東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

ANNUAL REPORT 2020

(Stock Code：18)

Contents

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

Ms. Yu-shan TANG (Resigned on 23 June 2020)
Mr. Tak-Shing WONG (Appointed on 23 June 2020)

SOLICITORS

Iu, Lai & Li, Solicitors

AUDITOR

HLM CPA Limited
Certified Public Accountants

BANKERS

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

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Friendly Limited
Level 54, 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
website: https://opg.on.cc

Management Discussion and Analysis

RESULTS

For the year ended 31 March 2020 (the "Reporting Year"), the audited consolidated loss for the year of Oriental Press Group Limited (the "Company") and its subsidiaries (collectively, "the Group") amounted to HK$11,567,000. As compared to the same period last year, the profit decreased HK$92,672,000 representing a decline of 114%, which was mainly due to the decline in the revenue from printed media, the decrease in the fair value of investment properties in Hong Kong and Australia, as well as the exchange loss on the Australian Dollar. If excluding the impact of changes in the fair value of the investment properties and exchange loss on Australian Dollars, the Group's profit for the year from principal operations would be HK$71,753,000.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The net current assets as at 31 March 2020 amounted to approximately HK$875,103,000 (2019: HK$821,337,000), which includes time deposits, bank balances and cash amounting to approximately HK$594,108,000 (2019: HK$524,039,000). As at 31 March 2020, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.3% (2019: 0.4%).

CAPITAL EXPENDITURE

During the Reporting Year, the Group's capital expenditure was approximately HK$8,075,000 (2019: HK$9,087,000).

CONTINGENT LIABILITY

As at 31 March 2020, the Group had no material contingent liability.

DIVIDENDS

The directors of the Company (the "Director(s)") do not recommend the payment of a final dividend for the Reporting Year (2019: final dividend of HK2 cents per share) and no interim dividend was paid (2019: interim dividend of HK1 cent per share).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 6 August 2020 to 12 August 2020 (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 12 August 2020 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 5 August 2020.

Management Discussion and Analysis

BUSINESS REVIEW

"Oriental Daily News" continues to be the best-selling and most widely read newspaper in Hong Kong, and has so remained the last 44 years. Hong Kong experienced a disturbing year in 2019. Even in chaotic time, "Oriental Daily News" adheres to its beliefs, stays true to the facts and rebuts falsehood. As the city is plagued by COVID-19, "Oriental Daily News" shows solidarity with members of the community and safeguards the interests of the general public, winning applauses for speaking boldly in defence of justice.

"on.cc" is the most powerful website of news, entertainment and leisure in Hong Kong. Dedicated to providing the latest and fastest information, it has always been popular with readers. For the Reporting Year, the monthly total page views of our website and mobile platform together exceeded 830 million, with users all over the world, making it a leading news media platform. Our "See the world via on.cc" website attaches great importance to user experience, optimising the production process with big data to improve its news quality. It also integrates and categorises different columns, with a clear and user-friendly interface. During the Reporting Year, the electronic version of "Oriental Daily News" was integrated into our on.cc App. The most powerful information from on.cc is now just a tap away. Attracting new readers is a long-term goal of "on.cc". The much popular "Reward Viewing" (賞您睇) returned with new features to continue the craze of "Reading News for Rewards". "on.cc" opens up new markets by developing mobile game applications. "Racecourse Boss" (馬場Boss) has become one of the most popular horse-racing Apps in Hong Kong. With "Hall of Sic Bo" (骰寶坊) and "SLOTONIAN" as fresh blood, the Group's digital media business has become more diversified.

"onCH" is the enhanced version of "ontv", the first online television station in Hong Kong, providing video clips around the clock on current affairs, entertainment, finance, sports, lifestyle and horse racing. During the Reporting Year, we focused on the development of news video clips and introduced advanced equipment to improve the video quality. As a result, the number of new users increased significantly. "onCH" also strives to strengthen live broadcasts and diversified programmes, so that global subscribers can stay abreast of developments in the world. That, coupled with live online broadcast of sports events, makes "onCH" a bellwether of news video platforms in Hong Kong.

"Money18" is the financial information website with the highest page views in Hong Kong as well as a free real-time quote website designated by HKEX. Its mobile app and social media page are also widely popular, with an increasing number of subscribers. "Money18" has become one of the most popular and influential platforms of financial information in Hong Kong. During the Reporting Year, "Money18" introduced new features and innovated its interface and functions. Apart from providing rich contents and practical information, it has also strengthened live broadcast and diversified programmes, thus becoming one of the most influential financial information brands in the territory.

Dampened by social unrest and the COVID-19 outbreak during the Reporting Year, the consumer market in Hong Kong suffered a severe setback. A round of business closures and layoffs were witnessed in the retail, catering and tourism industries. The unemployment rate hit a new high in nearly 15 years, and the year on year GDP of the first quarter dropped significantly by 8.9%. The advertising and distribution incomes of "Oriental Daily News", the Group's main source of earnings, had also been dragged down. During the Reporting Year, the revenue from publications of newspaper and advertising was HK$659,734,000, declined by HK$75,228,000, approximately 10.2% as compared with the same period last year. The Group's digital media business was unsatisfactory, with decline recorded in all revenue segments including news content licensing, live broadcast of sports events, mobile applications and advertising. Among others, the advertising income was HK$117,248,000, representing a decline of HK$5,145,000, approximately 4.2% as compared with the same period last year. In response to the sharp decline in revenue, the Group has adopted a series of short-term contingency plans, including downsizing, control of procurement costs, and postponement of the investment project in digital media development, with significant results. However, to acknowledge the hard work of frontline journalists in covering the protests, the Group paid special bonus in a total amount of HK$5,600,000 to relevant and deserving employees.

Management Discussion and Analysis

For the Reporting Year, the rental income from the Group's rental properties in Hong Kong Island was HK$3,283,000, while the rental income from commercial buildings and license fee income from hotel properties in Australia were HK$20,351,000. The total revenue decreased by HK$1,054,000, approximately 4% as compared with the same period last year. The decrease in fair value recognised on these investment properties was HK$53,209,000 whereas there was an increase in fair value in the prior year. And the weakening Australian Dollar during the Reporting Year resulted in an exchange loss of HK$30,111,000. The two aforementioned factors were the main reasons for the annual profit decline of the Group.

The Group's money lending business achieved fast growth, mainly targeting customers of large-amount mortgage loans, which successfully contributed to the Group's profitability. For the Reporting Year, the total loan amount stood at HK$223,922,000. Due to the increase in lending principal, the total loan interest income amounted to HK$15,458,000, representing an increase of HK$2,871,000, approximately 23% as compared with the same period last year.

BUSINESS OUTLOOK

With the COVID-19 outbreak across the world, the global economy has fallen into recession. Even though the Hong Kong government has introduced a number of measures to stimulate consumption, the effects are doubtful until external negative factors disappear. It is believed that the road of economic recovery will be rugged and long. The Board understands and it is factual that the share of printed media in the advertising market and its distribution is declining year by year. To address this issue, the Group's operating strategy must be more flexible. Among others, newspaper contents and advertising rates must be competitive, so as to provide customers with a more flexible promotional portfolio and opportunities of cooperation with new products. On the other hand, we must prepare for the rapid recovery of the consumer market and regain growth in the Group's revenue as soon as possible. The price of newsprint had remained stable, which was favourable to the Group's control over the costs of newspaper printing, so that the overall profit of printed media was maintained.

With the continuous development of new technologies and new platforms and business models, the market presence of digital media cannot be ignored. In the coming year, "on.cc" will focus on the development of paid contents to increase revenue. Among others, we can take advantage of the cross-media platform to develop more marketing models and to produce more high-revenue projects. We will strive to use highly-profile marketing means such as social media platforms and videos, so as to increase the profit and revenue of the Group's digital media business. "On.cc" launched the new platform of "Fun&Star" (繽FUN星網) in May 2020 to strengthen entertainment and lifestyle contents. The platform will be developed with focus on both information and functions, so as to consolidate the existing readership and to attract new subscribers.

As for the money lending business, it is estimated that funding requirements will greatly increase during the economic downturn. Oriental FA will continue to target high-quality customers who require larger size loans, expanding its clientele by working with reputable intermediary companies. The Board is optimistic about the development of the money lending business.

With regard to the property investment business, the Hong Kong's economy has not yet stabilised, and rental income is hardly stable. It is expected that the rentals of commercial buildings in Hong Kong will continue to be under pressure in the coming year. Investment properties in Australia are also showing signs of downward adjustment due to the pessimistic economic outlook. In March this year, the Australian government announced a number of anti-epidemic measures to protect retail tenants, which more or less affected the Group's rental income. The Board keeps exploring other options of property investment, so as to make better profits for shareholders.

Management Discussion and Analysis

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 exchange 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 shall in due course arrange relevant hedging in order to minimise significant exposure to foreign currency.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the Group employed 1,197 (2019: 1,375) 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.

EVENT AFTER REPORTING PERIOD

From the end of the year ended 31 March 2020 up to the date of this Report, Oriental FA Limited, a subsidiary of the Company, has filed a writ of summons against a client for the repayment of a loan principal, amounted to HK$11,500,000, and its corresponding overdue interest.

On behalf of the Board

Ching-fat MA
Chairman

Hong Kong, 19 June 2020

Directors' Report

The 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 2020 (the "Reporting Year") (the "Consolidated Financial Statements").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in Note 37 to the Consolidated 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 35 of this annual report of the Company for the Reporting Year (the "Annual Report").

The states of affairs of the Group and of the Company as at 31 March 2020 are set out in the consolidated statement of financial position on pages 36 to 37 and the statement of financial position of the Company on page 98 of this Annual Report respectively.

The consolidated statement of cash flows for the Reporting Year is set out on pages 38 to 39 of this Annual Report.

The Board of Directors (the "Board") does not recommend the payment of a final dividend for the year ended 31 March 2020.

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 14 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of the changes in the share capital of the Company during the Reporting Year are set out in Note 28 to the Consolidated 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 40 of this Annual Report and Note 39 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

Distributable reserves including the proposed dividends of the Company as at 31 March 2020 calculated under section 297 of the Companies Ordinance amounted to HK$174,326,000 (2019: HK$218,470,000).

Directors' Report

FIVE YEARS 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 103 of this Annual 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.

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the Reporting Year, a description of the principal risks and uncertainties facing the Group, are disclosed on pages 4 to 5 under Management Discussion and Analysis of this Annual Report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Discussions on the Group's environmental policies and performance are disclosed in the "Environmental, Social and Governance Report 2020" of the Group.

The Group's environmental policy is mainly aimed at reducing waste and pollution and optimizing the use of resources. The Board considers that effective environmental protection measures not only contribute to environmental protection but also reduction of the production costs. Over the years, the Group has implemented various measures to achieve the set goals.

The emissions, such as chemical wastes, waste water, waste paper and exhaust caused during the operation of the Group, are mainly from production plants, staff canteen and vehicles fleet. In respect of reduction of wastes and pollution, 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 Hong Kong government on a regular basis. 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. Furthermore, to reduce exhaust emissions, the Group has required the news vehicles to strictly abide by the law of "switching off idling engines". All shuttle buses of the Group have been replaced with vehicles which meet the EU 5 emission standards.

