



東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

(Stock Code :18)

# 2015

INTERIM REPORT



# 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

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

## NOMINATION COMMITTEE

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

## INVESTMENT COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

## COMPANY SECRETARY

Mr. Wing-leung CHEUNG

## SOLICITORS

Iu, Lai & Li, Solicitors

## AUDITOR

HLM CPA Limited  
*Certified Public Accountants*

## BANKERS

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

## REGISTERED OFFICE

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

## SHARE REGISTRAR AND TRANSFER OFFICE

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

## STOCK CODE

The Stock Exchange of  
Hong Kong Limited 18

## CONTACT INFORMATION

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The board of directors (the “Board”) of Oriental Press Group Limited (the “Company”) announces that the unaudited consolidated results for the six months ended 30 September 2015 of the Company and its subsidiaries (collectively, the “Group”), together with the comparative figures for the corresponding period of the previous year, are as follows:

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Notes	Six months ended	
		30.9.2015 (Unaudited) HK\$'000	30.9.2014 (Unaudited) HK\$'000
Revenue		603,727	681,921
Other income		19,211	17,997
Raw materials and consumables used		(122,531)	(155,842)
Staff costs including directors' emoluments		(380,877)	(365,231)
Depreciation		(34,794)	(33,397)
Net exchange loss		(14,382)	(11,643)
Other operating expenses		(77,114)	(88,652)
Net gain on disposal of trademark		1,780	-
Net loss on disposal and write-off of property, plant and equipment		(1,617)	(60)
<b>(Loss)/profit from operations</b>		<b>(6,597)</b>	45,093
Finance costs		(151)	(186)
<b>(Loss)/profit before tax</b>		<b>(6,748)</b>	44,907
Income tax credit/(expense)	5	433	(8,582)
<b>(Loss)/profit for the period</b>		<b>(6,315)</b>	36,325
<b>Other comprehensive income/(expense):</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
— Surplus on revaluation of building		6,570	6,290
<b>Item that may be reclassified subsequently to profit or loss:</b>			
— Exchange loss on translation of financial statements of foreign operations		(5,247)	(748)
<b>Other comprehensive income for the period, net of tax</b>		<b>1,323</b>	5,542
<b>Total comprehensive (expenses)/ income for the period</b>		<b>(4,992)</b>	41,867

		<b>Six months ended</b>	
		<b>30.9.2015</b>	30.9.2014
		<b>(Unaudited)</b>	(Unaudited)
Notes		<b>HK\$'000</b>	HK\$'000
<b>(Loss)/profit for the period attributable to:</b>			
	Owners of the Company	<b>(6,407)</b>	36,273
	Non-controlling interests	<b>92</b>	52
		<u><b>(6,315)</b></u>	<u>36,325</u>
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
	Owners of the Company	<b>(4,888)</b>	41,913
	Non-controlling interests	<b>(104)</b>	(46)
		<u><b>(4,992)</b></u>	<u>41,867</u>
<b>(Loss)/earnings per share</b>			
	– Basic	<u><b>(HK0.27 cents)</b></u>	<u>HK1.51 cents</u>
	– Diluted	<u><b>(HK0.27 cents)</b></u>	<u>HK1.51 cents</u>

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# Condensed Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER 2015

	Notes	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	898,344	919,627
Leasehold land		24,814	25,208
Investment properties	9	191,326	210,169
Available-for-sale financial asset		4,745	4,745
Deferred tax assets		31,013	27,808
		<u>1,150,242</u>	<u>1,187,557</u>
<b>Current assets</b>			
Inventories		54,330	71,730
Trade receivables	10	182,847	187,397
Other debtors, deposits and prepayments		19,100	17,437
Taxation recoverable		11,755	12,047
Cash and bank balances		1,678,575	1,653,132
		<u>1,946,607</u>	<u>1,941,743</u>
<b>Current liabilities</b>			
Trade payables	11	21,846	26,528
Other creditors, accruals and deposits received		109,468	86,384
Taxation payable		4,321	363
Borrowings		7,493	8,118
		<u>143,128</u>	<u>121,393</u>
<b>Net current assets</b>		<u>1,803,479</u>	<u>1,820,350</u>
<b>Total assets less current liabilities</b>		<u>2,953,721</u>	<u>3,007,907</u>

