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 2015

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 2015 are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2015

	Notes	**2015** HK$'000	2014 HK$'000
Revenue	3	**1,324,717**	1,436,486
Other income	3	**41,913**	40,526
Raw materials and consumables used		**(300,732)**	(367,826)
Staff costs including directors' emoluments		**(732,718)**	(710,490)
Depreciation		**(78,062)**	(74,485)
Net exchange loss		**(37,361)**	(26,973)
Other operating expenses		**(174,702)**	(178,958)
Fair value adjustments on investment properties		**33,976**	9,370
Net gain on disposal of property, plant and equipment		**538**	26
Profit from operations	5	**77,569**	127,676
Finance costs	6	**(337)**	(419)
Profit before tax		**77,232**	127,257
Income tax expense	7	**(25,388)**	(37,056)
Profit for the year		**51,844**	90,201
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Surplus on revaluation of building		**47,656**	44,273
- Deferred tax liabilities arising on revaluation of building		**(4,620)**	(4,290)
		43,036	39,983
Items that may be reclassified subsequently to profit or loss:			
- Exchange loss on translation of financial statements of foreign operations		**(4,969)**	(7,062)
Other comprehensive income for the year, net of tax		**38,067**	32,921
Total comprehensive income for the year		**89,911**	123,122

	Notes	**2015** **HK$'000**	2014 HK$'000
Profit for the year attributable to:			
Owners of the Company	9	**51,052**	90,361
Non-controlling interests		**792**	(160)
		51,844	90,201
Total comprehensive income attributable to:			
Owners of the Company		**89,501**	123,526
Non-controlling interests		**410**	(404)
		89,911	123,122
Earnings per share for profit attributable to owners of the Company			
- Basic	9	**HK2.13 cents**	HK3.77 cents
- Diluted		**HK2.13 cents**	HK3.77 cents

Consolidated Statement of Financial Position
As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**919,627**	915,488
Leasehold land		**25,208**	25,996
Investment properties		**210,169**	216,616
Available-for-sale financial asset		**4,745**	4,745
Deferred tax assets		**27,808**	37,984
		1,187,557	1,200,829
Current assets			
Inventories	10	**71,730**	70,169
Trade receivables	11	**187,397**	198,964
Other debtors, deposits and prepayments		**17,437**	20,265
Taxation recoverable		**12,047**	1,759
Cash and bank balances		**1,653,132**	1,741,560
		1,941,743	2,032,717
Current liabilities			
Trade payables	12	**26,528**	31,420
Other creditors, accruals and deposits received		**86,384**	153,611
Taxation payable		**363**	12,070
Borrowings	13	**8,118**	8,577
		121,393	205,678
Net current assets		**1,820,350**	1,827,039
Total assets less current liabilities		**3,007,907**	3,027,868
Non-current liabilities			
Borrowings	13	**5,882**	4,356
Deferred tax liabilities		**107,311**	98,813
		113,193	103,169
Net assets		**2,894,714**	2,924,699
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,413,964**	1,413,964
Reserves		**1,478,174**	1,508,569
		2,892,138	2,922,533
Non-controlling interests		**2,576**	2,166
Total equity		**2,894,714**	2,924,699