In order to achieve the goal to optimize the use of resources, the Group uses renewable energy and promotes green office measures to raise the environmental protection awareness of the employees, including:

1. the Group installed a solar photovoltaic power generation system at the Tai Po headquarters and made good use of solar power generation technology to reduce carbon dioxide emissions and contribute to environmental protection;
2. 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;
3. using automatic water faucets in the washrooms in the plants and offices to control the water consumption effectively;
4. facilitating paperless office with more frequent use of electronic forms, electronic photo-picking system and recycled papers. Intranet is used for internal communication purpose, so as to reduce paper use and increase administration efficiency;
5. used printer cartridges are referred to suppliers for recycling;
6. the technology department makes extensive use of virtual server architecture to effectively reduce electricity consumption and heat emission;
7. using non-disposable tableware in staff canteen, and provides half portion of the meals for staff to choose which helps reduce wastes and food wastes; and
8. during newspaper production, supervisor of the department exercises stringent supervision and control on the efficient use of newsprint.

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 each department.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

On the business and operation levels, in addition to the information gathered by the News Department, the Group obtains news all over the world through major overseas news agencies. Before using any other information or photo, the Group identifies the copyright owner and ascertains the ownership of the relevant copyrighted work and obtains consent from the copyright owner. The Group also pays to purchase the copyright owner's works for publication purpose when necessary in order to protect their intellectual property rights. Besides, if any advertisement placed by the advertiser, contents of which may have involved legal matters, such advertisement shall be pre-vetted by the Legal Department of the Group before acceptance of publication.

As to protection of the personal data collected by the Group during its operation, 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 strictly 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. The Group also has measures designated to prevent the unauthorized access to personal data.

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 plants, 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 in the Prevention of Bribery Policy to prevent bribery and to regulate the acceptance of benefits by the employees. The Group also, at appropriate time, issues internal notices 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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Securities and Futures Ordinance (the "SFO"), such as disclosure of information, corporate governance and Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code"). The Inside Information Committee of the Board is delegated to deal with the handling and disclosure of the "Inside Information" under the SFO.

During the Reporting Year, there was no material and significant breach of or non-compliance with the relevant laws and regulations 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 train and give incentives to its employees based on their performance and productivity and has implemented a training scheme to groom a new generation of journalists and to provide employees with work-related training and systematic training courses under appropriate guidance given by senior employees. The Group has also provided the employees of the administrative departments with relevant 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 values the opinions of employees and provides various communication channels to collect their opinions on company policies, administrative measures or benefits, which enables the Group to make continuous improvement.

The Group holds staff meal gatherings to have fun with employees from time to time and gives present to employees at festivals, to thank employees for their hard work and contribution.

For the Reporting Year, the employee voluntary turnover rate of the Group was approximately 12.2%.

The key customers of the Group include the advertisers and the advertising agents (the "Advertisers") and readers of the Group's newspaper and websites (the "Readers"). Quality contents and wide readership of the Group's newspaper and websites 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 (the "Suppliers"). The Group has established long term, good and firm business relationship with the Suppliers which does help to ensure steady supply and the quality stability of the printing materials. During the Reporting Year, there was no material and significant dispute between the Group and the Suppliers.

Directors' Report

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. Shun-chuen LAM, Mr. Dominic LAI and Mr. Yau-nam CHAM shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting (the "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 https://opg.on.cc/en/subsidiaries2020.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.

AUDIT COMMITTEE

The 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 29 to the Consolidated 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 as at 31 March 2020 were as follows:

Interests in the Company

		Number of ordinary Shares held					
Name of Director	**Capacity**	**Personal interests**	**Family interests**	**Corporate interests**	**Other interests (Long Position)**	**Note**	**Percentage of shareholding**
Ching-fat MA	Founder of a discretionary trust	–	–	–	1,552,651,284	(i)	64.75%
	Interest of controlled corporation	–	–	149,870,000	–	(ii)	6.25%
Ching-choi MA	Interest of controlled corporation	–	–	95,916,000	–	(iii)	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 57.3% interest in Magicway Investment Limited and the entire issued share capital of 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 holds the entire issued share capital of Perfect Deal Trading Limited, which in turn holds 149,870,000 Shares. Mr. Ching-fat MA is deemed to be interested in the same parcel of Shares held by Perfect Deal Trading Limited under the SFO.

(iii) Mr. Ching-choi MA holds the entire issued share capital of Prosper Time Trading Limited, which in turn holds 95,916,000 Shares. Mr. Ching-choi MA is deemed to be interested in the same parcel of Shares held by Prosper Time Trading Limited 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 2020.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in Notes 29 and 40 to the Consolidated 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.

DIRECTORS' SERVICE CONTRACTS

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).

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, each Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has maintained directors' liability insurance which is in force throughout the Reporting Year and up to the date of this Annual Report to provide appropriate insurance cover for the Directors.

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 2020 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%
Perfect Deal Trading Limited	Beneficial owner	149,870,000		6.25%
Mui-fong HUNG	Interest of spouse	1,702,521,284	(iii)	71.00%

Notes:

(i) Marsun Group Limited, as the trustee of Marsun Trust, holds 57.3% interest in Magicway Investment Limited and the entire issued share capital of 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 57.3% interest in Magicway Investment Limited and the entire issued share capital of 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) 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 under the SFO as Mr. Ching-fat MA is the founder of Marsun Trust. Further, Ms. Mui-fong HUNG, as the spouse of Mr. Ching-fat MA, is deemed to be interested in the same parcel of Shares held by Perfect Deal Trading Limited under the SFO as Mr. Ching-fat MA holds the entire issued share capital of Perfect Deal Trading Limited.

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 2020.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are shown in Note 33 to the Consolidated Financial Statements.

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 57% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer amounted to approximately 28%.

The percentage of purchases attributable to the Group's five largest suppliers is approximately 71% 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 22%.

None of the Directors, their associates or any Shareholders (which to the knowledge of the Board 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

The Consolidated Financial Statements for the Reporting Year have been audited by HLM CPA Limited who has been the Group's auditor since 2011 and 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 2020

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ching-fat MA, *BBS*, aged 60, 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 is 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 58, 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 for the period 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 and Perfect Deal Trading Limited, all of which have an interest in the Shares which is 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 71, 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, Nomination 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 73, 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 NWS Holdings Limited and Chuang's China Investments Limited, both of which are public companies listed on the Stock Exchange. Mr. LAI is a senior partner of a Hong Kong law firm, Iu, 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 73, 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 72, 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 Zhuzhou CRRC Times Electric Co., Ltd., Capital Environment Holdings Limited, Maoye International Holdings Limited, Soundwill Holdings Limited and Sing Lee Software (Group) Limited, 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 54, has been an independent non-executive Director since September 2004. He is 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 accumulated rich experience in auditing, taxation, corporate finance and accounting over the years.

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 2020 (the "Reporting Year"). The Company has adopted most of the recommended best practices stated therein.

BOARD OF DIRECTORS

The board of Directors (the "Director(s)") of the Company (the "Board") 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 risk management, 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.

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 has received such confirmations from all independent non-executive Directors and also considers that all independent non-executive Directors are independent parties since they do not get involved in the daily management of the Company nor have any connection or factor which would impair their independence. Each non-executive Director entered into a letter of appointment with the Company for a term of three years, subject to retirement by rotation once at least every three 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 nine years should be subject to a separate resolution to be approved by shareholders. Mr. Yau-nam CHAM, who is independent non-executive Director and has served the Board for more than nine years, will retire by rotation and offer himself for re-election at the Company's forthcoming AGM in 2020. The re-election of Mr. Yau-nam CHAM as independent non-executive Director will be considered by a vote on separate resolutions at the Company's forthcoming AGM.

Corporate Governance Report

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

BOARD MEETINGS

Regular Board meetings are held at least four times a year by the Company at approximately quarterly intervals. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing agenda for the Board meeting. Notice of convening the meeting shall be issued at least fourteen days in advance of the meeting. Agenda for the meeting together with the relevant documents shall be dispatched to the Directors no less than three 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 copy of final version of the minutes will also be sent to all Directors for information and record. The Board committees will also adopt and follow the foregoing procedures for the Board committee meetings.

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

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 external 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 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 risk management and internal controls 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 consolidated financial statements for the year ended 31 March 2019, unaudited interim consolidated financial statements for the six months ended 30 September 2019, the risk management report and the internal control reports.

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 Consolidated 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 and information, 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 based 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 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 one executive Director, Mr. Shun-chuen LAM and 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 Nomination Policy and Board Diversity Policy and reviewing these two Policies to ensure their effectiveness; and seeking suitable candidate for being a Director and making recommendation to the Board accordingly. During the Reporting Year, the Nomination Committee discharged its principal duties.

Nomination Policy

The Board has established a nomination policy, a summary of which is as follows:

1. Stipulate the duties of the Nomination Committee, including nominating suitable director candidates for the Board;
2. Determine the selection criteria and procedures for the appointment and re-appointment of directors;
3. Skills, opinions, experience, independence and gender are the factors that need to be considered when appointing directors;
4. Commit to achieve a diversified composition of the Board and employees in respect of gender, age, cultural and educational background and assess the diversity status of the Board every year;
5. Create a succession plan of directors;
6. Hold Nomination Committee meetings from time to time, continuously monitor the Nomination Policies to ensure their effectiveness and compare them with other listed companies in the industry in a time manner; and
7. Provide trainings to new directors.

Board Diversity Policy

The Board has established the Board Diversity Policy to achieve a sustainable and balanced development of the Group, a summary of which is as follows:

1. Set out the approach to achieve diversity of the Board of the Company;
2. In determining the composition of the Board, the Company considers the diversity of the Board from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure. All Board appointments are based on meritocracy;
3. Disclose the composition of the Board regularly; and
4. Set up measurable goals and establish the skill matrix of the Board and report the progress toward meeting the standards regularly.

Final decisions of appointing directors 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 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. The Nomination Committee considers that the existing structure, size and composition of the Board of the Group can effectively lead and supervise its operation, and expects to appoint at least one female member in next two years.

Investment Committee

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, to provide market information, and to give advice and make recommendations to the Board regarding the Company's proposed investments on non-core business of the Group.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (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 revision.

THE ATTENDANCE OF THE BOARD MEETINGS, THE BOARD COMMITTEES' MEETINGS AND THE AGM

Name of Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	AGM
			Meetings attended/held		
* Mr. Ching-fat MA, *BBS*	4/4	–	–	–	1/1
* Mr. Ching-choi MA	4/4	–	–	–	1/1
* Mr. Shun-chuen LAM	4/4	–	–	1/1	1/1
^ Mr. Dominic LAI	4/4	2/2	–	–	1/1
# Mr. Yau-nam CHAM	4/4	–	–	–	1/1
# Mr. Ping-wing PAO, *JP*	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 four meetings and conducted, inter alia, the following:

1. approving the interim and annual reports, and matters necessary to be considered at the AGM;
2. reviewing the overall performance and financial position of the Group; and
3. reviewing and approving the Nomination Policy, Board Diversity Policy and dividend policy of the Group.

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

SENIOR MANAGEMENT MEMBERS' EMOLUMENTS

Details of the Directors' emoluments for the year are set out in Note 40(a) to the Consolidated Financial Statements on pages 100 and 101 of this Annual Report. 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 3,000	1
15,000 to 20,000	2

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 two 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 financial management, corporate governance, 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, including Mr. Ching-fat MA, Mr. Ching-choi MA, Mr. Shun-chuen LAM, Mr. Dominic LAI, Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM, 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 confirmed that they provided sufficient time and attention to the affairs of the Company during the Reporting Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group believes that the risk management and internal control are fundamental to the Group as they can facilitate the practice of the Group's corporate strategy and enhance competitiveness. Accordingly, the Group has developed its own risk management and internal control systems and policies based on the specific nature and the practical needs of the Group's business. The Board is responsible for maintaining the Group's risk management and internal control systems and to review their effectiveness.

