東方報業集團有限公司
ORIENTAL PRESS GROUP LTD

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

Announcement of results for the year ended 31 March 2014

The board of directors of Oriental Press Group Limited (the "Board") announces that the audited consolidated results of Oriental Press Group Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the year ended 31 March 2014 are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2014

	Notes	**2014 HK$'000**	2013 HK$'000
Revenue	3	**1,436,486**	1,457,461
Other income	3	**40,526**	67,767
Raw materials and consumables used		**(367,826)**	(452,728)
Staff costs including directors' emoluments		**(710,490)**	(679,228)
Depreciation		**(74,485)**	(67,065)
Other operating expenses		**(205,931)**	(185,613)
Net surplus on revaluation of property, plant and equipment		**-**	74,930
Fair value adjustments on investment properties		**9,370**	(12,951)
Net gain on disposal of property, plant and equipment		**26**	346
Profit from operations	5	**127,676**	202,919
Finance costs	6	**(419)**	(528)
Profit before tax		**127,257**	202,391
Income tax expense	7	**(37,056)**	(17,944)
Profit for the year		**90,201**	184,447
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Surplus on revaluation of building		**44,273**	56,364
- Deferred tax liabilities arising on revaluation of building		**(4,290)**	(9,300)
		39,983	47,064
Items that may be reclassified subsequently to profit or loss:			
- Exchange (loss)/gain on translation of financial statements of foreign operations		**(7,062)**	4,855
Other comprehensive income for the year, net of tax		**32,921**	51,919
Total comprehensive income for the year		**123,122**	236,366

	Notes	**2014** **HK$'000**	2013 HK$'000
Profit for the year attributable to:			
Owners of the Company	9	**90,361**	182,910
Non-controlling interests		**(160)**	1,537
		90,201	184,447
Total comprehensive income attributable to:			
Owners of the Company		**123,526**	234,797
Non-controlling interests		**(404)**	1,569
		123,122	236,366
Earnings per share for profit attributable to owners of the Company			
- Basic	9	**HK3.77 cents**	HK7.63 cents
- Diluted		**HK3.77 cents**	HK7.63 cents

Consolidated Statement of Financial Position
As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**915,488**	906,236
Leasehold land		**25,996**	26,784
Investment properties		**216,616**	234,206
Available-for-sale financial asset		**4,745**	4,745
Deferred tax assets		**37,984**	51,673
		1,200,829	1,223,644
Current assets			
Inventories	10	**70,169**	113,778
Trade receivables	11	**198,964**	248,813
Other debtors, deposits and prepayments		**20,265**	18,613
Taxation recoverable		**1,759**	13,326
Cash and bank balances		**1,741,560**	1,601,803
		2,032,717	1,996,333
Current liabilities			
Trade payables	12	**31,420**	39,355
Other creditors, accruals and deposits received		**153,611**	121,068
Taxation payable		**12,070**	7,483
Borrowings	13	**8,577**	8,899
		205,678	176,805
Net current assets		**1,827,039**	1,819,528
Total assets less current liabilities		**3,027,868**	3,043,172
Non-current liabilities			
Borrowings	13	**4,356**	1,844
Deferred tax liabilities		**98,813**	95,875
		103,169	97,719
Net assets		**2,924,699**	2,945,453
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,413,964**	599,479
Reserves		**1,508,569**	2,343,404
		2,922,533	2,942,883
Non-controlling interests		**2,166**	2,570
Total equity		**2,924,699**	2,945,453