Consolidated Statement of Changes in Equity
For the year ended 31 March 2015

	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 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 and 1 April 2014	**1,413,964**	**-**	**27,154**	**84,954**	**1,324,523**	**71,938**	**2,922,533**	**2,166**	**2,924,699**
2014 final dividend paid	**-**	**-**	**-**	**-**	**-**	**(71,938)**	**(71,938)**	**-**	**(71,938)**
2015 interim dividend paid	**-**	**-**	**-**	**-**	**(47,958)**	**-**	**(47,958)**	**-**	**(47,958)**
Transactions with owners	**-**	**-**	**-**	**-**	**(47,958)**	**(71,938)**	**(119,896)**	**-**	**(119,896)**
Profit for the year	**-**	**-**	**-**	**-**	**51,052**	**-**	**51,052**	**792**	**51,844**
Other comprehensive income									
-Surplus on revaluation of building	**-**	**-**	**-**	**47,656**	**-**	**-**	**47,656**	**-**	**47,656**
-Deferred tax liability arising on revaluation of building	**-**	**-**	**-**	**(4,620)**	**-**	**-**	**(4,620)**	**-**	**(4,620)**
-Release of property revaluation reserve upon depreciation of leasehold building	**-**	**-**	**-**	**(7,773)**	**7,773**	**-**	**-**	**-**	**-**
-Exchange loss on translation of financial statements of foreign operations	**-**	**-**	**(4,587)**	**-**	**-**	**-**	**(4,587)**	**(382)**	**(4,969)**
Total comprehensive income for the year	**-**	**-**	**(4,587)**	**35,263**	**58,825**	**-**	**89,501**	**410**	**89,911**
Proposed 2015 final dividend (Note 8)	**-**	**-**	**-**	**-**	**(47,958)**	**47,958**	**-**	**-**	**-**
At 31 March 2015	**1,413,964**	**-**	**22,567**	**120,217**	**1,287,432**	**47,958**	**2,892,138**	**2,576**	**2,894,714**

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

Notes to the Financial Statements
For the year ended 31 March 2015

1. 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. 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. APPLICATION 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 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non - Financial Assets
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
HKFRS 2 included in Annual Improvements 2010-2012 Cycle (Amendments)	Definition of Vesting Condition[1]
HKFRS 3 included in Annual Improvements 2010-2012 Cycle (Amendments)	Accounting for Contingent Consideration in a Business Combination[1]
HKFRS 13 included in Annual Improvements 2010-2012 Cycle (Amendments)	Short-term Receivables and Payables
HKFRS 1 included in Annual Improvements 2011-2013 Cycle (Amendments)	Meaning of Effective HKFRSs

Notes:
[1] Effective from 1 July 2014

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

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

HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[4]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations[4]
HKAS 1 (Amendments)	Disclosure Initiative[4]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[4]
HKAS 19 (Amendments)	Defined benefit plans: Employee Contributions[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[4]

Notes:
[1] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[3] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
[5] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted
[6] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

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

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

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:

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

	2015	2014
	HK$'000	HK$'000
Included in other income are:		
Interest earned on bank deposits	**11,676**	10,297
Sales of scrap materials	**5,697**	6,726

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, net exchange loss, interest income, sundry income and finance costs. Reconciliation between the reportable segment profit or loss to the Group's profit before income tax is presented below:

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

Reportable segment assets and liabilities

	Publication of newspapers		All other segments		Unallocated		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS								
Segment assets	**1,241,691**	1,239,445	**229,732**	247,796	**-**	-	**1,471,423**	1,487,241
Available-for-sale financial asset	**-**	-	**-**	-	**4,745**	4,745	**4,745**	4,745
Cash and bank balances	**-**	-	**-**	-	**1,653,132**	1,741,560	**1,653,132**	1,741,560
Consolidated total assets	**1,241,691**	1,239,445	**229,732**	247,796	**1,657,877**	1,746,305	**3,129,300**	3,233,546
LIABILITIES								
Segment liabilities	**219,968**	299,674	**14,618**	9,173	**-**	-	**234,586**	308,847

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

	Revenue from external customers		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (country of domicile)	**1,309,370**	1,422,938	**940,465**	936,423
Australia	**15,347**	13,548	**214,539**	221,677
	1,324,717	1,436,486	**1,155,004**	1,158,100

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

During the year, HK$484,966,000 (2014: HK$527,443,000) out of the Group's revenue of HK$1,324,717,000 was contributed by two (2014: two) customers. No other single customers contributed 10% or more to the Group's revenue for both 2015 and 2014.