Notwithstanding the above, the risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management

The Group has established a comprehensive set of risk management policies and systems to effectively and efficiently identify, assess, analyze and mitigate risks that may arise when the Group strives to achieve strategic objectives, operational objectives, financial reporting and compliance objectives.

The Group has integrated risk management into its business processes, in which supervisors from all departments of the Group shall report to the management of risks within their respective operating ranges (including potential risks), likelihood of occurrence and the impact of such risks, and recommendation of risk mitigation strategies. After discussions with supervisors from relevant departments, the management will assess, analyze and make recommendations of the risk management procedures and mitigation measures to the Audit Committee. The Audit Committee will discuss with the management and make an approval based on the type and level of acceptable risk of the Group determined by the Board, and the approved results will then be submitted by the management to the Board for review. Subsequently, the management and supervisors from all departments shall continue to monitor the effectiveness of risk management procedures and risk mitigation measures, and the Board will receive relevant periodic reports from the management.

In relation to the handling and disclosure of "Inside Information" under the Securities and Futures Ordinance, the Group has established the Inside Information Disclosure Policy to provide guidance for reporting and disclosure of inside information. Under such policy, Directors or executive officers shall report any potential inside information to the Inside Information Committee of the Board as soon as possible, so that the Inside Information Committee can determine whether the matter or its development is inside information and make disclosure whenever necessary.

Internal Control

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

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.

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.

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 specific concerns or risks 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 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.

Annual Review

The Board monitors the risk management and internal control systems on an ongoing basis, ensuring reviews on the effectiveness of the risk management and internal control systems are conducted twice every year.

During the Reporting Year, the Board and the Audit Committee conducted annual reviews on the effectiveness of the Group's risk management and internal control systems, which included the reviews on the report covering the control of all aspects provided by the management and internal control group. According to the outcome of the reviews, the Group has complied with the provisions in relation to the risk management and internal control as set out in the Code during the Reporting Year. The Group was also of the view that the risk management and internal control systems were effective and sufficient and there was no material deficiency that may affect the Shareholders, which has come to the attention of the Board or the Audit Committee.

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 knowledge of the Company's day-to-day 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, she has taken no less than 15 hours of relevant professional training.

AUDITOR'S REMUNERATION

For the Reporting Year, the external auditor received approximately HK$1,230,000, being the audit fees in full in relation to the audit services rendered and approximately HK$135,000 being the fees for non-audit services rendered.

CONSTITUTIONAL DOCUMENT

There was no change in the Company's Articles of Association during the Reporting Year.

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 meeting 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 twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than twenty-eight 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 three 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 fifty 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 six 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 six 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 and to gain balanced views of the Company's Shareholders. The notice of AGMs and related information will be given to Shareholders at least twenty 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.

DIVIDEND POLICY

The Group has established a dividend policy in the interest of shareholders. In considering the dividend payout, the Board will make decisions with reference to the Group's performance and financial position, capital flow, capital requirements and future commitments, as well as past dividend payout ratios.

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 1501–08, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
香港灣仔莊士敦道181號
大有大廈15樓1501–08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)

OPINION

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 35 to 102, which comprise the consolidated statement of financial position as at 31 March 2020, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter: Revenue recognition

Refer to Note 5 to the consolidated financial statements.

We identified revenue recognition as a key audit matter due to the significance of the amount of revenue to the consolidated statement of profit or loss and other comprehensive income, significant judgements and estimates made by the management are required for the revenue recognition. Revenue from the publication of newspapers and advertising income and the internet subscription and advertising income amounted to HK$776,982,000 (2019: HK$857,355,000) represented 94% of the Group's total turnover.

KEY AUDIT MATTERS *(Continued)*

How our audit addressed the Key Audit Matter

Our procedures in relation to the revenue recognition included:

- understanding the revenue and business process of the Group;
- assessing the appropriateness of the Group's revenue recognition accounting policy in line with HKFRSs;
- evaluating and testing the operating effectiveness of key controls on the recognition of revenue; and
- selecting a sample of sales transactions recorded during the reporting period near the year end and just after the end of the reporting period and comparing the details, including the date of the underlying sales invoices, sales contracts and relevant documentation evidencing the date of delivery and acceptance of the goods or services to assess whether the related revenue has been recognised in the appropriate accounting period in accordance with the Group's revenue recognition accounting policies.

We found that the Group has appropriately recognised revenue in accordance with its accounting policies for recognition of revenue and the amount and the timing of the revenue recorded were supported by the available evidence.

Key Audit Matter: Impairment assessment of trade receivables

Refer to Notes 20 and 36(b) to the consolidated financial statements.

We focused on this area due to the allowance for expected credit losses assessment of trade receivables under the expected credit losses ("ECL") model involved the use of significant management judgements and estimates.

The Group had trade receivables of approximately HK$77,632,000 (2019: HK$102,818,000) and loss allowance for ECL of approximately HK$3,700,000 (2019: HK$3,957,000). Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of loss allowance for ECL based on information including credit profile of different customers, aging of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and ongoing trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the ECL for the allowance for ECL assessment.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's impairment assessment of the trade receivables as at 31 March 2020 included:

- obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to credit control, debt collection and estimation of ECL;
- checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2020 to the underlying financial records and post year-end settlements to bank receipts;
- inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and
- assessing the appropriateness of the ECL provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the ECL.

We found that the management judgment and estimates used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter: Impairment assessment of leasehold building

Refer to Note 14 to the consolidated financial statements.

We identified the impairment of leasehold building as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments associated with determining the impairment of leasehold building.

The Group has leasehold building with carrying amount of HK$424,768,000 (2019: HK$440,465,000) as at 31 March 2020, representing 22% of the Group's total assets. Based on a review of the business, the outlook for the industry and the Group's operating plans, management has assessed the carrying amount and no impairment provision is provided. These conclusions are dependent upon significant management judgement, including in respect of estimated utilisation and discount rates applied to future cash flows.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's impairment assessment of leasehold building included:

- evaluating the independent external valuers' competence, capabilities and objectivity;
- assessing the valuation methodologies used and the appropriateness of the key assumptions; and
- discussing the valuations with the valuers and challenging key estimates adopted in the valuations, including those relating to future cash flows to be derived from continuing use of the asset; and discount rate, through the analysis of the industry comparable.

Based on available evidence, we found that management's assumptions in relation to the valuation are reasonable.

Key Audit Matter: Valuation of investment properties

Refer to Note 16 to the consolidated financial statements.

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant judgments associated with determination the fair value.

The Group's investment properties are located in Hong Kong and Australia. Management has estimated the fair value of the Group's investment properties to be HK$383,843,000 (2019: HK$483,345,000) as at 31 March 2020, represented 20% of the Group's total assets. The valuations are dependent on certain key assumptions that require significant management judgement including fair market rents.

Independent external valuations were obtained in order to support management's estimates.

KEY AUDIT MATTERS *(Continued)*

How our audit addressed the Key Audit Matter

Our procedures in relation to management's valuation of investment properties included:

- evaluating the independent external valuers' competence, capabilities and objectivity;
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry;
- considering the appropriateness of the resale values and market unit rent estimated by the external valuer based on the recent transaction prices in the property industry;
- on a sample basis, comparing the occupancy rates, room rates, and tenancy information included in the valuation models with underlying contracts and related documentation; and
- discussing the valuations with the valuers and challenging key estimates adopted in the valuations, including those relating to market selling prices, market rents and capitalisation rates, by comparing them with historical rates and available market data, taking into consideration comparability and other local market factors.

We found the key assumptions were supported by the available evidence. The fair market rents supported by recent renewals was in line with our expectation.

Key Audit Matter: Estimation of provision for long service payments

Refer to Note 25 to the consolidated financial statements.

Employees who have completed at least five years of services with the Group are entitled to long service payments. 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.

Management has estimated the provision for the long service payments to be approximately HK$22,185,000 (2019: HK$13,661,000) as at 31 March 2020. Management utilises the market value of Mandatory Provident Fund (the "MPF") and personnel data to perform estimation of long service payments, which involves significant judgment and significant assumptions used in the calculations.

The abovementioned balances involve accounting estimates that have been identified as having high estimation uncertainty, we consider the provision for long service payments to constitute a key audit matter in the audit of the Group.

KEY AUDIT MATTERS *(Continued)*

How our audit addressed the Key Audit Matter

Our procedures in relation to management's estimation of provision for long service payments included:

- reviewing whether the calculation of long service payments is in compliance with the Employment Ordinance (Cap.57) of Hong Kong;
- assessing the completeness and accuracy of personnel data underlying the estimation of fair value of MPF by testing the operating effectiveness of internal controls, and checking relevant data to supporting documentation on a sample basis;
- analysing the assumptions and input parameters determined by management, such as turnover rate and recent payment experience. In doing so, we examined the methodology used to determine the parameters and the consistency with prior year;
- assessing the appropriateness of the asset valuation in the MPF scheme underlying the calculation;
- testing the internal controls over the provision for long service payments; and
- testing the accuracy of changes in the provision made and the benefits paid to the pensioners.

Based on the available evidence, we found that management's estimation is supportable.

Key Audit Matter: Impairment assessment of loans and interest receivables

Refer to Notes 21 and 36(b) to the consolidated financial statements.

As at 31 March 2020, the Group had significant loans and interest receivables of approximately HK$223,922,000 (2019: HK$211,696,000), representing approximately 12% of the Group's total assets in total. The loans and interest receivables are due from staffs and independent corporations and all balances were secured by collaterals.

The Group measures the ECL of loans and interest receivables in a way to reflect i) the time value of money; and ii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

We identified the impairment assessment of loans and interest receivables as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the key management judgements and estimates associated with determining the ECL.

How our audit addressed the Key Audit Matter

Our audit procedures for the assessment of the recoverability of the outstanding loans receivables included the following:

- understanding the Group's internal controls relating to the collection, use and retention of the Group's data for ECL estimation on loans and interest receivables;
- understanding the ECL models established by the Group and assessing the ECL estimation of loans and interest receivables made by the management based on its correlation with previous, subsequent or forecast data of the Group;
- reviewing the Group's assumptions on the expected future cash flows, including the value of realisable collaterals based on available market information; and
- evaluating the disclosure regarding the impairment measurement of loans and interest receivables in Note 36(b) to the consolidated financial statements.

Based on the available evidence, we found that management's estimation is supportable.

OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the Directors.
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLM CPA Limited
Certified Public Accountants
Ng Fai Fiona
Practicing Certificate Number P04986

Hong Kong, 19 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
Revenue	5	**823,014**	901,715
Other income	5	**43,123**	42,744
Raw materials and consumables used		**(125,063)**	(163,773)
Staff costs including directors' emoluments	7	**(515,450)**	(533,356)
Depreciation of property, plant and equipment		**(51,198)**	(49,626)
Other operating expenses		**(101,936)**	(105,791)
Fair value adjustments on investment properties	16	**(53,209)**	21,000
Fair value adjustments on financial asset at fair value through profit or loss	17	**(1,701)**	(2,048)
Net exchange loss		**(30,111)**	(17,175)
Net gain on disposal and write-off of property, plant and equipment		**490**	1,283
(Loss)/profit from operations	8	**(12,041)**	94,973
Finance costs	9	**(255)**	(275)
(Loss)/profit before tax		**(12,296)**	94,698
Income tax credit/(expense)	10	**729**	(13,593)
(Loss)/profit for the year		**(11,567)**	81,105
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
— Exchange loss on translation of financial statements of foreign operations		**(17,301)**	(11,293)
Other comprehensive expense for the year, net of tax		**(17,301)**	(11,293)
Total comprehensive (expense)/income for the year		**(28,868)**	69,812
(Loss)/profit for the year attributable to:			
Owners of the Company		**(10,987)**	81,388
Non-controlling interests		**(580)**	(283)
		(11,567)	81,105
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(27,463)**	70,610
Non-controlling interests		**(1,405)**	(798)
		(28,868)	69,812
(Loss)/earnings per share	12		
— Basic		**(HK0.46 cent)**	HK3.39 cents
— Diluted		**(HK0.46 cent)**	HK3.39 cents

Consolidated Statement of Financial Position

At 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	**494,495**	538,505
Leasehold land	15	**21,268**	22,056
Investment properties	16	**383,843**	483,345
Financial asset at fair value through profit or loss	17	**9,453**	11,154
Loans and interest receivables	21	**9,975**	10,604
Deferred tax assets	18	**9,553**	9,543
		928,587	1,075,207
Current assets			
Inventories	19	**52,633**	59,443
Trade receivables	20	**73,932**	98,861
Loans and interest receivables	21	**213,947**	201,092
Other debtors, deposits and prepayments	22	**23,134**	13,364
Taxation recoverable		**10,756**	10,333
Cash and cash equivalents	23	**594,108**	524,039
		968,510	907,132
Current liabilities			
Trade payables	24	**15,974**	13,468
Other creditors, accruals and deposits received	25	**63,084**	56,923
Contract liabilities	26	**4,899**	6,020
Taxation payable		**3,733**	2,693
Borrowings	27	**5,717**	6,691
		93,407	85,795
Net current assets		**875,103**	821,337
Total assets less current liabilities		**1,803,690**	1,896,544
Non-current liabilities			
Deferred tax liabilities	18	**54,995**	71,023
Net assets		**1,748,695**	1,825,521

Consolidated Statement of Financial Position

At 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	**1,413,964**	1,413,964
Reserves		**329,628**	405,049
		1,743,592	1,819,013
Non-controlling interests		**5,103**	6,508
Total equity		**1,748,695**	1,825,521

The Group's consolidated financial statements were approved and authorised for issue by the Board of Directors on 19 June 2020 and signed on its behalf by:

Ching-fat MA *Director*	**Ching-choi MA** *Director*

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
Operating activities			
(Loss)/profit before tax		**(12,296)**	94,698
Adjustments for:			
Interest earned on bank balance and short-term deposits	5	**(9,059)**	(6,782)
Interest expenses	9	**255**	275
Loss allowance for ECL/(provision written-back) on trade receivables	36(b)	**129**	(64)
Depreciation of property, plant and equipment	14	**51,198**	49,626
Net exchange loss	8	**30,111**	17,175
Amortisation of leasehold land	15	**788**	788
Fair value adjustments on investment properties	16	**53,209**	(21,000)
Fair value adjustments on financial asset at fair value through profit or loss	17	**1,701**	2,048
Net gain on disposal and write-off of property, plant and equipment	8	**(490)**	(1,283)
Operating profit before working capital changes		**115,546**	135,481
Decrease/(increase) in inventories		**6,810**	(21,637)
Decrease in trade receivables		**24,800**	19,616
Increase in loans and interests receivables		**(12,226)**	(119,050)
(Increase)/decrease in other debtors, deposits and prepayments		**(9,845)**	2,015
Increase in trade payables		**2,506**	2,960
Increase/(decrease) in other creditors, accruals and deposits received		**6,664**	(2,590)
Decrease in contract liabilities		**(1,121)**	(928)
Cash generated from operations		**133,134**	15,867
Income tax paid		**(12,135)**	(24,441)
Income tax refunded		**96**	6,548
Net cash generated from/(used in) operating activities		**121,095**	(2,026)
Investing activities			
Purchase of property, plant and equipment	14	**(8,075)**	(9,087)
Net proceeds from disposal of property, plant and equipment		**865**	1,498
Interest received		**8,838**	7,131
Net cash generated from/(used in) investing activities		**1,628**	(458)

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
Financing activities			
Dividends paid	11(b)	**(47,958)**	(719,375)
Interest paid	41	**(255)**	(275)
Repayment of other loan	41	**–**	(157)
Net cash used in financing activities		**(48,213)**	(719,807)
Net increase/(decrease) in cash and cash equivalents		**74,510**	(722,291)
Cash and cash equivalents at 1 April		**524,039**	1,249,413
Effect of foreign exchange rate changes		**(4,441)**	(3,083)
Cash and cash equivalents at 31 March	23	**594,108**	524,039

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Equity attributable to owners of the Company						
	Share capital HK$'000	**Exchange reserve** HK$'000 (Note)	**Properties revaluation reserve** HK$'000 (Note)	**Retained profits** HK$'000 (Note)	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
At 1 April 2018 (restated)	1,413,964	23,786	9,700	1,020,328	2,467,778	7,306	2,475,084
2018 final dividend paid	–	–	–	(95,916)	(95,916)	–	(95,916)
2018 special interim dividend paid	–	–	–	(599,479)	(599,479)	–	(599,479)
2019 interim dividend paid	–	–	–	(23,980)	(23,980)	–	(23,980)
Transactions with owners	–	–	–	(719,375)	(719,375)	–	(719,375)
Profit/(loss) for the year	–	–	–	81,388	81,388	(283)	81,105
Other comprehensive expense							
— Exchange loss on translation of financial statements of foreign operations	–	(10,778)	–	–	(10,778)	(515)	(11,293)
Total comprehensive (expense)/ income for the year	–	(10,778)	–	81,388	70,610	(798)	69,812
At 31 March 2019 and 1 April 2019	**1,413,964**	**13,008**	**9,700**	**382,341**	**1,819,013**	**6,508**	**1,825,521**
2019 final dividend paid	**–**	**–**	**–**	**(47,958)**	**(47,958)**	**–**	**(47,958)**
Transactions with owners	**–**	**–**	**–**	**(47,958)**	**(47,958)**	**–**	**(47,958)**
Loss for the year				**(10,987)**	**(10,987)**	**(580)**	**(11,567)**
Other comprehensive expense							
— Exchange loss on translation of financial statements of foreign operations	**–**	**(16,476)**	**–**	**–**	**(16,476)**	**(825)**	**(17,301)**
Total comprehensive expense for the year	**–**	**(16,476)**	**–**	**(10,987)**	**(27,463)**	**(1,405)**	**(28,868)**
At 31 March 2020	**1,413,964**	**(3,468)**	**9,700**	**323,396**	**1,743,592**	**5,103**	**1,748,695**

Note: These reserve accounts comprise the consolidated reserves of HK$329,628,000 (2019: HK$405,049,000) in the consolidated statement of financial position of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

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 37.

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has adopted the following new or amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are or have become effective for the Group's financial year beginning on 1 April, 2019:

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015–2017 Cycle
HKAS 19 (Amendments)	Employee Benefits
HKAS 28 (Amendments)	Long-term Interest in Associates and Joint Ventures
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments

Except as described in Note 2.1, the application of the new and amendments to HKFRSs and HKASs and Interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2020 and have not been adopted in these consolidated financial statements, which are

HKFRS 3 (Amendments)	Definition of a Business[2]
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Interest Rate Benchmark Reform[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and Associate or Joint Venture[5]
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions[3]
HKFRS 17	Insurance Contracts[4]
HKAS 1 and HKAS 8 (Amendments)	Definition of Material[1]
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting[1]

1 Effective for annual periods beginning on or after 1 January 2020.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 June 2020, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2021.
5 Effective date to be determined.

The Group is in the process of making an assessment of what the impact of these new and amended 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.

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

2.1 HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases, and the related interpretations, HK(IFRIC) 4 Determining whether an arrangement contains a lease, HK(SIC) 15 Operating leases — incentives, and HK(SIC) 27 Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 and are substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Information about the Group's accounting policies resulting from application of HKFRS 16 are disclosed in Notes 3.13 respectively.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(b) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt.

For details of HKFRS 16 regarding its impact on the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (d) of this note.

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

2.1 HKFRS 16 Leases *(Continued)*

(c) Lessor accounting

HKFRS 16 substantially carries forward the lessor accounting requirements of the superseded HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The adoption of HKFRS 16 does not have a significant impact on the Group's consolidated financial statements as at 1 April 2019 in this regard.

(d) Transitional impact and practical expedients applied

The Group has reviewed the impact of HKFRS 16 on all its contracts that are, or that contain, leases with effect from 1 April 2019. Based on the practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liability and right-of-use asset to leases for which the lease term ends within 12 months from the date of initial application and/or the leased assets are low value assets.

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	HK$'000
Operating lease commitments at 31 March 2019	8,707
Less: Recognition exemption for lease with less than 12 months of lease term at transition	(368)
Less: Recognition exemption for lease of low value assets	(8,339)
Lease liabilities at 1 April 2019	–

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the HKICPA. In addition, the consolidated financial statements comply with the applicable disclosure requirements required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance (the "Companies Ordinance").

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

3.2 Basis of preparation

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial asset at fair value through profit or loss, 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.

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 Share-Based Payment, leasing transactions that are within the scope of HKFRS 16 Lease, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

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.

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

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the 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 still controls such investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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 to be in line with those used by other members of the Group.

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3.4 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.

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

3.4 Changes in the Group's ownership interests in existing subsidiaries *(Continued)*

When the Group losses 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 attributable to the owners of the Company. 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.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or sharebased payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

3.5 Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3.6 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (HK$), which is also the functional currency for the Company and its subsidiaries except for those incorporated in Australia, which functional currency is Australian Dollars.

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.

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

3.6 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 reattributed 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.

3.7 Property, plant and equipment

Property, plant and equipment including freehold building 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, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost 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 building improvement	20.0%
Motor vehicles	18.8%–25.0%

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

3.7 Property, plant and equipment *(Continued)*

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.

3.8 Leasehold land

Upfront payments made to acquire land held under an operating lease are stated at cost 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 3.13. 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.

3.9 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, adjusted to excluded any prepaid or accrued operating lease income. 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. 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.

If an item of investment property becomes a property, plant and equipment because its use has changed as evidenced by commencement of owner-occupation, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

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

3.10 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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

3.10 Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

i. Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

ii. Financial assets at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Impairment of financial assets

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade receivables, other debtors, cash and cash equivalents and loans and interest receivables) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, twelve-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for debtors with significant balances and/or collectively with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to twelve-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

3.10 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

i. Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespectively of the above, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

3.10 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

v. Measurement and recognition of ECL

The measurement of ECL is a function of the Probability of Default (PD), Loss Given Default (LGD) (i.e. the magnitude of the loss if there is a default) and exposure at default. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between a contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 (since 1 April 2019) or HKAS 17 (prior to 1 April 2019).

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

3.10 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

v. Measurement and recognition of ECL *(Continued)*

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instruments level may not yet be available, the function instruments are grouped on the following basis:

- Nature of financial instruments
- Past-due status; and
- Nature, size and industries of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and loans receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when contractual rights to the cash flows from the financial asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognises its retained interests in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognised the financial assets.

On derecognition of a financial asset measured at amortised cost and at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and the receivable is recognised in profit or loss.

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

3.10 Financial instruments *(Continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (including borrowings, trade payables, other creditors and accruals) are subsequently measured at amortised cost using the effective interest method.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Borrowings, other creditors and accruals

Borrowings, other creditors and accruals are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of each reporting period.

Derecognition

The Group derecognises financial liabilities when, and only when the obligation is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

3.11 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.

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

3.12 Cash and cash equivalents

Cash and bank equivalents 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.