Consolidated Statement of Changes in Equity
For the year ended 31 March 2014

	Equity attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000 (Note)	Exchange reserve HK$'000 (Note)	Properties revaluation reserve HK$'000 (Note)	Retained profits HK$'000 (Note)	Proposed dividend HK$'000 (Note)	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2012	599,479	814,485	29,149	9,700	1,351,190	71,937	2,875,940	1,001	2,876,941
2012 final dividend paid	-	-	-	-	-	(47,958)	(47,958)	-	(47,958)
2012 special dividend paid	-	-	-	-	-	(23,979)	(23,979)	-	(23,979)
2013 interim dividend paid	-	-	-	-	(47,958)	-	(47,958)	-	(47,958)
2013 special dividend paid	-	-	-	-	(47,959)	-	(47,959)	-	(47,959)
Transactions with owners	-	-	-	-	(95,917)	(71,937)	(167,854)	-	(167,854)
Profit for the year	-	-	-	-	182,910	-	182,910	1,537	184,447
Other comprehensive income									
-Surplus on revaluation of building	-	-	-	56,364	-	-	56,364	-	56,364
-Deferred tax liability arising on revaluation of building	-	-	-	(9,300)	-	-	(9,300)	-	(9,300)
-Release of property revaluation reserve upon depreciation of leasehold building	-	-	-	(5,404)	5,404	-	-	-	-
-Exchange gain on translation of financial statements of foreign operations	-	-	4,823	-	-	-	4,823	32	4,855
Total comprehensive income for the year	-	-	4,823	41,660	188,314	-	234,797	1,569	236,366
Proposed 2013 final dividend (Note 8)	-	-	-	-	(47,959)	47,959	-	-	-
Proposed 2013 special dividend (Note 8)	-	-	-	-	(23,979)	23,979	-	-	-
At 31 March 2013 and 1 April 2013	**599,479**	**814,485**	**33,972**	**51,360**	**1,371,649**	**71,938**	**2,942,883**	**2,570**	**2,945,453**
2013 final dividend paid	**-**	**-**	**-**	**-**	**-**	**(47,959)**	**(47,959)**	**-**	**(47,959)**
2013 special dividend paid	**-**	**-**	**-**	**-**	**-**	**(23,979)**	**(23,979)**	**-**	**(23,979)**
2014 interim dividend paid	**-**	**-**	**-**	**-**	**(23,979)**	**-**	**(23,979)**	**-**	**(23,979)**
2014 special dividend paid	**-**	**-**	**-**	**-**	**(47,959)**	**-**	**(47,959)**	**-**	**(47,959)**
Transactions with owners	**-**	**-**	**-**	**-**	**(71,938)**	**(71,938)**	**(143,876)**	**-**	**(143,876)**
Profit for the year	**-**	**-**	**-**	**-**	**90,361**	**-**	**90,361**	**(160)**	**90,201**
Other comprehensive income									
-Surplus on revaluation of building	**-**	**-**	**-**	**44,273**	**-**	**-**	**44,273**	**-**	**44,273**
-Deferred tax liability arising on revaluation of building	**-**	**-**	**-**	**(4,290)**	**-**	**-**	**(4,290)**	**-**	**(4,290)**
-Release of property revaluation reserve upon depreciation of leasehold building	**-**	**-**	**-**	**(6,389)**	**6,389**	**-**	**-**	**-**	**-**
-Exchange loss on translation of financial statements of foreign operations	**-**	**-**	**(6,818)**	**-**	**-**	**-**	**(6,818)**	**(244)**	**(7,062)**
Total comprehensive income for the year	**-**	**-**	**(6,818)**	**33,594**	**96,750**	**-**	**123,526**	**(404)**	**123,122**
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance	**814,485**	**(814,485)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Proposed 2014 final dividend (Note 8)	**-**	**-**	**-**	**-**	**(71,938)**	**71,938**	**-**	**-**	**-**
At 31 March 2014	**1,413,964**	**-**	**27,154**	**84,954**	**1,324,523**	**71,938**	**2,922,533**	**2,166**	**2,924,699**

Note: These reserve accounts comprise the consolidated reserves of HK$1,508,569,000 (2013: HK$2,343,404,000) in the consolidated statement of financial position of the Group.

Notes to the Financial Statements
For the year ended 31 March 2014

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These financial statements comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties, which are stated at fair values.

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.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has adopted the following amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are or have become effective for the Group's financial year beginning on 1 April 2013.

