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 2019

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 2019 are as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2019

	Notes	**2019 HK$'000**	2018 HK$'000 (Restated)
Revenue	3	**901,715**	979,905
Other income	3	**42,744**	46,302
Raw materials and consumables used		**(163,773)**	(160,667)
Staff costs including directors' emoluments		**(533,356)**	(564,762)
Depreciation		**(49,626)**	(54,790)
Other operating expenses		**(105,791)**	(113,955)
Gain on bargain purchase		**-**	3,027
Fair value adjustments on investment properties		**21,000**	50,084
Fair value adjustments on financial asset at fair value through profit or loss		**(2,048)**	-
Net exchange (loss) / gain		**(17,175)**	2,234
Net gain on disposal and write-off of property, plant and equipment		**1,283**	1,581
Profit from operations	5	**94,973**	188,959
Finance costs	6	**(275)**	(306)
Profit before tax		**94,698**	188,653
Income tax expense	7	**(13,593)**	(29,094)
Profit for the year		**81,105**	159,559
Other comprehensive (expenses) / income			
Item that may be reclassified subsequently to profit or loss:			
- Exchange (loss) / gain on translation of financial statements of foreign operations		**(11,293)**	2,030
Other comprehensive (expenses) / income for the year, net of tax		**(11,293)**	2,030
Total comprehensive income for the year		**69,812**	161,589

	Notes	**2019** **HK$'000**	2018 HK$'000 (Restated)
Profit / (loss) for the year attributable to:			
Owners of the Company	9	**81,388**	158,134
Non-controlling interests		**(283)**	1,425
		81,105	159,559
Total comprehensive income / (expense) attributable to:			
Owners of the Company		**70,610**	160,095
Non-controlling interests		**(798)**	1,494
		69,812	161,589
Earnings per share			
- Basic	9	**HK 3.39 cents**	HK6.59 cents
- Diluted		**HK 3.39 cents**	HK6.59 cents

Consolidated Statement of Financial Position
As at 31 March 2019

	Notes	**2019 HK$'000**	2018 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**538,505**	470,617
Leasehold land		**22,056**	22,844
Investment properties		**483,345**	599,329
Financial asset at fair value through profit or loss		**11,154**	-
Available-for-sale financial asset		**-**	4,745
Loans and interest receivables		**10,604**	-
Deferred tax assets		**9,543**	11,175
		1,075,207	1,108,710
Current assets			
Inventories	10	**59,443**	37,806
Trade receivables	11	**98,861**	118,413
Loans and interest receivables	12	**201,092**	92,646
Other debtors, deposits and prepayments		**13,364**	15,533
Taxation recoverable		**10,333**	11,637
Cash and cash equivalents		**524,039**	1,249,413
		907,132	1,525,448
Current liabilities			
Trade payables	13	**13,468**	10,508
Other creditors, accruals and deposits received		**56,923**	66,648
Contract liabilities		**6,020**	-
Taxation payable		**2,693**	7,321
Borrowings	14	**6,691**	7,406
		85,795	91,883
Net current assets		**821,337**	1,433,565
Total assets less current liabilities		**1,896,544**	2,542,275
Non-current liabilities			
Deferred tax liabilities		**71,023**	75,648
Net assets		**1,825,521**	2,466,627
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,413,964**	1,413,964
Reserves		**405,049**	1,045,357
		1,819,013	2,459,321
Non-controlling interests		**6,508**	7,306
Total equity		**1,825,521**	2,466,627

Consolidated Statement of Changes in Equity
For the year ended 31 March 2019

	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 2017	1,413,964	21,825	9,700	1,045,569	2,491,058	5,812	2,496,870
2017 final dividend paid	-	-	-	(95,916)	(95,916)	-	(95,916)
2017 special dividend paid	-	-	-	(47,958)	(47,958)	-	(47,958)
2018 interim dividend paid	-	-	-	(47,958)	(47,958)	-	(47,958)
Transactions with owners	-	-	-	(191,832)	(191,832)	-	(191,832)
Profit for the year	-	-	-	158,134	158,134	1,425	159,559
Other comprehensive income							
-Exchange gain on translation of financial statements of foreign operations	-	1,961	-	-	1,961	69	2,030
Total comprehensive income for the year	-	1,961	-	158,134	160,095	1,494	161,589
At 31 March 2018	1,413,964	23,786	9,700	1,011,871	2,459,321	7,306	2,466,627
Effect of adoption of HKFRS 9 (note 2.2)	-	-	-	8,457	8,457	-	8,457
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 (expenses) / income for the year	**-**	**(10,778)**	**-**	**81,388**	**70,610**	**(798)**	**69,812**
At 31 March 2019	**1,413,964**	**13,008**	**9,700**	**382,341**	**1,819,013**	**6,508**	**1,825,521**

Notes: These reserve accounts comprise the consolidated reserves of HK$405,049,000 (2018: HK$1,045,357,000) in the consolidated statement of financial position of the Group.

Notes to the Financial Statements
For the year ended 31 March 2019

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The financial information relating to the years ended 31 March 2019 and 2018 included in this preliminary annual results announcement do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 March 2019 in due course.