3.13 Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in Note 2)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Definition of a lease (until application of HKFRS 16)

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 lessee (upon application of HKFRS 16 in accordance with transitions in Note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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

3.13 Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with transitions in Note 2) *(Continued)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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

3.13 Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with transitions in Note 2) *(Continued)*

Lease liabilities (Continued)

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

3.13 Leases *(Continued)*

The Group as lessee (upon application of HKFRS 16 in accordance with transitions in Note 2) *(Continued)*

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the reviewed lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustment to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessee (until application of HKFRS 16)

Operating lease payments, including the cost of acquiring land held under operating leases, 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.

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.

The Group as lessor

Classification and measurement of leases

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

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 such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which is derived from the Group’s ordinary course of business are presented as revenue.

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

3.13 Leases *(Continued)*

The Group as lessor (upon application of HKFRS 16 in accordance with transitions in Note 2)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, 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 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.

3.15 Share capital

Ordinary shares are classified as equity.

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

3.16 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.

To determine whether to recognise revenue, the Group follows a 5-step process in accordance with HKFRS 15:

(i) Identifying the contract with a customer
(ii) Identifying the performance obligations
(iii) Determining the transaction price
(iv) Allocating the transaction price to the performance obligations
(v) Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. Further details of the Group's revenue recognition policies are as follows:

(i) Revenue from sales of newspapers to distributors or customers is recognised on completion of delivery.
(ii) Advertising income is recognised when the relevant advertisement is published or broadcasted.
(iii) Revenue from printing services is recognised upon provision of the services.
(iv) Restaurant operation income is recognised when the meal was provided.
(v) Rental income 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 using the effective interest method.
(vii) Internet subscription income is recognised on a straight-line basis over the subscription period.
(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 license agreements.
(x) Service income is recognised on an accrual basis in accordance with agreement.

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

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

3.17 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 ("MPF 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, subject to a cap in accordance with the MPF Ordinance.

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 five 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.

3.18 Borrowing costs

All borrowing costs are expensed as incurred.

3.19 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/loss 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.

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

3.19 Taxation *(Continued)*

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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.

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

3.19 Taxation *(Continued)*

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value

3.20 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.

(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 to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (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); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting 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, including:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

3.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company, 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 are determined in accordance with the Group's major product and service lines. The Group has identified two reportable segments, the publication of newspapers and money lending business. The publication of newspapers including internet subscription and relevant advertising income.

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

3.21 Segment reporting *(Continued)*

The measurement policies the Group uses for reporting segment 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 included in arriving at the operating results of the operating segment as they are not directly attributable to the business activities of any operating segment.

Segment assets include all assets but the financial asset of FVTPL.

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 investment properties (the "Properties")

The Properties of the Group were stated at fair value in accordance with the accounting policy stated in Note 3.9. The fair value of the Properties is determined by the independently qualified professional valuers and the fair value of the Properties as at respective year end is set out in Note 16. 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) Estimated impairment of leasehold building

Leasehold building are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is value in use of the leasehold building. Management makes judgments on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount.

(iii) Depreciation

The Group depreciates the property, plant and equipment on a straight-line basis over the estimated useful lives as mentioned in Note 3.7, 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

Critical judgements in applying accounting policies *(Continued)*

(iv) Estimated impairment of loans and interest receivables

Loans and interest receivables are assessed for ECL individually. Loans receivables are assessed under 12-month ECL if the credit risk on loans receivables have not increased significantly while loans receivables are assessed under lifetime ECL if the credit risk on loans receivables have increased significantly. The management of the Group estimates the amount of ECL based on collaterals against loans receivables, borrowers' creditworthiness, the payment delinquency or default in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

The provision of ECL is sensitive to changes in estimates. The information about the ECL of the Group's loans and interest receivables are disclosed in Note 36(b).

(v) Impairment assessment of trade receivables

The management of the Group estimates the amount of loss allowance for ECL for trade receivables by assessing the ECLs, which requires the use of estimates and judgements. Assessing the ECLs requires to expected credit loss rates based on credit profile of different customers, aging of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and ongoing trading relationships with the relevant customers. The loss allowance for ECL is sensitive to changes in estimates.

The information about the ECLs and the Group's loss allowance for ECL regarding trade receivables is disclosed in Notes 20 and 36(b).

(vi) 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 each reporting period. The payments due are dependent on future events and recent payment experience may not be indicative of future payments. Any increase or decrease in the provision would affect profit or loss in future years.

5. REVENUE

Revenue recognised during the year is as follows:

	2020 HK$'000	2019 HK$'000
Revenue from contracts with customers recognised at a point of time:		
Publication of newspapers and advertising income	**659,734**	734,962
Internet advertising income	**117,170**	122,306
Income from restaurant operation	**6,940**	7,085
Revenue from contracts with customers recognised over time:		
Internet subscription	**78**	87
Revenue from other sources:		
Interest earned on loans receivables	**15,458**	12,587
License fee income from hotel property	**10,138**	10,501
Rental income from investment properties	**13,496**	14,187
	823,014	901,715

	2020 HK$'000	2019 HK$'000
Key items of other incomes are as follows:		
Other incomes from contracts with customers recognised at a point in time:		
Sales of scrap materials	**1,984**	2,980
Other service income	**13,447**	15,492
Other incomes from contracts with customers recognised over time:		
Other service income	**13,867**	14,322
Other incomes from other sources:		
Interest earned on bank balance and short-term deposits	**9,059**	6,782

6. SEGMENT INFORMATION

Based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified reportable operating segments, including the publication of newspapers, money lending business and other operating segments. The publication of newspapers includes internet subscription and relevant advertising income. The money lending business comprises of interest income earned in the provision of loan financing. The revenue of other operating segments include 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 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 gain or loss, bank interest income, sundry income and finance costs.

Reconciliation between the reportable segment profit or loss to the Group's (loss)/profit before tax is presented below:

	Publication of newspapers		Money lending business		All other segments		Total	
	2020 HK$'000	2019 HK$'000	**2020 HK$'000**	2019 HK$'000	**2020 HK$'000**	2019 HK$'000	**2020 HK$'000**	2019 HK$'000
Reportable segment revenue from external customers	**776,982**	857,355	**15,458**	12,587	**30,574**	31,773	**823,014**	901,715
Reportable segment profit/(loss)	**75,517**	80,192	**13,956**	8,413	**(47,647)**	31,908	**41,826**	120,513
Unallocated corporate income							**14,730**	30,164
Unallocated corporate expenses							**(68,852)**	(55,979)
(Loss)/profit before tax							**(12,296)**	94,698
Other information								
Depreciation and amortisation	**(50,101)**	(49,432)	**-**	–	**(1,885)**	(982)	**(51,986)**	(50,414)
Fair value adjustments on investment properties	**-**	–	**-**	–	**(53,209)**	21,000	**(53,209)**	21,000
Transfer to property, plant and equipment	**-**	–	**-**	–	**-**	(109,000)	**-**	(109,000)
Transfer from investment properties	**-**	–	**-**	–	**-**	109,000	**-**	109,000
Additions to property, plant and equipment during the year	**7,345**	7,966	**-**	–	**730**	1,121	**8,075**	9,087

6. SEGMENT INFORMATION *(Continued)*

Reportable segment assets and liabilities

	Publication of newspapers		Money lending business		All other segments		Total	
	2020 HK$'000	2019 HK$'000	**2020 HK$'000**	2019 HK$'000	**2020 HK$'000**	2019 HK$'000	**2020 HK$'000**	2019 HK$'000
ASSETS								
Segment assets	**575,617**	632,514	**224,074**	211,717	**493,845**	602,915	**1,293,536**	1,447,146
Unallocated financial asset at fair value through profit or loss							**9,453**	11,154
Unallocated cash and cash equivalents							**594,108**	524,039
Consolidated total assets							**1,897,097**	1,982,339
LIABILITIES								
Segment liabilities	**123,482**	116,872	**48**	1,258	**24,872**	38,688	**148,402**	156,818

The Group's revenue from external customers and its non-current assets (other than the financial asset at fair value through profit or loss and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2020 HK$'000	2019 HK$'000	**2020 HK$'000**	2019 HK$'000
Hong Kong	**802,663**	881,843	**644,678**	709,815
Australia	**20,351**	19,872	**264,903**	344,695
	823,014	901,715	**909,581**	1,054,510

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 the financial asset at fair value through profit or loss 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 asset at fair value through profit or loss and deferred tax assets), the location is determined by reference to the place where the majority business activities of the Company's subsidiaries operate.

During the year, HK$412,724,000 (2019: HK$401,706,000) out of the Group's revenue of HK$823,014,000 (2019: HK$901,715,000) was contributed by two (2019: two) customers. No other single customer contributed 10% or more to the Group's revenue for both 2020 and 2019.

7. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

	2020 HK$'000	2019 HK$'000
Wages and salaries	**477,904**	512,106
Long service payments	**16,473**	1,256
Termination benefits	**3,756**	1,517
Pension costs — defined contribution plans	**17,317**	18,477
	515,450	533,356

8. (LOSS)/PROFIT FROM OPERATIONS

	2020 HK$'000	2019 HK$'000
(Loss)/profit from operations is arrived at after charging/(crediting):		
Auditor's remuneration	**1,230**	1,095
Cost of inventories recognised as expense	**125,063**	163,773
Loss allowance for ECL/(Provision written-back) on trade receivables	**129**	(64)
Depreciation of property, plant and equipment	**51,198**	49,626
Amortisation of leasehold land	**788**	788
Net exchange loss	**30,111**	17,175
Net gain on disposal and write-off of property, plant and equipment	**(490)**	(1,283)
Operating lease charges in respect of office premises and printing equipment	**–**	2,420
Lease charges for short-term lease and lease of low-value assets	**2,686**	–
Rental income from investment properties (excluding hotel property)	**(13,496)**	(14,187)
Less: Direct operating expenses from investment properties that generated rental income	**944**	1,084
Direct operating expenses from investment properties that did not generate rental income	**345**	260
Rental income from investment properties (excluding hotel property) less direct operating expenses	**(12,207)**	(12,843)

9. FINANCE COSTS

	2020 HK$'000	2019 HK$'000
Interest charges on borrowings:		
Other loan	**255**	275

10. INCOME TAX (CREDIT)/EXPENSE

Hong Kong Profits Tax is calculated at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the year, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered tax rate regime with effect from the year of assessment 2018/2019. The two-tiered profits tax rates regime is applicable to one entity within the Group for the year ended 31 March 2020. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Company's subsidiaries operate.

	2020	2019
	HK$'000	HK$'000
Current tax		
— Hong Kong Profits Tax	**12,455**	14,018
— Overseas Income Tax	**239**	243
	12,694	14,261
(Over)/under provision in prior year:		
— Hong Kong Profits Tax	**(39)**	315
Deferred taxation (Note 18)		
— Current year	**(13,384)**	(983)
	(729)	13,593

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

	2020	2019
	HK$'000	HK$'000
(Loss)/profit before tax	**(12,296)**	94,698
Tax at the domestic income tax rate of 16.5% (2019: 16.5%)	**(2,029)**	15,625
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,845)**	549
Tax effect of non-taxable revenue	**(4,015)**	(6,224)
Tax effect of non-deductible expenses	**9,675**	3,656
(Over)/under provision in respect of prior years	**(39)**	315
Utilisation of previously unrecognised tax losses	**(64)**	–
Effect of tax losses not recognised	**15**	70
Tax effect on temporary differences not recognised	**(6)**	–
Tax effect of two-tiered profits tax regime	**(165)**	(165)
Effect on tax concession	**(256)**	(233)
Income tax (credit)/expense	**(729)**	13,593

11. DIVIDENDS

(a) Dividends attributable to the year

	2020 **HK$'000**	2019 HK$'000
Interim dividend paid		
Nil (2019: HK1 cent per share)	**–**	23,980
Proposed final dividend		
Nil (2019: HK2 cents per share)	**–**	47,958
	–	71,938

The Directors have resolved not to pay final dividend for the year ended 31 March 2020 (2019: HK2 cents per share).