HKFRS 1 (Amendments)	Government Loans
HKFRSs (Amendments)	Annual Improvements to HKFRS 2009-2011 Cycle
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

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

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2014 and which have not been adopted in these financial statements.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transitional Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK (IFRIC) – Int 21	Levies[1]

Notes:
[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted
[2] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalized
[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 January 2016

3. REVENUE AND TURNOVER

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

	2014	2013
	HK$'000	HK$'000
Publication of newspapers	**1,365,724**	1,392,105
Internet subscription and advertising income	**47,144**	40,759
Rental income from investment properties	**6,236**	6,607
License fee income from hotel property	**7,312**	8,002
Income from restaurant operation	**10,070**	9,988
	1,436,486	1,457,461

	2014	2013
	HK$'000	HK$'000
Included in other income are:		
Interest earned on bank deposits	**10,297**	19,601
Sales of scrap materials	**6,726**	7,926
Forfeited deposit from the sale of hotel property	**-**	13,241

4. SEGMENT INFORMATION

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

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, interest income, sundry income and finance costs. Reconciliations between the reportable segment profit/(loss) to the Group's profit before income tax is presented below:

	Publication of newspapers		All other segments		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Reportable segment revenue from external customers	**1,412,868**	1,432,864	**23,618**	24,597	**1,436,486**	1,457,461
Reportable segment profit/(loss)	**129,358**	202,307	**8,650**	(13,867)	**138,008**	188,440
Unallocated corporate income					**28,350**	52,980
Unallocated corporate expenses					**(39,101)**	(39,029)
Profit before tax					**127,257**	202,391
Other information						
Depreciation and amortisation	**(74,567)**	(66,910)	**(706)**	(943)	**(75,273)**	(67,853)
Net surplus on revaluation of property, plant and equipment	**44,273**	131,294	**-**	-	**44,273**	131,294
Fair value adjustments on investment properties	**-**	-	**9,370**	(12,951)	**9,370**	(12,951)
Additions to non-current assets (property, plant and equipment and investment properties) during the year	**42,494**	34,621	**3,345**	49,569	**45,839**	84,190

Reportable segment assets and liabilities

	Publication of newspapers		All other segments		Unallocated		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS								
Segment assets	**1,239,445**	1,341,461	**247,796**	271,968	**-**	-	**1,487,241**	1,613,429
Available-for-sale financial asset	**-**	-	**-**	-	**4,745**	4,745	**4,745**	4,745
Cash and bank balances	**-**	-	**-**	-	**1,741,560**	1,601,803	**1,741,560**	1,601,803
Consolidated total assets	**1,239,445**	1,341,461	**247,796**	271,968	**1,746,305**	1,606,548	**3,233,546**	3,219,977
LIABILITIES								
Segment liabilities	**299,674**	264,393	**9,173**	10,131	**-**	-	**308,847**	274,524

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

	Revenue from external customers		**Non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (country of domicile)	**1,422,938**	1,442,852	**936,423**	924,520
Australia	**13,548**	14,609	**221,677**	242,706
	1,436,486	1,457,461	**1,158,100**	1,167,226

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

During the year, HK$527,443,000 (2013: HK$506,808,000) out of the Group's revenues of HK$1,436,486,000 was contributed by two (2013: two) customers. No other single customers contributed 10% or more to the Group's revenue for both 2014 and 2013.

5. PROFIT FROM OPERATIONS

	2014	2013
	HK$'000	HK$'000
Profit from operations is arrived at after charging/(crediting):		
Auditor’s remuneration	**1,263**	1,203
Cost of inventories recognised as expense	**367,826**	452,728
Bad debts	**348**	-
Impairment losses on trade receivables	**228**	724
Depreciation:		
- Owned assets	**72,712**	66,406
- Leased assets	**1,773**	659
Amortisation of leasehold land	**788**	788
Net exchange loss/(gain)	**26,973**	(2,177)
Net gain on disposal of property, plant and equipment	**(26)**	(346)
Outgoings in respect of investment properties (excluding hotel property) that generated rental income during the year	**1,047**	1,239
Operating lease charges in respect of buildings	**8,125**	6,616
Rental income from investment properties (excluding hotel property) less outgoings	**(5,189)**	(5,368)