	Notes	<b>30.9.2015 (Unaudited) HK\$'000</b>	31.3.2015 (Audited) HK\$'000
<b>Non-current liabilities</b>			
Borrowings		<b>4,872</b>	5,882
Deferred tax liabilities		<b>107,085</b>	107,311
		<b>111,957</b>	113,193
<b>Net assets</b>		<b>2,841,764</b>	2,894,714
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	12	<b>1,413,964</b>	1,413,964
Reserves		<b>1,425,328</b>	1,478,174
		<b>2,839,292</b>	2,892,138
<b>Non-controlling interests</b>		<b>2,472</b>	2,576
<b>Total equity</b>		<b>2,841,764</b>	2,894,714

# Condensed Consolidated Statement of Cash Flow

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended	
	30.9.2015 (Unaudited) HK\$'000	30.9.2014 (Unaudited) HK\$'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(6,748)	44,907
Adjustments for:		
Interest income	(6,008)	(5,614)
Interest expense	151	186
Impairment of trade receivables	1,433	537
Depreciation	34,794	33,397
Net exchange loss	14,382	11,643
Amortisation of leasehold land	394	394
Net loss on disposal and write-off of property, plant and equipment	1,617	60
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	40,015	85,510
Decrease/(increase) in inventories	17,400	(17,494)
Decrease/(increase) in trade receivables	3,117	(16,041)
Increase in other debtors, deposits and prepayments	(2,394)	(211)
Decrease in trade payables	(4,682)	(5,992)
Increase/(decrease) in other creditors, accruals and deposits received	23,077	(34,835)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	76,533	10,937
Income tax paid	(119)	(691)
Income tax refunded	407	339
Interest paid	(151)	(186)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	76,670	10,399

	<b>Six months ended</b>	
	<b>30.9.2015</b> <b>(Unaudited)</b> <b>HK\$'000</b>	30.9.2014 (Unaudited) HK\$'000
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(8,202)</b>	(13,221)
Net proceeds from disposal of property, plant and equipment	<b>4</b>	96
Interest received	<b>6,015</b>	5,614
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(2,183)</b>	(7,511)
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<b>Cash flows from financing activities</b>		
Dividends paid	<b>(47,958)</b>	(71,938)
Repayment of obligations under finance leases	<b>(817)</b>	(701)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(48,775)</b>	(72,639)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>25,712</b>	(69,751)
<b>Cash and bank balances at 1 April</b>	<b>1,653,132</b>	1,741,560
Effect of changes in foreign exchange rate	<b>(269)</b>	688
	<hr/>	<hr/>
<b>Cash and bank balances at 30 September</b>	<b>1,678,575</b>	1,672,497
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# Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Attributable to owners of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Exchange reserve HK\$'000 (Note)	Properties revaluation reserve HK\$'000 (Note)	Retained profits HK\$'000 (Note)	Proposed dividends HK\$'000 (Note)			
At 1 April 2014 (audited)	1,413,964	27,154	84,954	1,324,523	71,938	2,922,533	2,166	2,924,699
Dividends paid	-	-	-	-	(71,938)	(71,938)	-	(71,938)
Interim dividends proposed	-	-	-	(47,958)	47,958	-	-	-
Transactions with owners of the Company	-	-	-	(47,958)	(23,980)	(71,938)	-	(71,938)
Profit for the period	-	-	-	36,273	-	36,273	52	36,325
Other comprehensive income/ (expense) for the period								
– Surplus on revaluation of building	-	-	6,290	-	-	6,290	-	6,290
– Release of property revaluation reserve upon depreciation of leasehold building	-	-	(3,588)	3,588	-	-	-	-
– Exchange loss on translation of financial statements of foreign operations	-	(650)	-	-	-	(650)	(98)	(748)
Total comprehensive income for the period	-	(650)	2,702	39,861	-	41,913	(46)	41,867
At 30 September 2014 (unaudited)	1,413,964	26,504	87,656	1,316,426	47,958	2,892,508	2,120	2,894,628
At 1 April 2015	1,413,964	22,567	120,217	1,287,432	47,958	2,892,138	2,576	2,894,714
Dividends paid	-	-	-	-	(47,958)	(47,958)	-	(47,958)
Transactions with owners of the Company	-	-	-	-	(47,958)	(47,958)	-	(47,958)
(Loss)/profit for the period	-	-	-	(6,407)	-	(6,407)	92	(6,315)
Other comprehensive income/ (expense) for the period								
– Surplus on revaluation of building	-	-	6,570	-	-	6,570	-	6,570
– Release of property revaluation reserve upon depreciation of leasehold building	-	-	(4,486)	4,486	-	-	-	-
– Exchange loss on translation of financial statements of foreign operations	-	(5,051)	-	-	-	(5,051)	(196)	(5,247)
Total comprehensive (expenses)/ income for the period	-	(5,051)	2,084	(1,921)	-	(4,888)	(104)	(4,992)
<b>At 30 September 2015 (unaudited)</b>	<b>1,413,964</b>	<b>17,516</b>	<b>122,301</b>	<b>1,285,511</b>	<b>-</b>	<b>2,839,292</b>	<b>2,472</b>	<b>2,841,764</b>