(b) Dividends recognised as distributions during the year

	2020 **HK$'000**	2019 HK$'000
2018 Final dividend	**–**	95,916
2018 Special interim dividend	**–**	599,479
2019 Interim dividend	**–**	23,980
2019 Final dividend	**47,958**	–
	47,958	719,375

12. LOSS/EARNINGS PER SHARE

The calculation of basic loss/earnings per share is based on the loss attributable to owners of the Company of HK$10,987,000 (2019: profit of HK$81,388,000) and on 2,397,917,898 (2019: 2,397,917,898) ordinary shares in issue during the year.

For the years ended 31 March 2020 and 2019, diluted loss/earnings per share was the same as the basic loss/earnings per share as there were no dilutive shares in issue during the years.

13. FIVE HIGHEST PAID INDIVIDUALS

The emoluments of the top five individuals during the year included three (2019: three) directors, details of whose emoluments are set out in Note 40(a). The emoluments payable to the remaining two individuals during the year (2019: two) are as follows:

	2020	2019
	HK$'000	HK$'000
Salaries and other benefits	**8,107**	5,731
Contribution to defined contribution plan	**18**	20
	8,125	5,751

The emoluments fall within the following bands:

	Number of individuals	
	2020	2019
Emolument bands		
HK$2,000,001 to HK$2,500,000	**1**	1
HK$3,500,001 to HK$4,000,000	**–**	1
HK$5,500,001 to HK$6,000,000	**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.

14. PROPERTY, PLANT AND EQUIPMENT

The Group	**HK leasehold building**	**Plant, machinery and printing equipment**	**Furniture, fixtures and equipment**	**Leasehold building improvements**	**Motor vehicles**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost						
At 1 April 2018	546,636	825,971	122,445	7,647	26,386	1,529,085
Additions	–	1,175	929	1,129	5,854	9,087
Disposals	–	(2,328)	(1,315)	–	(6,592)	(10,235)
Transferred from investment properties (Note 16)	109,000	–	–	–	–	109,000
Exchange adjustment	–	(219)	(603)	–	(128)	(950)
At 31 March 2019 and 1 April 2019	**655,636**	**824,599**	**121,456**	**8,776**	**25,520**	**1,635,987**
Additions	**–**	**2,619**	**3,794**	**–**	**1,662**	**8,075**
Disposals	**–**	**(1,006)**	**(893)**	**–**	**(2,603)**	**(4,502)**
Exchange adjustment	**–**	**(411)**	**(1,164)**	**–**	**(222)**	**(1,797)**
At 31 March 2020	**655,636**	**825,801**	**123,193**	**8,776**	**24,357**	**1,637,763**

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group	HK leasehold building HK$'000	Plant, machinery and printing equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold building improvements HK$'000	Motor vehicles HK$'000	Total HK$'000
Depreciation						
At 1 April 2018	202,016	710,843	118,034	7,536	20,039	1,058,468
Provided for the year	13,155	30,205	1,735	331	4,200	49,626
Eliminated on disposal	–	(2,314)	(1,289)	–	(6,417)	(10,020)
Exchange adjustment	–	(102)	(460)	–	(30)	(592)
At 31 March 2019 and 1 April 2019	**215,171**	**738,632**	**118,020**	**7,867**	**17,792**	**1,097,482**
Provided for the year	**15,697**	**29,617**	**1,962**	**231**	**3,691**	**51,198**
Eliminated on disposal	**–**	**(999)**	**(858)**	**–**	**(2,270)**	**(4,127)**
Exchange adjustment	**–**	**(243)**	**(923)**	**–**	**(119)**	**(1,285)**
At 31 March 2020	**230,868**	**767,007**	**118,201**	**8,098**	**19,094**	**1,143,268**
Carrying amounts						
At 31 March 2020	**424,768**	**58,794**	**4,992**	**678**	**5,263**	**494,495**
At 31 March 2019	440,465	85,967	3,436	909	7,728	538,505

15. LEASEHOLD LAND

The Group's interests in leasehold land represent prepaid lease payments and their carrying amounts are analysed as follows:

	2020 HK$'000	2019 HK$'000
In Hong Kong held on leases	**21,268**	22,056

	2020 HK$'000	2019 HK$'000
Balance at beginning of year	**22,056**	22,844
Annual charges of prepaid lease payments	**(788)**	(788)
Balance at end of year	**21,268**	22,056

16. INVESTMENT PROPERTIES

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

	2020 HK$'000	2019 HK$'000
Fair value		
Balance at beginning of year	**483,345**	599,329
Transferred to property, plant and equipment at fair value (Note 14)	**–**	(109,000)
Exchange adjustment	**(46,293)**	(27,984)
Fair value adjustment	**(53,209)**	21,000
Balance at end of year	**383,843**	483,345
Fair value adjustments on investment properties	**(53,209)**	21,000

Fair value measurement of the Group's investment properties

Investment properties situated in Australia were revalued at 31 March 2020 and 31 March 2019 by Messrs. Jeffrey Perkings & Assoc. Property Valuers & Consultants, independent qualified professional valuer not connected to the Group. Messrs. Jeffrey Perkings & Assoc. Property Valuers & Consultants is a member of the Real Estate Institute of New South Wales, Australia. 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.

Investment properties situated in Hong Kong were revalued at 31 March 2020 and 31 March 2019 by Peak Vision Appraisals Limited, independent qualified professional valuer not connected to the Group. The valuation were arrived by reference to the current rents passing and the reversionary income potential of the tenancies or, where appropriate, by reference to comparable sales evidence as available in the relevant markets 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 2020 are as follows:

	Level 3 HK$'000	Fair value as at 31 March 2020 HK$'000	Fair value as at 31 March 2019 HK$'000
Investment properties located			
in Australia	**262,243**	**262,243**	340,345
in Hong Kong	**121,600**	**121,600**	143,000
	383,843	**383,843**	483,345

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

16. INVESTMENT PROPERTIES *(Continued)*

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

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 inputs	Significant unobservable inputs	Sensitivity
Hotel located in 383 Bulwara Road Ultimo 2007 Sydney Australia	Direct comparison approach from available sales evidence Subject equates to approximately AUD240,000 (2019: AUD260,000) per guest room and equates to approximately AUD8,925 (2019: AUD9,701) per square metre for land and building	Sydney hotel market has been performing well prior to Covid-19 impact. However is currently severely recessed Increased economic uncertainty and predictions of recession Severe cash flow issues with hotel operators due to current travel restrictions Decreased fair value due to Covid-19 impacts and future uncertainty with talk of recession A potential gross income stream capitalised at 8.31% (2019: 6.3%) expected yield	Moderate sensitivity, however much will depend on the future medium to long-term impacts, resulting from the Covid-19 crisis and possible future downturn
Retail and office building located in 2 Short Street Double Bay NSW Australia	Direct comparison approach from available sales evidence Subject equates to approximately AUD11,371 (2019: AUD12,500) per square metre for land and building	The property is currently reasonably well let. However, it is anticipated increase vacancy and lower rentals following Covid-19 impacts In inferior location to many comparable The commercial market appears to be relatively firm. However, there is now significant uncertainty and business stress from Covid-19 crisis	Sensitivity to market has increased due to Covid-19. Double Bay retail property market is currently under stress

16. INVESTMENT PROPERTIES *(Continued)*

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

Investment properties held by the Group	Valuation techniques and key inputs	Significant unobservable inputs	Sensitivity
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 AUD18,901 (2019: AUD21,100) per square meter for land and building	The property is currently reasonably well let. However, it is anticipated increase vacancy and lower rentals following Covid-19 impacts The commercial market was relatively firm. However, there is now significant uncertainty and business stress from Covid-19 crisis The property has high restaurant component which could be vacating The three premises overlap and are largely utilised as a single holding Fair value has fallen in wake of Covid-19 uncertainty and predicted economic downturn A potential gross income stream, capitalised at approximately 6.04% (2019: 4.2%) expected yield	Sensitive to market has increased due to Covid-19. Double Bay retail property market, particularly restaurants, is currently under stress

16. INVESTMENT PROPERTIES *(Continued)*

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

Investment properties held by the Group	Valuation techniques and key inputs	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 AUD21,569 (2019: AUD24,183) per square meter for land and building	The property is currently reasonably well let. However, it is anticipated increase vacancy and lower rentals following Covid-19 impacts The Double Bay commercial market was relatively firm. However, there is now significant uncertainty and business stress from Covid-19 crisis The property has high restaurant component which could be vacating Superior retail location with large size Fair value has fallen in wake of Covid-19 uncertainty and predicted economic downturn A potential gross income stream, capitalised at approximately 6.5% (2019: 4.8%) expected yield	Sensitive to market has increased due to Covid-19. Double Bay retail property market (particular restaurants) is currently under stress
Office premises located in Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	Investment method Market unit rent per month HK$31 to HK$38 per square feet (2019: HK$33 to HK$42 per square feet)	Term yield at 2.5% (2019: 2.4%) Reversionary yield at 2.75% (2019: 2.65%)	The change in the term yield is low sensitive to fair value Assuming that the market rent stand, the increase in the reversionary yield would result in a decrease in fair value Assuming that the yield stand, the increase in the market unit rent would result in an increase in fair value

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.

17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	2020	2019
	HK$'000	HK$'000
Club membership	**9,453**	11,154

Movement of financial asset at FVTPL is analysed as follows:

	2020	2019
	HK$'000	HK$'000
At the beginning of the year	**11,154**	13,202
Decrease in fair value of financial assets at FVTPL	**(1,701)**	(2,048)
At the end of the year	**9,453**	11,154

The fair value of the club membership was approximately HK$9,453,000 (2019: HK$11,154,000) as valued by Peak Vision Appraisals Limited, an independent firm of professional valuer. The fair value is determined directly by reference to published price quotations in second hand markets and were categorised as level 2 of the fair value hierarchy. For the year ended 31 March 2020, a decrease in fair value of approximately HK$1,701,000 (2019: HK$2,048,000) is recognised in the consolidated statement of profit or loss and other comprehensive income.

18. 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	**Revaluation of properties**	**Tax losses**	**Others**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2018	32,300	53,063	(19,525)	(1,365)	64,473
Recognised in profit or loss (Note 10)	(3,231)	342	1,809	97	(983)
Exchange differences	(2)	(2,797)	789	–	(2,010)
At 31 March 2019 and 1 April 2019	**29,067**	**50,608**	**(16,927)**	**(1,268)**	**61,480**
Recognised in profit or loss (Note 10)	**(1,960)**	**(11,816)**	**578**	**(186)**	**(13,384)**
Exchange differences	**21**	**(3,863)**	**1,277**	**(89)**	**(2,654)**
At 31 March 2020	**27,128**	**34,929**	**(15,072)**	**(1,543)**	**45,442**

18. DEFERRED TAXATION *(Continued)*

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

	2020	2019
	HK$'000	HK$'000
Deferred tax assets	**(9,553)**	(9,543)
Deferred tax liabilities	**54,995**	71,023
	45,442	61,480

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 HK$656,000 (2019: HK$949,000) due to the unpredictability of the future profit streams.