6. FINANCE COSTS

	2014	2013
	HK$'000	HK$'000
Interest charges on borrowings wholly repayable within five years:		
Bank overdrafts	**-**	4
Other loan	**290**	328
Finance leases	**129**	196
	419	528

7. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

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

	2014	2013
	HK$'000	HK$'000
Current Tax		
- Hong Kong profits tax	**26,473**	17,316
- Overseas income tax	**826**	-
	27,299	17,316
Under/(over) provision in prior years:		
- Hong Kong	**(25)**	(130)
- Overseas	**1,680**	-
	1,655	(130)
Deferred taxation		
- Current year	**8,102**	758
	37,056	17,944

8. DIVIDENDS

(a) Dividends attributable to the year

	2014 HK$'000	2013 HK$'000
Interim dividend paid HK1 cent (2013: HK2 cents) per share	**23,979**	47,958
Special dividend paid HK2 cents (2013: HK2 cents) per share	**47,959**	47,959
Proposed final dividend HK3 cents (2013: HK2 cents) per share	**71,938**	47,959
Proposed special dividend Nil (2013: HK1 cent per share)	**-**	23,979
	143,876	167,855

A final dividend of HK3 cents (2013: final dividend of HK2 cents and special dividend of HK1 cent) has been proposed by the Board and is subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) Dividends recognised as distributions during the year

	2014 HK$'000	2013 HK$'000
2012 Final dividend	**-**	47,958
2012 Special dividend	**-**	23,979
2013 Interim dividend	**-**	47,958
2013 Special dividend	**-**	47,959
2013 Final dividend	**47,959**	-
2013 Special dividend	**23,979**	-
2014 Interim dividend	**23,979**	-
2014 Special dividend	**47,959**	-
	143,876	167,854

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK$90,361,000 (2013: HK$182,910,000) and on 2,397,917,898 (2013: 2,397,917,898) ordinary shares in issue during the year.

For the year ended 31 March 2014 and 2013, diluted earnings per share was the same as the basic earnings per share as there were no potential ordinary shares in issue for both years.

10. INVENTORIES

	2014	2013
	HK$'000	HK$'000
Newsprint and printing materials	**54,059**	88,859
Spare parts and supplies	**14,672**	23,738
Others	**1,438**	1,181
	70,169	113,778

11. TRADE RECEIVABLES

	2014	2013
	HK$'000	HK$'000
Trade receivables	**200,962**	251,291
Less: Allowance for doubtful debts	**(1,998)**	(2,478)
	198,964	248,813

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

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

	2014	2013
	HK$'000	HK$'000
0 – 60 days	**87,702**	109,385
61 – 90 days	**37,342**	46,557
Over 90 days	**73,920**	92,871
	198,964	248,813

12. TRADE PAYABLES

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

	2014	2013
	HK$'000	HK$'000
0 – 60 days	**25,463**	31,923
61 – 90 days	**1,911**	794
Over 90 days	**4,046**	6,638
	31,420	39,355

13. BORROWINGS

	2014 HK$'000	2013 HK$'000
Borrowings wholly repayable within five years:		
- Other loan	**7,173**	8,104
- Obligations under finance leases	**5,760**	2,639
	12,933	10,743
Less: Current portion due within one year included under current liabilities		
- Other loan	**7,173**	8,104
- Obligations under finance leases	**1,404**	795
	8,577	8,899
Non-current portion included under non-current liabilities		
- Obligations under finance leases	**4,356**	1,844

At 31 March 2014 and 2013, other loan denominated in Australian Dollars, which was made by a non-controlling shareholder of a subsidiary of the Company, was unsecured, bearing interest at 4% per annum and repayable on demand.

The carrying amounts of borrowings approximate their fair value.

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

	Minimum lease payments		Present value of minimum lease payments	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Obligation under finance leases:				
Due within one year	**1,479**	865	**1,404**	795
Due in the second to fifth year	**4,430**	1,881	**4,356**	1,844
	5,909	2,746	**5,760**	2,639
Less: Future finance charges on finance leases	**(149)**	(107)		
Present value of lease obligations	**5,760**	2,639		
Less: Amount due for settlement within one year included under current liabilities			**(1,404)**	(795)
Amount due for settlement in the second to the fifth year included under non-current liabilities			**4,356**	1,844

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

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

RESULTS

For the year ended 31 March 2014 (the "Reporting Year"), the audited consolidated profit attributable to owners of the Company amounted to HK$90,361,000.