Note: These reserve accounts comprise of the consolidated reserves of HK\$1,425,328,000 (six months ended 30 September 2014: HK\$1,478,544,000) in the condensed consolidated statement of financial position of the Group.

# Notes to the Condensed Consolidated Financial Statements

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

## **1. BASIS OF PREPARATION**

The financial information relating to the year ended 31 March 2015 that is included in the half-year Interim Report 2015 announcement as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

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

These interim condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2015.

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

Except as described in note 2, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group's financial statements for the year ended 31 March 2015.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The interim financial statements and selected explanatory notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").



## 2. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new or revised HKFRSs issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle
HKAS 19 (Amendments)	Defined benefit plans: Employee Contributions

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

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

HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle <sup>1</sup>
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations <sup>1</sup>
HKAS 1 (Amendments)	Disclosure Initiative <sup>1</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants <sup>1</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements <sup>1</sup>

Notes:

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

## 3. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 March 2015.

In 2015, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. And, there were no reclassifications of financial assets.

#### 4. SEGMENT INFORMATION

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

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

	Publication of newspapers		All other segments		Total	
	Six months ended		Six months ended		Six months ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue from external customers	<u>591,020</u>	<u>668,886</u>	<u>12,707</u>	<u>13,035</u>	<u>603,727</u>	<u>681,921</u>
Reportable segment profit	<u>8,281</u>	<u>57,134</u>	<u>1,802</u>	<u>743</u>	<u>10,083</u>	<u>57,877</u>
Unallocated corporate income					17,406	7,604
Unallocated corporate expenses					(34,237)	(20,574)
(Loss)/profit before tax					<u>(6,748)</u>	<u>44,907</u>
<b>Other information</b>						
Depreciation and amortisation	(34,850)	(33,351)	(338)	(440)	(35,188)	(33,791)
Additions to non-current assets (property, plant and equipment and investment properties) during the period	<u>8,332</u>	<u>13,136</u>	<u>601</u>	<u>287</u>	<u>8,933</u>	<u>13,423</u>

#### 4. SEGMENT INFORMATION (Continued)

##### Reportable segment assets and liabilities

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

	Publication of newspapers		All other segments		Unallocated		Total	
	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000
<b>ASSETS</b>								
Segment assets	1,204,242	1,241,691	209,287	229,732	-	-	1,413,529	1,471,423
Available-for-sale financial asset	-	-	-	-	4,745	4,745	4,745	4,745
Cash and bank balances	-	-	-	-	1,678,575	1,653,132	1,678,575	1,653,132
<b>Consolidated total assets</b>	<b>1,204,242</b>	<b>1,241,691</b>	<b>209,287</b>	<b>229,732</b>	<b>1,683,320</b>	<b>1,657,877</b>	<b>3,096,849</b>	<b>3,129,300</b>
<b>LIABILITIES</b>								
Segment liabilities	244,426	219,968	10,659	14,618	-	-	255,085	234,586

