 5 years and do not have an option to renew the lease terms. All leases are on a fixed repayment basis and no arrangements have been entered into for any contingent rental provisions. Under the terms of lease, the Group has the option to purchase the lease assets at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the lease.

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

Notes to the Financial Statements

For the year ended 31 March 2015

27. SHARE CAPITAL

	Number of shares	HK\$'000
AUTHORISED:		
At 1 April 2013		
ordinary shares of HK\$0.25 each	<u>5,000,000,000</u>	<u>1,250,000</u>
At 31 March 2014, 1 April 2014 and 31 March 2015	<u>N/A</u>	<u>N/A</u>
Issued and fully paid:		
At 1 April 2013,		
ordinary shares of HK\$0.25 each	<u>2,397,917,898</u>	<u>599,479</u>
Transferred from share premium*	<u>–</u>	<u>814,485</u>
At 31 March 2014, 1 April 2014 and 31 March 2015		
ordinary shares with no par value	<u>2,397,917,898</u>	<u>1,413,964</u>

- * An entirely new 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.



Notes to the Financial Statements

For the year ended 31 March 2015

28. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

	2015 HK\$'000	2014 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	12,008	5,877
Available-for-sale financial asset	4,745	4,745
Investment in subsidiaries	1	1
	<u>16,754</u>	<u>10,623</u>
Current assets		
Other debtors, deposits and prepayments	217	888
Amounts due from subsidiaries	2,449,764	2,558,635
Taxation recoverable	678	–
Cash and bank balances	2,848	1,721
	<u>2,453,507</u>	<u>2,561,244</u>
Current liabilities		
Trade payables	2,789	2,543
Other creditors, accruals and deposits received	3,789	6,490
Amounts due to subsidiaries	–	95
Taxation payable	–	423
	<u>6,578</u>	<u>9,551</u>
Net current assets	<u>2,446,929</u>	<u>2,551,693</u>
Total assets less current liabilities	<u>2,463,683</u>	<u>2,562,316</u>
Non-current liabilities		
Deferred tax liabilities	1,350	631
Net assets	<u>2,462,333</u>	<u>2,561,685</u>
EQUITY		
Share capital	1,413,964	1,413,964
Reserves	1,048,369	1,147,721
Total equity	<u>2,462,333</u>	<u>2,561,685</u>

Notes to the Financial Statements

For the year ended 31 March 2015

29. RESERVES

The Company

	Share premium <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Proposed dividend <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013	814,485	990,186	71,938	1,876,609
2013 final dividend paid	–	–	(47,959)	(47,959)
2013 special dividend paid	–	–	(23,979)	(23,979)
2014 interim dividend paid	–	(23,979)	–	(23,979)
2014 special dividend paid	–	(47,959)	–	(47,959)
Proposed 2014 final dividend (<i>Note 12</i>)	–	(71,938)	71,938	–
Total comprehensive income for the year	–	229,473	–	229,473
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance	(814,485)	–	–	(814,485)
At 31 March 2014 and 1 April 2014	–	1,075,783	71,938	1,147,721
2014 final dividend paid	–	–	(71,938)	(71,938)
2015 interim dividend paid	–	(47,958)	–	(47,958)
Proposed 2015 final dividend (<i>Note 12</i>)	–	(47,958)	47,958	–
Total comprehensive income for the year	–	20,544	–	20,544
At 31 March 2015	–	1,000,411	47,958	1,048,369

30. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group, during the year, paid legal fees amounting to HK\$1,027,000 (2014: HK\$1,473,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive Director of the Company, is a senior partner of Messrs. Iu, Lai & Li. The transaction prices were considered by the Directors as estimated market price.

Besides, the Group sold two of its subsidiaries, Ferryhill Limited and Raybourne Limited, at a consideration of HK\$48,000 to Mr. Shun-choi LAM, a close family member of the Group's Directors.

The Directors are of the opinion that the key management personnel were solely the Directors of the Company, details of whose emoluments are set out in note 14(a) above.



Notes to the Financial Statements

For the year ended 31 March 2015

31. OPERATING LEASE COMMITMENTS

At 31 March 2015, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Within one year	5,049	5,927
In the second to fifth year	1,991	6,294
	7,040	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 dates as mutually agreed between the Group and respective landlords/lessors. None of the leases include contingent rentals.

32. OPERATING LEASE ARRANGEMENTS

At 31 March 2015, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of the investment properties as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Within one year	8,506	4,637
In the second to fifth year	7,869	3,836
	16,375	8,473

The Group's property rental income earned during the year was HK\$8,619,000 (2014: HK\$6,236,000). The Group leases its investment properties (Note 17) under operating lease arrangements which run for an initial period of half to five years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally require the tenants to pay security deposits. None of the leases include contingent rentals receivable.