DIVIDENDS

The directors of the Company (the "Director(s)") recommend a final dividend of HK3 cents (2013: final dividend of HK2 cents and special dividend of HK1 cent) per Share of the Company (the "Share(s)") for the Reporting Year, payable to the shareholders of the Company (the "Shareholder(s)") whose names appear on the Register of Members of the Company on 26 August 2014. Together with the paid interim dividend of HK1 cent (2013: HK2 cents) per Share and a special dividend of HK2 cents (2013: HK2 cents) per Share, the dividends for the Reporting Year amounts to HK6 cents (2013: HK7 cents) per Share. The proposed final dividend will be payable on or around 8 September 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 19 August 2014 to 20 August 2014 (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 20 August 2014 and voting in the meeting, all transfers accompanied with the relevant Share certificates must be deposited with the Company's Share registrar, Tricor Friendly Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 18 August 2014.

Subject to Shareholders' approval at the AGM, the proposed final dividend will be distributed to the Shareholders whose names appear on the Register of Members of the Company on 26 August 2014. The Register of Members of the Company will be closed on 26 August 2014. In order to qualify for payment of the recommended final dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company's Share registrar, Tricor Friendly Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 25 August 2014.

BUSINESS REVIEW

"Oriental Daily News" continues to be the best-selling and most widely read newspaper in Hong Kong, and has been so for the last 38 consecutive years. It is truly "The Paper for Hong Kong". According to the research of Oracle Added Value, which has been regarded as the best marketing research company of the year in Hong Kong, the readership of "Oriental Daily News" achieved a record high of 3,768,048 in June and July 2013, representing an increase of 35,892 readers over that in October 2011, and is also 56% higher than that of "Apple Daily". The research showed that "Oriental Daily News" enjoys quality readership, of which the percentages of employers, executives, professionals and college graduates are higher than the respective percentages in Hong Kong's population as a whole. During the Reporting Year, "Oriental Daily News" has undergone a revamp, adding to it a number of distinctive and quality new columns. With fast, accurate and authoritative exclusive news coverage, as well as influential commentary articles, "Oriental Daily News" enjoys high popularity among the readers. By its high sales volume, excellent reputation, extensive coverage and a broad quality readership, "Oriental Daily News" has been the top-preferred choice for advertisers to market their products. The sales of "Oriental Daily News" has remained steady despite the increase of its retail price to HK$7 in April last year, contributing to an increase in revenue from distribution to the Group.

"The Sun" is holding fast as the third best-selling Chinese newspaper in Hong Kong for the last 15 consecutive years. According to the research of Oracle Added Value, which has been regarded as the best marketing research company of the year in Hong Kong, the readership of "The Sun" achieved a record of 1,704,339 in June and July 2013, which represents an increase of 69,839 readers over that in October 2011, proving that it has received extensive recognition, and its position is improving by the day. "The Sun", with a large young readership, constantly pursues innovation and improvement, and presents a flexible layout and attractive headlines. "The Sun" explores controversial social issues through various forms of special feature reports in a light and refreshing alternative way of presentation. With a double-cover design, its supplement "Goodlife" presents the latest local trends under different themes every day, and also provides diversified overseas entertainment news, appealing to young readers and advertisers.

"Good News", an entertainment paperzine for young readers, is distributed with "The Sun" each Friday and is also given out separately in downtown areas throughout Hong Kong free of charge. It has been gaining popularity since its launch in November 2012 and has become the entertainment paperzine that the readers read every Friday. "Good News" boldly carries "secrets" in the entertainment circle and keeps track of the latest news of celebrities and artists. With streams of exclusive reports, supplemented by beauty, dining and parenting contents, "Good News" receives much appreciation from readers. Attracted by the unique style of "Good News", advertisers give out their products through the column "Good Deals" to enhance their promotional effect. During the Reporting Year, "Good News" overhauled its layout design making its masthead and layout more fashionable, thus highlighting the distinctive image of "Good News".