19. INVENTORIES

	2020	2019
	HK$'000	HK$'000
At cost:		
Newsprint and printing materials	**37,825**	45,464
Spare parts and supplies	**13,446**	12,839
Others	**1,362**	1,140
	52,633	59,443

Inventories of spare parts and supplies totaling HK$13,446,000 (2019: HK$12,839,000) are expected to be consumed and charged to profit or loss during the course of business and might span for more than 12 months.

20. TRADE RECEIVABLES

	2020	2019
	HK$'000	HK$'000
Trade receivables	**77,632**	102,818
Less: Loss allowance for ECL	**(3,700)**	(3,957)
	73,932	98,861

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. All trade receivables are denominated in Hong Kong Dollars.

20. TRADE RECEIVABLES *(Continued)*

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

	2020 HK$'000	2019 HK$'000
0–60 days	25,832	41,803
61–90 days	13,515	18,939
Over 90 days	34,585	38,119
	73,932	98,861

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.

Included in the Group's trade receivables, the carrying amount of HK$34,585,000 (2019: HK$38,119,000) are past due but not impaired at the reporting date.

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

	2020 HK$'000	2019 HK$'000
91–120 days	9,741	12,276
121–365 days	20,910	25,061
Over 365 days	3,934	782
	34,585	38,119

Details and movements of impairment assessment of trade receivables for the year ended 31 March 2020 are set out in Note 36(b).

21. LOANS AND INTEREST RECEIVABLES

	2020	2019
	HK$'000	HK$'000
Analysed as:		
Current	**213,947**	201,092
Non-current	**9,975**	10,604
	223,922	211,696

The Group seeks to maintain strict control over its outstanding loans receivables to minimise credit risk. These loans (including staff property mortgage loans) were approved and monitored by the Group's management, whilst overdue balances are reviewed regularly for recoverability. Loans receivables bear interest at rates ranging from 1.6% per annum to 9.84% per annum (2019: 1.6% per annum to 24% per annum), mutually agreed between the contracting parties.

Secured loans receivables carry with maturity ranging from 1 year to 18 years (2019: 1 year to 19 years). The amounts of principal will be receivable on respective maturity dates and by monthly instalments.

The maturity dates of the Group's loans and interest receivables are as follows:

	2020	2019
	HK$'000	HK$'000
Within one year	**213,860**	201,092
In more than one year but not more than two years	**640**	629
In more than two years but not more than five years	**1,991**	1,956
More than five years	**7,344**	8,019
	223,835	211,696
Less than one month past due but not impaired	**87**	–
	223,922	211,696

At 31 March 2020, all loans receivables were secured by properties with a total fair value of HK$376,550,000 in Hong Kong.

The fair values of the Group's loans receivables at the end of the reporting period are determined based on the present value of the estimate future cash flows discounted using the prevailing market rate at the end of each reporting period.

As at 31 March 2020, included in the interests receivables are balances of HK$87,000 which had been past due but not impaired. A writ of Summons was filed for the repayment of the overdue amounts after reporting periods. For further details, please refer to Note 42. Taking into account the collateral value, the Directors considered that no allowance for ECL was necessary as at 31 March 2020.

The remaining balance of the loans and interest receivables as at the end of the reporting period were neither past due nor impaired. There is no loss allowance for ECL on loans and interest receivables as at 31 March 2020.

21. LOANS AND INTEREST RECEIVABLES *(Continued)*

Details of impairment assessment for the year ended 31 March 2020 are set out in Note 36(b).

22. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2020	2019
	HK$'000	HK$'000
Other debtors (Note (i))	**13,169**	2,915
Receivables due from related parties (Note 29(b))	**1,106**	–
Deposits	**5,751**	5,602
Prepayments	**3,108**	4,847
	23,134	13,364

Note (i): Included in other debtors was amounts of HK$9,559,000 which are receivable from MPF service provider and expected to be settled within one year.

The carrying amounts of other debtors, deposits and prepayments are neither past due nor impaired.

Details of impairment assessment for the year ended 31 March 2020 are set out in Note 36(b).

23. CASH AND CASH EQUIVALENTS

	2020	2019
	HK$'000	HK$'000
Cash at banks and in hand	**142,680**	150,680
Short-term bank deposits	**451,428**	373,359
	594,108	524,039

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

	2020	2019
	HK$'000	HK$'000
United States Dollars ("US$")	**16,153**	63,653
Australian Dollars ("AUD")	**17,668**	31,478
Renminbi	**1,327**	1,853
Other currencies	**115**	133
	35,263	97,117

Cash at banks earns interest at floating rates based on daily bank deposits rates. The interest rates of short-term bank deposits ranged from 0.91% to 1.86% (2019: 0.5% to 2.05%) per annum and have a maturity period of one month or less and are eligible for immediate cancellation without receiving any interest for the last deposit period.

24. TRADE PAYABLES

The credit periods granted by the Group's suppliers range 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:

	2020 HK$'000	2019 HK$'000
0–60 days	13,662	11,811
61–90 days	611	284
Over 90 days	1,701	1,373
	15,974	13,468

The Group has risk management policies in place to ensure that all payables are paid within the respective credit periods.

25. OTHER CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

	2020 HK$'000	2019 HK$'000
Other creditors	25,107	26,402
Accruals	30,881	24,070
Accrued wages	1,313	1,439
Deposits received	5,783	5,012
	63,084	56,923

The Group's accruals under current liabilities include the provision of long service payments and provision of litigation, the movement of which as follows:

	Long service payment HK$'000	Litigation HK$'000
At 1 April 2019	13,661	143
Additional provision recognised	16,473	88
Reduction arising from payments	(7,949)	(125)
At 31 March 2020	22,185	106

26. CONTRACT LIABILITIES

	2020 HK$'000	2019 HK$'000
Contract liabilities arising from publication of advertisements:		
— Balance at 1 April	**6,020**	6,948
— Balance at 31 March	**4,899**	6,020
Revenue recognised during the year that was included in the opening contract liabilities balance	**1,121**	928

The contract liabilities primarily relate to the deposits or payments received in advance from customers for advertisement on requested.

The decrease in contract liabilities as at 31 March 2020 was mainly due to the decrease in advances received from customers as a result of the budget reduction of customers for advertisement.

27. BORROWINGS

	2020 HK$'000	2019 HK$'000
Other loan due within one year included under current liabilities	**5,717**	6,691

At 31 March 2020 and 2019, the other loan is denominated in Australian Dollars is made by a non-controlling shareholder of a subsidiary of the Company which is unsecured, and bears interest at 4% per annum and repayable on demand.

28. SHARE CAPITAL

	Number of shares	HK$'000
Issued and fully paid:		
At 1 April 2018, 31 March 2019, 1 April 2019 and 31 March 2020, ordinary shares with no par value	2,397,917,898	1,413,964

29. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group, during the year, paid legal fees amounting to HK$603,000 (2019: HK$956,000) 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.

29. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(a) Transactions with related parties *(Continued)*

During the year ended 31 March 2020, the Group had rendered service amounting to HK$1,060,000 (equivalent to AUD200,000) (2019: HK$1,142,000 (equivalent to AUD200,000)) to AMA Holdings Pty Ltd ("AMA"). Mr. Walter MARR, a director of the Company's subsidiary, was also a director and shareholder of AMA. With effect on 7 June 2019 and 19 June 2019, Mr. Walter MARR resigned as a director of the Company's subsidiary and a director of AMA respectively. Meanwhile, Mr. Alexander MA was appointed as a director of the Company's subsidiary and a director of AMA. The transaction prices were considered by the Directors to be at estimated market price.

The Directors are of the opinion that the key management personnel were solely the Directors, details of whose emoluments are set out in Note 40(a).

(b) Balances with related parties

	Note	2020 HK$'000	2019 HK$'000
Due from related parties (Note 22)			
AMA Holdings Pty Ltd	(i)	**952**	–
Mr. Walter MARR	(ii)	**154**	–
		1,106	–

Notes:

(i) Mr. Alexander MA is the common director of the Company's subsidiary and AMA.
(ii) Mr. Alexander MA is the son of Mr. Walter MARR.

The balances with related parties are unsecured, interest free and have no fixed terms of repayment.

30. OPERATING LEASE COMMITMENTS

At 31 March 2019, the total future minimum lease payments under non-cancellable operating leases payable by the Group are as follows:

	Premises HK$'000	Printing equipment HK$'000	Total HK$'000
Within one year	276	2,502	2,778
In the second to fifth year	92	5,837	5,929
	368	8,339	8,707

The Group leases a number of printing equipment and premises under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach.

31. OPERATING LEASE ARRANGEMENTS

The Group leases its investment properties (Note 16) under operating lease arrangements which run for an initial period of one to five years (2019: one 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.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2020 **HK$'000**	2019 HK$'000
Within one year	**19,277**	22,211
Between 1 and 2 years	**15,731**	17,036
Between 2 and 3 years	**13,974**	14,772
Between 3 and 4 years	**3,313**	12,979
Between 4 and 5 years	**489**	869
Later than 5 years	**–**	–
	52,784	67,867

32. CAPITAL COMMITMENTS

At 31 March 2020, the Group had the following capital commitments:

	2020 **HK$'000**	2019 HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment, contracted for but not provided for in the financial statements	**–**	114

33. RETIREMENT BENEFIT SCHEME

Long service payment

Employees who have completed at least five years of services with the Group are entitled to a long service payment, which are calculated in accordance with the applicable laws in Hong Kong. For details of the provision and payment, refer to Note 25.

Defined contribution scheme

The employees of the Group in Hong Kong were covered under the Mandatory Provident Fund ("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 65 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$17,317,000 (2019: HK$18,477,000).

34. 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 consolidated financial statements to cover any potential liabilities arising from these litigations.

35. 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 net debt-to-adjusted capital ratio. At 31 March 2020, the Group's net debt-to-adjusted capital ratio was minimal (2019: minimal). 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 non-controlling interests.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group does not have written financial 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 36(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.

	2020 **AUD'000**	2019 AUD'000
Cash and cash equivalents	**3,712**	5,666
Borrowing	**(1,201)**	(1,201)
Net exposure	**2,511**	4,465

Sensitivity analysis

The following table indicates the approximate change in the Group's (loss)/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.

	2020 **Profit or loss** **HK$'000**	2019 Profit or loss HK$'000
AUD	**1,195**	2,479

The sensitivity analysis above 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 balances. The analysis is performed on the same basis for 2019. For currency risk exposure of US Dollars, it is assumed that due to the pegged rate between the US Dollars and Hong Kong Dollars, it would not be materially affected.

36. 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, loans and interest receivables, other debtors and cash and cash equivalents. 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.

	2020	2019
	HK$'000	HK$'000
Classes of financial assets		
Trade receivables	**73,932**	98,861
Loans and interest receivables	**223,922**	211,696
Other debtors	**14,275**	2,915
Cash and cash equivalents	**594,108**	524,039
	906,237	837,511

The Company monitors financial assets that are subject to impairment allowances to assess whether there has been a significant increase in credit risk since initial recognition.

Trade receivables

The Group has no significant concentration of credit risk arising from its ordinary course of business. The Group continuously monitors financial conditions 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.

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

(b) Credit risk *(Continued)*

Trade receivables *(Continued)*

Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue balances. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade receivables. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the aging analysis. The historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers and other counterparties to settle the receivables.