33. CAPITAL COMMITMENTS

At 31 March 2015, the Group had the following capital commitments:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Capital expenditure in respect of the acquisition of property, plant and equipment and refurbishment to investment properties, contracted for but not provided in the financial statements	1,059	7,963

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34. RETIREMENT BENEFIT SCHEME

The employees of the Group in Hong Kong were covered under the MPF Scheme which is a defined contribution scheme and the assets are managed by the trustee. The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% of the staff's relevant income. The maximum relevant income of each staff for contribution purpose is HK\$30,000 per month. Staff members are entitled to 100% of the Group's contributions plus the accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

During the year, contributions to the MPF Scheme amounted to HK\$26,372,000 (2014: HK\$24,076,000).

35. 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 these litigations.

36. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. At 31 March 2015, the Group's net debt-to-adjusted capital ratio is zero (2014: zero). For the purpose of calculating the net debt-to-adjusted capital ratio, the Group defines net debt as total liabilities excluding deferred tax liabilities less cash and bank balances, and adjusted capital as all components of equity excluding proposed dividends.



Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group does not have written risk management policies and guidelines. However, the Directors meet periodically to analyse and formulate measures to manage the Group's exposure to credit risk, liquidity risk and market risk, including principally changes in interest rates and currency exchange rates.

The Group is not actively engaged in the trading of financial assets for speculative purpose. The most significant financial risks to which the Group is exposed are described below. See also note 37(f) for a summary of financial assets and liabilities by category.

(a) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group mainly operates in Hong Kong and most of the Group's transactions are carried out 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 currency giving rise to this risk is primarily Australian Dollars. 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.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised financial assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

	2015 AUD'000	2014 AUD'000
Cash and bank balances	1,201	446
Borrowings	(1,000)	(1,000)
Net exposure	201	(554)

Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(a) Currency risk *(Continued)*

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rate to which the Group's cash and bank balances and borrowings denominated in Australia Dollars having significant exposure at the end of the reporting period.

	2015		2014	
	Other components of consolidated equity <i>HK\$'000</i>	Profit or loss <i>HK\$'000</i>	Other components of consolidated equity <i>HK\$'000</i>	Profit or loss <i>HK\$'000</i>
AUD	<u>769</u>	<u>117</u>	<u>518</u>	<u>397</u>

The sensitivity analysis has been determined assuming that the reasonably possible change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rate, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period with reference to the historical trend of Australia Dollars against Hong Kong Dollars. 10% strengthening of Australia Dollars against Hong Kong Dollars at the end of the reporting period would increase equity and profit or loss by the amount shown above. 10% weakening of Australia Dollars against Hong Kong Dollars would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis is performed on the same basis for 2014. For currency risk exposure to US Dollars, it is assumed that the pegged rate between the US Dollars and Hong Kong Dollars would not be materially affected.



Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other debtors and bank deposits. The Group's exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	2015 HK\$'000	2014 HK\$'000
Classes of financial assets – carrying amounts		
Trade receivables	187,397	198,964
Other debtors	4,679	4,625
Cash and bank balances	1,653,132	1,741,560
	1,845,208	1,945,149

The Group allows an average credit of 90 days to its trade customers and no interest is charged. For the individual customers that had a good track record, the Group allows a longer credit term for them.

The Group has no significant concentration of credit risk arising from its ordinary course of business. The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external reports on customers and other counterparties are obtained and used.

None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of trade receivables and other debtors, the Group is not exposed to any significant credit risk exposure to any single counterparty. At 31 March 2015, the Group has bank deposits of HK\$1,530,347,000 (2014: HK\$1,476,883,000) in a bank. The credit risk for liquid funds is considered minimal, since the counterparties are reputable banks with high quality of external credit ratings.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 21.

Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances which generate interest income for the Group. The Group does not engage in derivative financial instruments to hedge its interest rate risk.

The following table details the interest rate profile of the Group's deposits at the end of the reporting period.

	2015		2014	
	Effective interest rate	HK\$'000	Effective interest rate	HK\$'000
Variable rate bank deposits:				
Bank balances	<u>0.001%-2.3%</u>	<u>1,530,347</u>	<u>0.01%-4.4%</u>	<u>1,476,883</u>

Sensitivity analysis

At 31 March 2015, it is estimated that a general increase/decrease of 10 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after tax and retained profits by approximately HK\$1,530,000 (2014: HK\$1,477,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments at the end of the reporting period. The 10 basis points increase or decrease represents management's assessment of reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis for 2014.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligation associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities have been put in place for contingency purposes.



Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

(d) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at end of the reporting period, based on the contractual undiscounted amounts, is as follows:

	Carrying amount HK\$'000	Contractual undiscounted cash flow				1 to 5 years HK\$'000
		Total HK\$'000	On demand HK\$'000	Less than 6 months HK\$'000	6 to 12 months HK\$'000	
2015						
Trade payables	26,528	26,528	26,528	-	-	-
Other creditors and accruals	71,436	71,436	71,436	-	-	-
Borrowings	14,000	14,067	5,962	1,095	1,095	5,915
	111,964	112,031	103,926	1,095	1,095	5,915
2014						
Trade payables	31,420	31,420	31,420	-	-	-
Other creditors and accruals	140,001	140,001	140,001	-	-	-
Borrowings	12,933	13,082	7,173	740	739	4,430
	184,354	184,503	178,594	740	739	4,430

(e) Fair value

The fair value of the Group's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term of these financial instruments.