"on.cc" is the flagship online portal of the Group, and also the new media business that the Group has been focusing on in recent years. According to a summary analysis of Hong Kong 2013/2014 reports of comScore Media Metrix, an international market research company, "on.cc" continues to record the largest number of page views and become the news portal of the highest page views in Hong Kong, and has recorded a historic high of 4.21 million monthly unique visitors and more than 4 million downloads of mobile applications. "on.cc" is highly recognised for its unparalleled fast, extensive and detailed news coverage and insightful analyses on current affairs. In response to the rapid development of technology, "on.cc" has been developing its website and mobile applications, optimising the layout and enriching its content. In order to attract readers in Taiwan and mainland China, as well as to enlarge the Group's market and enhance its influence, "on.cc" has added a new website "tw.on.cc" and a mobile application specially for readers in Taiwan, and a simplified Chinese characters news website "cn.on.cc" and a mobile application for readers in mainland China. When students in Taiwan rallied at the Executive Yuan in a protest against the Cross-Strait Service Trade Agreement in March this year, "on.cc" reporters made overnight live coverage at the site reporting on the clearing up of the students, and provided more live videos than any other media from Hong Kong. In celebration of the Group's 45th anniversary, "on.cc" offered "The Sun ePaper", "Good News ePaper" and "Oriental Daily ePaper" free of charge globally to give payback to the readers for their support, making an unprecedented move in the industry. These offers were well received by readers, driving up the weekly page views to more than 30 million and extending the Group's influence all over the world instantly. During the Reporting Year, the mobile application "on.cc e-newspaper", including "Oriental Daily ePaper", "The Sun ePaper", "Good News ePaper", "FLASHoN eMagazine" and "Supplement ePaper", was launched, integrating the print media with this new media. A large number of netizens have downloaded the application, delivering the advertisements of advertisers to all over the world. "on.cc" has been partnering with international search engines such as Google and Yahoo for years. Numerous news stories reported by the Group have been widely circulated on social networks, further extending the reach of "on.cc".

"ontv" has officially changed its name to "ontv" on 28 December 2013. "ontv" viewers can watch the latest news videos on computer browsers, tablet PCs and mobile phones. During the Reporting Year, "ontv" has made constant innovation in its technology and contents, and produced diversified programmes which include current affairs programmes such as "Yuk-man Reveals" (毓民踢爆), "Discussions on Hong Kong" (港是港非), "Hong Kong Affairs" (港事串燒), "Pros and Cons Forum" (正反論壇), "News Focus" (新聞焦點), entertainment programmes such as "Entertainment on Show" (娛樂 on Show), "Entertainment Showtime" (娛樂演・講・聽), and financial programmes such as "Pre-opening Stock Picks" (開市點股), "Stock Market Mastermind" (股壇 Mastermind). These highly popular programmes spearhead the development of online TV.

"Money 18" provides netizens with real-time financial information, including the Real-time Quote, financial news, trading volume of properties and recommendations on investment. Amongst these, Real-time Quote is particularly popular with investors, serving as a promotion platform for foreign banks to market callable bull/bear contracts and warrants. Through prompt responses to the investment market, "Money 18" keeps abreast of market moves and provides investors with the latest information and detailed analysis, enabling them to adjust their investment portfolios and strategies to market changes.

"FLASHoN" a free trendy monthly, is distributed with "Oriental Daily News" for free in certain high-end residential and commercial areas in Hong Kong, and is available on request at specified places. "FLASHoN" features an elegant layout and exquisite printing. In addition to updates on local events and news on celebrities, this monthly also shares information on trendy fashion, jewellery, beauty, wine, cuisine and travel. "FLASHoN" has also extended its content to its website "FLAHSoN.com", enabling its readers to access the first-hand information anytime and anywhere including videos of international fashion shows and interviews with celebrities from the fashion world. Since its inception three years ago, "FLASHoN" has attracted a group of readers of high spending ability and good tastes. The growing number of renowned international brands cooperating with "FLASHoN" shows the popularity and reputation of "FLASHoN" in the market as well as its growing status.