On that basis, the loss allowance for ECL as at 31 March 2020 and 31 March 2019 was determined as follows for trade receivables:

	Within 1 year HK$'000	**Over 1 year HK$'000**	**Total HK$'000**
At 31 March 2020			
Gross carrying amount	**70,419**	**7,213**	**77,632**
Loss allowance for ECL	**421**	**3,279**	**3,700**
Expected credit loss rate	**0.60%**	**45.46%**	**4.77%**

	Within 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
At 31 March 2019			
Gross carrying amount	98,802	4,016	102,818
Loss allowance for ECL	723	3,234	3,957
Expected credit loss rate	0.73%	80.53%	3.85%

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

(b) Credit risk *(Continued)*

Trade receivables *(Continued)*

Movements in the account related to ECL in respect of trade receivables are summarised as follows:

	2020	2019
	HK$'000	HK$'000
Balance at beginning of year	**3,957**	4,170
Loss allowance for ECL on receivables	**129**	105
Amount recovered during the year	**–**	(169)
Amounts written off as uncollectible	**(386)**	(149)
Balance at end of year	**3,700**	3,957

Other debtors

The Directors assessed the ECL on other debtors are not material as they do not have default history and the debtors have a strong capability to meet its contractual cash flow obligations in the near term.

Cash and cash equivalents

The Directors assessed that the ECL on cash and cash equivalents are not material as bank balance are mainly placed with reputation banks which are all high-credit quality financial institutions.

Loans and interest receivables

The Group has concentration of credit risk as 36% (2019: 33%) and 95% (2019: 89%) of the total loans and interest receivables was due from the Group's largest customer and the five largest customers respectively within the money lending business segment as at 31 March 2020.

For the loans and interest receivables, prior to the lending of loan, the Group will review the financial strength, purpose of the borrowing, repayment ability of the borrower to ensure that the borrower has sound financial repayment ability. The Group assesses the credit profiles of each individual borrower by analysing the factors that influence the default probability, including (but not limited to) the counterparty's financial profile, business prospects and management, macroeconomic development, industrial and sovereign risk, and historical performance. The Group also reviews from time to time the financial conditions of the borrowers and corresponding collaterals.

For all loans receivables, the Group holds collateral against loans and interest receivables. All collaterals are Hong Kong properties pledged against the balances. Individual risk limits are set based on the value of collaterals provided by borrowers and internal ratings in accordance with the limits set by the Group. The utilisation of credit limits is regularly monitored.

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

(b) Credit risk *(Continued)*

Loans and interest receivables *(Continued)*

The Group make ECL estimates based on the collaterals against loan receivables, borrowers' creditworthiness, the delinquencies or defaults in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions.

The Directors are of the opinion that no loss allowance for ECL is necessary for these balances as there has not been a significant change in credit risk and the respective overdue principals and interests were still fully secured by the fair values of collaterals at their respective estimated selling prices. The fair value of the collaterals are higher than the carrying amount of these receivables at the end of the reporting period. Accordingly, the ECLs of these balances are minimal.

(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 short-term bank deposits 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 short-term bank deposits at the end of the reporting period.

	2020		2019	
	Interest rates	**HK$'000**	Interest rates	HK$'000
Bank deposits	**0.91% to 1.86%**	**451,428**	0.5% to 2.05%	373,359

Sensitivity analysis

At 31 March 2020, it was 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 loss/profit after tax and retained profits by approximately HK$451,000 (2019: HK$373,000).

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 the 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 2019.

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

(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.

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:

		Contractual undiscounted cash flow				
	Carrying amount	**Total**	**On demand**	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2020						
Trade payables	**15,974**	**15,974**	**15,974**	**–**	**–**	**–**
Other creditors and accruals	**57,301**	**57,301**	**57,301**	**–**	**–**	**–**
Borrowings	**5,717**	**5,717**	**5,717**	**–**	**–**	**–**
	78,992	**78,992**	**78,992**	**–**	**–**	**–**
2019						
Trade payables	13,468	13,468	13,468	–	–	–
Other creditors and accruals	51,911	51,911	51,911	–	–	–
Borrowings	6,691	6,691	6,691	–	–	–
	72,070	72,070	72,070	–	–	–

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

(e) Fair value measurements

Fair value of financial asset that is measured at fair value on a recurring basis

The Group' financial asset at FVTPL are measured at fair value at the end of each reporting period. The information about how the fair value of the financial assets at FVTPL are determined are set out in Note 17.

During the year ended 31 March 2020 and 2019, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3.

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost were not materially different from their fair values as at 31 March 2020 and 2019 because of the immediate or short term of these financial instruments.

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting period are categorised as follows. See Note 3.10 for explanations about how the classification of financial instruments affects their subsequent measurement.

2020

Financial assets	Financial asset at FVTPL HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Financial asset at fair value through profit or loss	9,453	–	9,453
Trade receivables	–	73,932	73,932
Loans and interest receivables	–	223,922	223,922
Other debtors	–	14,275	14,275
Cash and cash equivalents	–	594,108	594,108
	9,453	906,237	915,690

Financial liabilities	At amortised cost HK$'000
Trade payables	15,974
Other creditors and accruals	57,301
Borrowings	5,717
	78,992

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

(f) Summary of financial assets and liabilities by category *(Continued)*

2019

Financial assets	Financial asset at FVTPL HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Financial asset at fair value through profit or loss	11,154	–	11,154
Trade receivables	–	98,861	98,861
Loans and interest receivables	–	211,696	211,696
Other debtors	–	2,915	2,915
Cash and cash equivalents	–	524,039	524,039
	11,154	837,511	848,665

Financial liabilities	At amortised cost HK$'000
Trade payables	13,468
Other creditors and accruals	51,911
Borrowings	6,691
	72,070

37. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2020 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid up capital	Principal activity
Don Bon Property Limited	Hong Kong	HK$1	Investing holding
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	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 FA Limited	Hong Kong	HK$100	Money lending
Oriental Press Centre Limited	Hong Kong	HK$100	Property holding
Oriental Publications Limited	Hong Kong	HK$100	Publication services
Safety Corporation Limited#	Hong Kong	HK$10	Property investment
Win Magazine Publisher Limited	Hong Kong	HK$1	Printing of magazine
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

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2020 HK$'000**	2019 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**4,897**	6,455
Financial asset at fair value through profit or loss		**9,453**	11,154
Investments in subsidiaries		**1**	1
		14,351	17,610
Current assets			
Prepayment		**217**	217
Amounts due from subsidiaries		**1,576,089**	1,616,518
Cash and cash equivalents		**1,862**	2,086
		1,578,168	1,618,821
Current liabilities			
Trade payables		**2,352**	2,930
Tax payables		**1,349**	414
		3,701	3,344
Net current assets		**1,574,467**	1,615,477
Total assets less current liabilities		**1,588,818**	1,633,087
Non-current liability			
Deferred tax liabilities		**528**	653
Net assets		**1,588,290**	1,632,434
EQUITY			
Share capital	28	**1,413,964**	1,413,964
Reserves	39	**174,326**	218,470
Total equity		**1,588,290**	1,632,434

The Company's statement of financial position was approved and authorised for issue by the Directors on 19 June 2020 and signed on its behalf by:

Ching-fat MA
Director

Ching-choi MA
Director

39. RESERVES OF THE COMPANY

	Retained profit HK$'000
At 1 April 2018	896,846
2018 final dividend paid	(95,916)
2018 special dividend paid	(599,479)
2019 interim dividend paid	(23,980)
Total comprehensive income for the year	40,999
At 31 March 2019 and 1 April 2019	218,470
2019 final dividend paid	**(47,958)**
Total comprehensive income for the year	**3,814**
At 31 March 2020	**174,326**

40. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' emoluments for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, are as follows:

	Fees HK$'000	Salaries and allowances HK$'000	Contribution to defined contribution plan HK$'000	Total HK$'000
Year ended 31 March 2020				
Executive Directors				
Mr. Ching-fat MA	**–**	**19,500**	**18**	**19,518**
Mr. Ching-choi MA	**–**	**15,600**	**18**	**15,618**
Mr. Shun-chuen LAM	**–**	**2,733**	**–**	**2,733**
Non-executive Director				
Mr. Dominic LAI	**140**	**–**	**–**	**140**
Independent Non-executive Directors				
Mr. Yau-nam CHAM	**130**	**–**	**–**	**130**
Mr. Ping-wing PAO	**160**	**–**	**–**	**160**
Mr. Yat-fai LAM	**170**	**–**	**–**	**170**
	600	**37,833**	**36**	**38,469**
Year ended 31 March 2019				
Executive Directors				
Mr. Ching-fat MA	–	19,512	18	19,530
Mr. Ching-choi MA	–	15,612	18	15,630
Mr. Shun-chuen LAM	–	2,747	–	2,747
Non-executive Director				
Mr. Dominic LAI	130	–	–	130
Independent Non-executive Directors				
Mr. Yau-nam CHAM	120	–	–	120
Mr. Ping-wing PAO	140	–	–	140
Mr. Yat-fai LAM	160	–	–	160
	550	37,871	36	38,457

40. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The Directors' emoluments disclosed above are mainly for their services in connection with the management of the affairs of the Company and the Group.

The Directors' emoluments are determined with reference to their 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 years ended 31 March 2020 and 2019, no emoluments had been paid by the Group to the Directors or the five highest-paid individuals referred to in Note 13 as an inducement to join or upon joining the Group or as a compensation for loss of office.

(b) Directors' material interests in transactions, arrangements or contracts

Except from disclosed in Note 29(a), no transactions, arrangements and contracts of significance to which the Group as a party and in which a Director had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(c) Loans, quasi-loans and other dealings in favour of directors

No loans, quasi-loans and other dealings in favour of the Directors or body corporate controlled by such Directors, or entities connected with such Directors, subsisted at the end of the year or at any time during the year.

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Other loan
	HK$'000
1 April 2018	7,406
Changes from cash flows:	
Repayment of other loan	(157)
Interest paid	(275)
	(432)
Non-cash changes:	
Interest expenses	275
Foreign exchange translation	(558)
	(283)
At 31 March 2019 and 1 April 2019	6,691
Changes from cash flows:	
Interest paid	(255)
Non-cash changes:	
Interest expenses	255
Foreign exchange translation	(974)
	(719)
At 31 March 2020	5,717

42. EVENT AFTER REPORTING PERIOD

From the end of the year ended 31 March 2020 up to the date of this Consolidated Financial Statements, Oriental FA Limited, a subsidiary of the Company, has filed a writ of summons against a client for the repayment of a loan principal, amounted to HK$11,500,000, and its corresponding overdue interest.

Five Years Financial Summary

	For the year ended 31 March				
	2016 HK$'000	2017 HK$'000	2018 HK$'000 (Restated)	2019 HK$'000	**2020** **HK$'000**
Revenue	1,181,233	1,000,303	979,905	901,715	**823,014**
Profit/(loss) attributable to owners of the Company	54,612	163,889	158,134	81,388	**(10,987)**
Total assets	2,844,120	2,677,711	2,634,158	1,982,339	**1,897,097**
Total liabilities	(203,304)	(180,841)	(167,531)	(156,818)	**(148,402)**
Non-controlling interests	(3,306)	(5,812)	(7,306)	(6,508)	**(5,103)**
Equity attributable to owners of the Company	2,637,510	2,491,058	2,459,321	1,819,013	**1,743,592**

Schedule of Major Properties

Details of the Group's major properties as at 31 March 2020 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
Units 1 to 4 on 22 Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	8,480 Sq ft	Commercial	Medium-term	100%	Investment property
Units 5 to 6 on 22 Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	5,966 Sq ft	Commercial	Medium-term	100%	Own use
Metro Aspire Hotel 383 Bulwara Road Ultimo 2007 Sydney Australia	31,000 Sq ft	Commercial	Freehold	90%	Operating hotel business by licensee
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