Notes to the Financial Statements

For the year ended 31 March 2015

37. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at end of the reporting period are categorised as follows. See notes 2.9 and 2.12 for explanations about how the classification of financial instruments affects their subsequent measurement.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Financial assets		
Available-for-sale financial asset	4,745	4,745
Loans and receivables:		
Trade receivables	187,397	198,964
Other debtors	4,679	4,625
Cash and bank balances	1,653,132	1,741,560
	1,849,953	1,949,894
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	26,528	31,420
Other creditors and accruals	71,436	140,001
Borrowings	14,000	12,933
	111,964	184,354



Notes to the Financial Statements

For the year ended 31 March 2015

38. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2015 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up capital	Principal activity
Don Bon Management Limited	Hong Kong	HK\$100	Property leasing
Don Bon Property Limited	Hong Kong	HK\$1	Investing holding
Good News Publisher Limited	Hong Kong	HK\$100	Newspaper publication
Long Universal Limited [#]	Hong Kong	HK\$1	Canteen operation
Lucky Million Limited [#]	Hong Kong	HK\$1	Transportation service
ON.CC Limited [#]	Hong Kong	HK\$2	Website service provider
ON.CC Production Limited (Formerly known as Dragon Asia Property Limited)	Hong Kong	HK\$100	Website contents production
OPG Building Management Limited	Hong Kong	HK\$2	Building management
OPG Finance Limited	Hong Kong	HK\$2	Treasury company
OPG Human Resources Limited	Hong Kong	HK\$2	Human resources services
OPG Printing Limited	Hong Kong	HK\$100	Printing services
Oriental Daily News Limited	Hong Kong	HK\$100	Advertising agent
Oriental Daily Publisher Limited [#]	Hong Kong	HK\$100	Newspaper publication
Oriental Paperzine Limited	Hong Kong	HK\$100	Magazine publication
Oriental Press Centre Limited	Hong Kong	HK\$100	Property holding
Oriental Publications Limited	Hong Kong	HK\$100	Publication services
The Sun News Publisher Limited [#]	Hong Kong	HK\$100	Newspaper publication
The Sun Racing Journal Limited	Hong Kong	HK\$2	Horse racing journal publication
ORO Group Pty Limited ^{**}	Australia	AUD8,500,000	Property investment
Pacific Resort Holding Pty Limited ^{***}	Australia	AUD3,150,000	Hotel property investment

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

All the subsidiaries are directly held and wholly-owned private limited companies except otherwise stated.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

[#] 100% of equity interest indirectly held by the Company

^{**} 90% of equity interest indirectly held by the Company

^{*} Not audited by HLM CPA Limited

Five Year Financial Summary

	For the year ended 31 March				2015 HK\$'000
	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	
Revenue	<u>1,589,356</u>	<u>1,505,126</u>	<u>1,457,461</u>	<u>1,436,486</u>	<u>1,324,717</u>
Profit attributable to owners of the Company	<u>291,277</u>	<u>119,469</u>	<u>182,910</u>	<u>90,361</u>	<u>51,052</u>
Total assets	3,532,320	3,154,387	3,219,977	3,233,546	3,129,300
Total liabilities	(246,641)	(277,446)	(274,524)	(308,847)	(234,586)
Non-controlling interests	<u>(1,816)</u>	<u>(1,001)</u>	<u>(2,570)</u>	<u>(2,166)</u>	<u>(2,576)</u>
Equity attributable to owners of the Company	<u>3,283,863</u>	<u>2,875,940</u>	<u>2,942,883</u>	<u>2,922,533</u>	<u>2,892,138</u>



Schedule of Major Properties

Details of the Group's major properties as at 31 March 2015 are as follows:

Land and buildings

Location	Approximate floor area	Category	Lease term	Group interest	Existing use
Oriental Press Centre 23 Dai Cheong Street Tai Po Industrial Estate Tai Po Hong Kong	490,000 Sq ft	Industrial	Medium-term	100%	Own use
Aspire Hotel 383 Bulwara Road Ultimo 2007 Sydney Australia	24,000 Sq ft (site area)	Commercial	Freehold	90%	Operating hotel business by licensee
Rodeo Plaza 2 Short Street Double Bay NSW Australia	6,600 Sq ft	Commercial	Freehold	100%	Investment property
29, 31 & 33 Bay Street Double Bay NSW Australia	4,800 Sq ft	Commercial	Freehold	100%	Investment property
35, 37 & 39 Bay Street Double Bay NSW Australia	8,000 Sq ft	Commercial	Freehold	100%	Investment property