5. PROFIT FROM OPERATIONS

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

6. FINANCE COSTS

	2015 **HK$'000**	2014 HK$'000
Interest charges on borrowings wholly repayable within five years:		
- Other loan	**269**	290
- Finance leases	**68**	129
	337	419

7. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

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

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

8. DIVIDENDS

(a) Dividends attributable to the year

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

A final dividend of HK2 cents (2014: final dividend of HK3 cents) per share 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

	2015	2014
	HK$'000	HK$'000
2013 Final dividend	**-**	47,959
2013 Special dividend	**-**	23,979
2014 Interim dividend	-	23,979
2014 Special dividend	-	47,959
2014 Final dividend	**71,938**	-
2015 Interim dividend	**47,958**	-
	119,896	143,876

9. EARNINGS PER SHARE

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

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

10. INVENTORIES

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

11. TRADE RECEIVABLES

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

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

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

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

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:

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

13. BORROWINGS

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

At 31 March 2015 and 2014, 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**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Obligation under finance leases:				
Due within one year	**2,190**	1,479	**2,156**	1,404
Due in the second to fifth year	**5,915**	4,430	**5,882**	4,356
	8,105	5,909	**8,038**	5,760
Less: Future finance charges on finance leases	**(67)**	(149)		
Present value of lease obligations	**8,038**	5,760		
Less: Amount due for settlement within one year included under current liabilities			**(2,156)**	(1,404)
Amount due for settlement in the second to the fifth year included under non-current liabilities			**5,882**	4,356

The Group has entered into finance leases for certain plant, machinery and printing equipment. The leases run for a period of 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 leased 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 2015 (the "Reporting Year"), the audited consolidated profit attributable to owners of the Company amounted to HK$51,052,000 and the total comprehensive income amounted to HK$89,911,000. Before deductions of the exchange loss arising from the depreciation of the Australian Dollars resulting in an impairment of HK$37,361,000, payment of bonus to the employees to celebrate the 45th anniversary of the Group in the sum of HK$21,319,300 and bonus payment to the editorial staff for the over-time work during the "Occupy Central" protest in the sum of HK$3,536,000 from the revenue of the Group for the year ended 31 March 2015, the consolidated profit of the Group would be HK$114,060,300.

DIVIDENDS

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

CLOSURE OF REGISTER OF MEMBERS

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

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

COMMENTARY

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

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

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

“on.cc” is the flagship online portal of the Group, and also the new media business that the Group has been focusing on in recent years. According to the summary analysis of Hong Kong 2014/2015 reports of comScore Media Metrix, an international market research company, “on.cc” continues to record the largest number of page views and has become the news portal of the highest page views in Hong Kong; and it has recorded a historic high of 4.47 million monthly unique visitors and more than 5.31 million downloads of mobile applications. “on.cc” is highly recognised for its unparalleled fast, extensive and detailed news coverage and unique analyses on current affairs. In response to the rapid development of technology, “on.cc” has been developing its website and mobile applications, optimising the layout and enriching its contents. “on.cc” has added a new feature to its mobile application “on.cc Hong Kong and Macau” to push important news, enabling netizens to obtain news and information quickly. During the “Occupy Central” protests which broke out in late September 2014, “on.cc” reporters made overnight coverage of the clearance of protesters from the occupied sites to keep close track of the developments, producing the largest number of live video clips and bringing the most updated, timely and extensive news to netizens. “on.cc” was the first in the newspaper industry to enable viewing of ePapers free of charge globally. During the Reporting Year, “on.cc” has further included “International Daily News”, a US-based Chinese language newspaper, into “on.cc e-newspaper” and combined the printed media with new media, improving the quality of the ePapers to cater for various high-resolution mobile phone products in the market. Entertainment and information websites such as “Wacky” (奇怪趣), “on.cc Baby” (東網Baby) and “Wedding” (囍嫁) have enriched and diversified the contents of “on.cc”, successfully attracting a large number of netizens of different classes and expanding its readership. In April this year, “on.cc” was granted the Gold Award of Web Accessibility Recognition Scheme by the Office of the Government Chief Information Officer in recognition of its outstanding website design which addresses the need of people with disability. “on.cc” has been partnering with international search engines such as Google and Yahoo for years, with numerous news stories reported by “on.cc” widely circulated on social networks, further extending the reach of “on.cc”.