The Group's revenue 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	
	Six months ended			
	30.9.2015 (Unaudited) HK\$'000	30.9.2014 (Unaudited) HK\$'000	30.9.2015 (Unaudited) HK\$'000	31.3.2015 (Audited) HK\$'000
Hong Kong (country of domicile)	596,490	674,455	918,879	940,465
Australia	7,237	7,466	195,605	214,539
	<b>603,727</b>	<b>681,921</b>	<b>1,114,484</b>	<b>1,155,004</b>

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

During the current interim period, HK\$227,516,000 (six months ended 30 September 2014: HK\$240,389,000) out of the Group's revenue of HK\$603,727,000 (six months ended 30 September 2014: HK\$681,921,000) was contributed by two (six months ended 30 September 2014: two) customers. No other single customer contributed 10% or more to the Group's revenue for both periods in 2015 and 2014.

## 5. INCOME TAX (CREDIT)/EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profit for the period.

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

	<b>Six months ended</b>	
	<b>30.9.2015</b>	30.9.2014
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current tax:		
— Hong Kong Profits Tax	<b>3,950</b>	8,552
— Overseas Income Tax	<b>—</b>	271
	<b>3,950</b>	8,823
Deferred tax:		
— Current period	<b>(4,383)</b>	(241)
Income tax (credit)/expense	<b>(433)</b>	8,582

## 6. DIVIDENDS

During the current interim period, a final dividend of HK2 cents per share in respect of the year ended 31 March 2015 (2014: final dividend of HK3 cents per share) was declared and paid to the owners of the Company. The aggregate of the final dividend declared and paid in the interim period amounts to HK\$47,958,000 (2014: HK\$71,938,000).

Subsequent to the end of the current interim period, the Directors have determined that an interim dividend of HK1 cent (six months ended 30 September 2014: HK2 cents) per share will be paid to the owners of the Company whose names appear on the Register of Members on 10 December 2015.

## 7. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK\$6,407,000 (six months ended 30 September 2014: profit of HK\$36,273,000) and on 2,397,917,898 (six months ended 30 September 2014: 2,397,917,898) ordinary shares in issue during the period.

For the period ended 30 September 2015 and 2014, diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as no potential ordinary shares were in issue for both periods.

## 8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of and wrote off certain property, plant and equipment with an aggregate carrying amount of HK\$1,621,000 (six months ended 30 September 2014: HK\$156,000) for sale proceeds of HK\$4,000 (six months ended 30 September 2014: HK\$96,000), resulting in a loss on disposal and write-off of HK\$1,617,000 (six months ended 30 September 2014: HK\$60,000).

In addition, during the current interim period, the Group acquired HK\$8,993,000 (six months ended 30 September 2014: HK\$13,423,000) property, plant and equipment in which HK\$731,000 (six months ended 30 September 2014: HK\$202,000) were non-cash transactions.

At 30 September 2015, the carrying amount of the Group's leasehold building was stated at fair value, which was determined by the Directors with reference to the market evidence of transaction prices for similar properties. The resulting revaluation surplus of HK\$6,570,000 (30 September 2014: HK\$6,290,000) has been credited to the properties revaluation reserve in the shareholders' equity.

## 9. MOVEMENTS IN INVESTMENT PROPERTIES

No addition (six months ended 30 September 2014: Nil) of investment properties was made during the current interim period.

At the end of the current interim period, the Group's investment properties were valued by the Directors with reference to the market evidence of transaction prices for similar properties. There was no revaluation surplus or deficit arising from the revaluation of the investment properties as at 30 September 2015 (30 September 2014: Nil). Consequently, no revaluation surplus or deficit has been recognised in the current interim period.