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

Due to the decrease in advertising income, exchange loss arising from the depreciation of the Australian dollar, and application of the net gain attributable to the revaluation of the properties, plant and equipment in the Reporting Year toward the reserves, the Group's earnings in the Reporting Year decreased compared with the same period last year. In the Reporting Year, the Group took various administrative measures to reduce expenses and successfully controlled printing cost, but it was not able to offset such reduction against the decrease in advertising revenue. During the Reporting Year, the Group's advertising income was affected as property developers reduced their advertising budgets amid the market downturn of the real estate industry, and customers from financial investments and retail industries also cut their advertising expenses as a result of light trading in the investment market and a fall in travellers' spending power. In addition, budgets of the advertising market obviously flowed into online and mobile platforms, posing pressure on the print media. During the Reporting Year, the Group's efforts to reform its online business to take up part of the advertising income diverted from the print media have shown satisfactory results. The successful reform of "on.cc" has paved the way for the Group's online business in the future.

BUSINESS OUTLOOK

The Group expects that the advertising market will continue to grow at a low rate against the sluggish global economy and political uncertainties. The increasing popularisation of the internet and mobile phones is expected to drive up the advertisements in this new media and results in a reduction in advertising revenue of newspapers. However, the Group believes that as the new media is still at a budding stage, its advertising capacity and prices are not comparable to print media. It will take some time before the new media can become the mainstream advertising market. Fortunately, "Oriental Daily News" and "The Sun" have been enjoying a large readership at all times, which will moderate the slowdown of the print media resulting from the emergence of the new media, enabling the Group to maintain stable advertising income.

"on.cc" has extended its reach beyond Hong Kong into the international community. Its influence in Hong Kong, Macao, Taiwan, the mainland China and even the Chinese communities around the world has been increasing. The Group intends to apply the existing strength of "on.cc" to select appropriate partners for the research and development of various online products to capture business opportunities, with a view to diversifying its business and increasing the Group's revenue. "on.cc" has opened an office in Taiwan and plans to set up more offices in different overseas Chinese communities. It aims to become the largest information website for Chinese people worldwide. The Group is developing "on.cc" as another core business and is preparing for separating it as an independently operated electronic media. "ontv" will launch more independently produced quality programmes, creating new direction for online television.

While developing the new media business, the Group will implement strict cost control to maintain profitability. Currently, staff costs account for the largest portion of our expenses. The Group will review its staffing from time to time and apply state-of-the-art technologies to increase automation, with a view to improving the cost efficiency of its businesses. The Group will continue to seek suitable property investment opportunities, so as to create more attractive returns for our Shareholders.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The working capital as at 31 March 2014 amounted to approximately HK$1,827,039,000 (2013: HK$1,819,528,000), which includes time deposits, bank balances and cash amounting to approximately HK$1,741,560,000 (2013: HK$1,601,803,000). As at 31 March 2014, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (2013: 0.4%).

During the Reporting Year, the Group's capital expenditure was approximately HK$45,839,000.

CONTINGENT LIABILITY

As at 31 March 2014, the Group had no material contingent liability.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2014, the Group employed 2,143 employees (2013: 2,165). 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.

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in Hong Kong and most of the Group's transactions are denominated in Hong Kong Dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The currencies giving rise to this risk are primarily US Dollars and 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.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the annual results for the Reporting Year with the management. The figures in the preliminary announcement of the Group's results for the Reporting Year have been agreed by the Group's auditors, HLM CPA Limited.

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.

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

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

PUBLICATION OF ANNUAL REPORT

The 2014 annual report of the Company will be dispatched to the Shareholders and published on the websites of the Company and the Stock Exchange in due course.

ANNUAL GENERAL MEETING

The 2014 AGM will be held on Wednesday, 20 August 2014 and the Notice of AGM will be published and dispatched in the manner as required by the Listing Rules in due course.

On behalf of the Board
Ching-fat MA
Chairman

Hong Kong, 20 June 2014

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