"ontv", an online television, not only provides latest videos of real-time news, but also produces a variety of programmes to enhance its attractiveness. In August 2014, "ontv" took on a fresh new look, with improved accessibility to enable netizens to watch news videos on desktop browsers, tablet PCs and mobile phones. In late September 2014, "ontv" acted quickly to deliver additional live reports on the "Occupy Central" protests to gain valuable experience in live reporting. After continuous improvement, "ontv" has made a number of live reports on events including Hui Si Yan's case, the Policy Address, the Financial Budget, International Football Friendly Match and Panasonic School's Basketball Championship, bringing media television into a new era. With a view to meeting the needs of different netizens, "ontv" introduced a series of new programmes during the Reporting Year, including current affairs programme "Ding Sheng's Commentary on Military and Political Affairs" (軍政鼎盛), entertainment programme "on.cc Baby" (東網Baby), sports programme "Premier League Beauties" (英超美女戰隊), as well as horse race programmes including "Horse Race Fans" (馬友友) and "Horse Race onShow" (馬上onShow), all of which have drawn lavish praises. In addition, "ontv" has even reached beyond Hong Kong by launching "Taiwan Channel" which features current affairs programmes such as "Cho-shui's Views" (濁閱天下), "Military Strategies" (論略談兵), "News Tsunami" (新聞大海嘯), "Ding Sheng's Commentary on Military and Political Affairs" (軍政鼎盛), "Police Stories" (警察二三事), "Shiqi's Commentary" (百話齊放) , "Property Market Q&A" (房市知多少), "Headaches of Father of Nation" (國父也抓狂) and "Taiwan Election Analysis" (東網戰情室), and entertainment programmes such as "ontv Pop U Show" (東網Pop U秀), "Entertainment Roundup" (娛樂怎麼惹), and "Movie XXL" (電影特大號). With this move, "ontv" has expanded in the market of online television successfully and increased the Group's influence in Taiwan. "ontv" also utilised social networks to share video clips with netizens, successfully attracting more readers. "ontv" has earned an excellent reputation though it is still at the exploration stage, and it is believed that it has substantial development potential.

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

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

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

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

During the Reporting Year, as the “Occupy Central” protests in Hong Kong, which lasted for more than two months, had a material impact on people’s willingness to spend, a number of advertisers suspended their large promotional activities and even shelved their promotion plans. Property developers also slowed down their efforts to promote new projects due to the impact of the event. Despite the launch of the “Shanghai-Hong Kong Stock Connect” in last November, advertisements of banks and financial institutions have not recorded any significant increase. These, coupled with the decrease in spending by Mainland tourists, have led to a decrease in advertisements for luxury products and retail, resulting in a decrease in the Group’s advertising income. Given the increasing popularity of smart mobile phones and tablet PCs, the reading habits of readers have changed from printed matter to electronic products, further affecting the business of printed media. During the Reporting Year, the revenue from the Group’s printed media business decreased to HK$1,239,303,000, representing a decrease of approximately 9.2% as compared with the same period last year. On the other hand, as advertisers preferred to use promotion platforms of lower costs, such as websites and mobile phones, in order to reduce their budget, the business revenue from the Group’s websites increased to HK$58,961,000, representing an increase of approximately 25% as compared with the same period last year.

During the Reporting Year, the exchange loss arising from the depreciation of the Australian Dollars resulted in an impairment of HK$37,361,000 in the carrying amount, further reducing the Group’s earnings. Fortunately, the decrease in production costs in the Reporting Year and the increase in the value of Australian properties do benefit the stability of the Group’s profit for the Reporting Year.

BUSINESS OUTLOOK

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

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

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

FINANCIAL RESOURCES AND LIQUIDITY

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

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

CONTINGENT LIABILITY

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

EXPOSURE TO FOREIGN EXCHANGE

The Group mainly operates in Hong Kong and most of the Group's transactions are denominated in Hong Kong Dollars. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The currency giving rise to this risk is primarily Australian Dollars. Currently, the Group does not have foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group employed 2,108 employees (2014: 2,143). Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the prevailing market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

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 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 on the Stock Exchange 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 during 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 2015 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 2015 AGM will be held on Wednesday, 19 August 2015 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, 19 June 2015

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.