## 10. TRADE RECEIVABLES

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

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

	<b>30.9.2015</b> <b>(Unaudited)</b> <b>HK\$'000</b>	31.3.2015 (Audited) HK\$'000
0–60 days	<b>87,650</b>	79,563
61–90 days	<b>31,671</b>	34,706
Over 90 days	<b>63,526</b>	73,128
	<b><u>182,847</u></b>	<u>187,397</u>

## 11. 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:

	<b>30.9.2015 (Unaudited) HK\$'000</b>	31.3.2015 (Audited) HK\$'000
0–60 days	<b>19,483</b>	20,666
61–90 days	<b>1,143</b>	813
Over 90 days	<b>1,220</b>	5,049
	<b><u>21,846</u></b>	<u>26,528</u>

## 12. SHARE CAPITAL

	<b>Number of shares</b>	<b>HK\$'000</b>
Issued and fully paid:		
At 31 March 2015, 1 April 2015 and 30 September 2015, ordinary shares with no par value	<u>2,397,917,898</u>	<u>1,413,964</u>

## 13. OPERATING LEASE COMMITMENTS

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

	<b>30.9.2015 (Unaudited) HK\$'000</b>	31.3.2015 (Audited) HK\$'000
Within one year	<b>3,973</b>	5,049
In the second to fifth years	<b>865</b>	1,991
	<b><u>4,838</u></b>	<u>7,040</u>

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

#### 14. OPERATING LEASE ARRANGEMENTS

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

	<b>30.9.2015 (Unaudited) HK\$'000</b>	31.3.2015 (Audited) HK\$'000
Within one year	<b>6,317</b>	8,506
In the second to fifth years	<b>5,652</b>	7,869
	<b><u>11,969</u></b>	<u>16,375</u>

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

#### 15. RELATED PARTIES TRANSACTIONS

The Group paid legal fees amounting to HK\$143,000 (six months ended 30 September 2014: HK\$952,000) to Messrs. Lu, Lai & Li. Mr. Dominic LAI, a non-executive Director, is a senior partner of Messrs. Lu, Lai & Li, during the current interim period. The transaction prices were considered by the Directors as estimated market price.

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

	<b>Six months ended</b>	
	<b>30.9.2015 (Unaudited) HK\$'000</b>	30.9.2014 (Unaudited) HK\$'000
Salary and short-term benefit	<b>17,339</b>	17,650
Post-employment benefit	<b>27</b>	26

#### 16. CAPITAL COMMITMENTS

	<b>30.9.2015 (Unaudited) HK\$'000</b>	31.3.2015 (Audited) HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment and refurbishment to investment properties, contracted but not provided for in the financial statements	<b>700</b>	1,059

**17. OUTSTANDING LITIGATIONS**

At the end of the reporting period, there were 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 that might arise from the litigations.

**18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements were approved by the Board of Directors on 20 November 2015.



# Management Discussion and Analysis

## RESULTS

For the six months ended 30 September 2015 (the “Reporting Period”), the unaudited consolidated loss attributable to owners of Oriental Press Group Limited (the “Company”) amounted to HK\$6,407,000, which was mainly due to the decrease in revenue, compensation paid to the staff being laid off amounting to HK\$14,747,000 and the exchange loss arising from the depreciation of Australian Dollars amounting to HK\$14,382,000.

## FINANCIAL RESOURCES AND LIQUIDITY

The Company, together with its subsidiaries, (collectively, the “Group”) always maintains a strong liquidity. The working capital as at 30 September 2015 amounted to HK\$1,803,479,000 (31 March 2015: HK\$1,820,350,000), which includes time deposits, bank balances and cash amounting to HK\$1,678,575,000 (31 March 2015: HK\$1,653,132,000). As at 30 September 2015, the Group’s gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders’ equity, was 0.4% (31 March 2015: 0.5%).

During the Reporting Period, the Group’s capital expenditure was HK\$8,993,000 (31 March 2015: HK\$35,622,000).

## DIVIDENDS

The directors of the Company (the “Directors”) recommend an interim dividend of HK1 cent (six months ended 30 September 2014: HK2 cents) per share of the Company (the “Share(s)”) for the Reporting Period, payable to the shareholders of the Company (the “Shareholder(s)”) whose names appear on the Register of Members of the Company on 10 December 2015. The proposed interim dividend will be payable on or around 18 December 2015.

## CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 9 December 2015 to 10 December 2015, during which period no transfer of Shares will be effected. In order to qualify for the interim dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company’s Share registrar, Tricor Friendly Limited, whose address is Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:00 p.m. on 8 December 2015.

## 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, and is also 73% higher than that of “Apple Daily”. With its quality readership of high income and strong spending power, “Oriental Daily News” is the obvious and preferred choice for advertisers. With its unparalleled strength and unswerving endeavour, “Oriental Daily News” has gained an excellent reputation and become the most influential newspaper in Hong Kong, enjoying extensive support from readers and advertisers over decades.

**“The Sun”** has been holding fast as the third best-selling Chinese newspaper in Hong Kong for 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 Sun” presents diversified contents in a simple and fresh layout. “SUN Focus” (SUN焦點), a column on critical events, and “Deep Search”(大搜查), a column exploring social issues, are particularly popular, while “Tactics on LE”(通識攻略) is a must-read for secondary school students, highly commended by the education community. “Goodlife”, the supplement of “The Sun”, offers overseas entertainment and fashion news, catering for the taste of young readers.

**“Good News”**, a unique entertainment paperzine for young readers, is distributed with “The Sun” each Friday and also given out free in certain downtown areas. Exclusive news reports and interviews with artists are the selling points of “Good News”. It carries profuse entertainment “secrets” in China and overseas and information on trends and leisure, while promoting a variety of products, which are hot topics among readers. With diversified and interesting contents, “Good News” has successfully taken up a solid share in the advertising market, contributing to the Group’s earnings continuously.

**“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 a summary analysis of the first two quarters in 2015 in Hong Kong by 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 and the longest time of viewing in Hong Kong; and it has recorded a historic high of 5.59 million monthly unique visitors, and more than 5.9 million downloads of mobile applications. In response to the rapid development of technology, “on.cc” has been enhancing its functions and enriching its contents. During the period under review, “on.cc” launched a mobile news website to enable netizens to share news, thereby successfully enlarging its reader group. In addition, at the beginning of this horse racing season, “on.cc” launched a new mobile application, “Racecourse Boss”, which allows users to calculate and predict the horses ranking by using a formula they select, successfully attracting a large number of horse racing fans. 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. For years, “on.cc” has been partnering with international search engines such as Google and Yahoo, which have selected and released at their websites real-time news provided by “on.cc” during the period under review, further extending the reach of “on.cc”.

**“ontv”**, an online television, keeps innovating its technology and contents. While providing latest videos of real-time news, “ontv” has also produced a variety of programmes during the period under review, including entertainment programmes “Metaphysics and Astrology”(玄學星相), “Korean Drama Chart”(韓劇榜) and “Korean Fashion”(韓風吹); financial programmes “Whats Up with Hong Kong Stocks”(港股WhatsUp) and “Financial Management for Kids”(兒童理財); sports programmes “Let’s Talk about Football”(我想和你吹吹波) and “Support HKPL”(我撐港超聯), etc. With diversified programmes to cater for the tastes of different netizens, “ontv” has expanded in the market of online television and increased the Group’s influence. “ontv” also utilised social networks to share video clips with netizens, successfully attracting more viewers. “ontv” keeps improving its live reporting technology for its website and mobile platform. During the period under review, “ontv” live-broadcasted sport events, such as “Panasonic School’s Basketball Championship Final” and “Hong Kong Junior Football League Final”, etc. In addition, matches of “Hong Kong Premier League” have been exclusively live-broadcasted on internet by “ontv”, which became the talk of the town. “ontv” is the first online television to obtain authorisation from The Hong Kong Jockey Club to make live report on “Mark Six”, marking a milestone for this new media.

**“Money 18”** is one of the financial information websites with the highest page views in Hong Kong. In addition to real-time stock quote, the most popular attraction to investors, the website also provides other information such as stock information, recommendations on investment, real-time financial news, economic reviews, etc. Since April this year, Hong Kong stock market has experienced significant fluctuations, with its trading volume rising to new highs. “Money 18” kept close track of the market movement and provided detailed analysis. Moreover, it launched a series of columns, such as “Top 10 News to Read Before Market Opening” (十大開市必睇), “Recommendations from 10 Experts” (十大名家教路) and “Top 10 Tips to Note after Market Close” (收市十大要知). These columns are well received by investors as they provide investors with insight into the market. In June 2015, “Money18” cooperated with Shanghai Stock Exchange to upgrade its real-time Shanghai stock data system and enable compatibility with a trading volume exceeding RMB1 trillion, with a view to providing users with faster and more stable access to real-time Shanghai stock information. “Money 18” keeps optimising its website and mobile application while enriching their contents. It has added a new feature to its mobile application to push important financial news, enabling users to have early insight into investment opportunities. This has drawn continuous praises from netizens, further reinforcing the leading position of “Money 18” amongst financial websites.

**“on.cc Superstar”**, an entertainment information mobile application, enables netizens to access entertainment information anytime, anywhere. During the period under review, the programme “I Love CHOW Yun Fat” (我愛發哥) produced by “on.cc Superstar” drew lavish praises. After that, “on.cc Superstar” held a number of elections, including “Direct Election of Miss Hong Kong by Netizens” (網民直選香港小姐) and “You Have A Say in Rerunning” (重播你有Say) on classic TVB dramas. These activities were actively participated by netizens and become the talk of the town. This better-than-expected result contributed to the record high click through rate of “on.cc Superstar”.

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

During the period under review, the economic growth of Mainland China showed a significant slowdown, resulting in a decline in numbers of visitors to Hong Kong and spending. Given the weakness in the retail industry, the Group recorded lower advertising income as compared with same period last year. In response to the declining market share of printed media in the advertising market, the Group disposed of “The Sun Horse Racing Journal” to an independent third party in August 2015, and suspended the publication of the monthly magazine “FLASHoN” in October 2015, with a view to reducing its operating costs. On the other hand, further depreciation of Australian dollars has caused an impairment loss to the Group. Also, the dramatic increase in staff costs for the period was partly caused by the compensation paid to the staff being laid off in streamlining group structure and manpower. Facing these challenges, the Group has taken stringent cost control and has made efforts to enhance the competitiveness of new media, including cooperating with various merchants or organisations by utilising various websites and mobile platforms, in order to increase its revenue. Preliminary effect has achieved.

## **BUSINESS OUTLOOK**

The Board anticipates that the global economy remains uncertain, and the depreciation of relevant currencies will further deteriorate the retail market in Hong Kong. In the shadow of layoffs by many companies, people tend to be more prudent in spending, which will have an adverse effect on the Group's business development. As the Group is in the process of transformation, it will review and consider the respective proportions of investment in printed media and news media from time to time, and make adjustments based on the conditions of its business. The Group will continue to seek partners to expand its website business and develop various mobile applications to enhance the strength of its new media business.

However, there are opportunities in every crisis. With its substantial reserves, the Group has confidence in addressing future challenges. The Group has been seeking other investment projects, including real estate and hotel industries. The Board will at appropriate time seize viable investment opportunities, expecting to create satisfactory returns for the Shareholders.

## **EXPOSURE TO FOREIGN EXCHANGE**

The Group mainly operates in Hong Kong and most of the Group's transactions are denominated in Hong Kong Dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The 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 30 September 2015, the Group employed 1,965 employees (31 March 2015: 2,108 employees). Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the prevailing market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

## Other Information

### REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “Audit Committee”) comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2015 and has no disagreement with the accounting treatment adopted.

### CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the six months ended 30 September 2015. The Company has adopted most of the recommended best practices stated therein.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Following specific enquiries by the Company, all Directors have confirmed in writing their compliance with the required standards set out in the Model Code for the six months ended 30 September 2015.

### CHANGE IN DIRECTOR INFORMATION

Since the last published annual report of the Company, Mr. Ping-wing PAO, an independent non-executive Director, resigned as an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of UDL Holdings Limited (stock code: 620) with effect from 2 November 2015.

Save as disclosed above, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

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

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

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

Notes:

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

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

Other than the holdings disclosed above, no interests or short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein as at 30 September 2015.

## DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

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

Save as disclosed above, no other party had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO as at 30 September 2015.

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

Hong Kong, 20 November 2015