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

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 ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements comply with the applicable disclosure requirements of the Companies Ordinance (Cap. 622) and the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. APPLICATION OF NEW OR AMENDED HKFRSs

In the current year, the Group has adopted the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective for the Group's financial year beginning on 1 April 2018.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HKAS 28 (Amendments)	As part of the Annual Improvements HKFRSs 2014-2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK (IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, 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 2019 and have not been adopted in these consolidated financial statements, which are:

HKFRS 3 (Amendments)	Definition of a Business[3]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and Associate or Joint Venture[5]
HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle[1]
HKAS 1 and HKAS 8 (Amendments)	Definition of Material[2]
HKAS 19 (Amendments)	Employee Benefits[1]
HKAS 28 (Amendments)	Long-term Interest in Associates and Joint Ventures[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]

Notes:

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after 1 January 2020.
[3] 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.
[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.

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations. The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and the related interpretations.

The following reclassification was made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

Consolidated statement of financial position (extract)

	Carrying amounts previously reported as at 31 March 2018 HK$'000	Reclassification HK$'000	Carrying amounts under HKFRS 15 as at 1 April 2018 HK$'000
Current liabilities			
Other creditors, accruals and deposit received	66,648	(6,948)	59,700
Contract liabilities	-	6,948	6,948

The following table summaries the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position at 31 March 2019 for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported HK$'000	Reclassification HK$'000	Amounts without application of HKFRS 15 HK$'000
Current liabilities			
Other creditors, accruals and deposit received	56,923	6,020	62,943
Contract liabilities	6,020	(6,020)	-

Except as described above, the application of HKFRS 15 has had no material impact on the amounts reported set out in these consolidated financial statements.

2.2 HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including loss allowance for ECL) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Summary of effects arising from initial application of HKFRS 9

In summary, the following adjustments were made to the amounts recognised in the opening of consolidated statement of financial position on 1 April 2018:

	Carrying amounts as at 31 March 2018 under HKAS39 HK$'000	Reclassification HK$'000	Remeasurement HK$'000	New carrying amounts as at 1 April 2018 under HKFRS9 HK$'000
Financial asset at fair value through profit or loss	-	4,745	8,457	13,202
Available-for-sale financial asset	4,745	(4,745)	-	-
Retained profits	1,011,871	-	8,457	1,020,328

As at 1 April 2018, no additional credit loss allowance has been recognised against opening retained profit.

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Original classification under HKAS39 HK$'000	Original carrying amount under HKAS39 HK$'000	New classification under HKFRS9 HK$'000	New carrying amount under HKFRS9 HK$'000
Financial assets				
Financial asset at fair value through profit or loss	Available-for-sale at cost	4,745	Fair value through profit or loss	13,202
Loans and interest receivables	Loans and receivables	92,646	At amortised cost	92,646
Trade receivables	Loans and receivables	118,413	At amortised cost	118,413
Other debtors	Loans and receivables	3,220	At amortised cost	3,220
Cash and cash equivalents	Loans and receivables	1,249,413	At amortised cost	1,249,413
Total financial assets		1,468,437		1,476,894

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. The balances are grouped based on aging analysis and shared credit risk characteristics.

The Group applies the HKFRS 9 general approach to measure ECL for loans receivables. Individual risk limits are set based on the value of collaterals provided by customers and internal ratings in accordance with limits set by the Group.

The Group has estimated the expected credit loss for the trade receivables and loans receivables as at 1 April 2018 based on the assessment by the directors of the Company. If the expected credit loss model were to be applied by the Group as at 1 April 2018, there would be no material impact on the accumulated amount of loss allowance for ECL to be recognised by the Group as compared to the accumulated amount recognised under HKAS 39.

ECL for other financial assets at amortised cost including other receivables, and cash and cash equivalents that are considered, with reference to internal credit rating, as low risk are assessed under 12-month ECL (“12m ECL”) while other financial assets that are considered as doubtful or loss are assessed under lifetime ECL.

3. REVENUE

Revenue from the Group's principal activities represents total invoiced value of goods supplied, lease income from operating leases, interest earned on loans receivables and income from provision of services. Revenue recognised during the year is as follows:

	2019	2018
	HK$'000	HK$'000
		(Restated)
Publication of newspapers and advertising income	**734,962**	824,189
Interest earned on loans receivables	**12,587**	3,701
Internet subscription and advertising income	**122,393**	122,209
Rental income from investment properties	**14,187**	11,474
License fee income from hotel property	**10,501**	10,416
Income from restaurant operation	**7,085**	7,916
	901,715	979,905

	2019	2018
	HK$'000	HK$'000
		(Restated)
Included in other income are:		
Interest earned on bank deposits	**6,782**	9,531
Sales of scrap materials	**2,980**	3,249
Over-provision of long service payments	**-**	4,740

4. 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 decision about resources allocation to the Group's business components and review of these components' performance, the Group has identified two reportable operating segments, the publication of newspapers and money lending business. The publication of newspapers is including internet subscription and relevant advertising income. 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.

Due to the establishment of money lending segment, the corresponding figures for prior year has been reclassified.

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

	Publication of newspapers		Money lending business		All other segments		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
				(Restated)				(Restated)
Reportable segment revenue from external customers	**857,355**	946,398	**12,587**	3,701	**31,773**	29,806	**901,715**	979,905
Reportable segment profit (loss)	**80,192**	129,818	**8,413**	(40)	**31,908**	60,841	**120,513**	190,619
Unallocated corporate income							**30,164**	32,551
Unallocated corporate expenses							**(55,979)**	(34,517)
Profit before tax							**94,698**	188,653
Other information								
Depreciation and amortisation	**(49,432)**	(54,625)	**-**	-	**(982)**	(953)	**(50,414)**	(55,578)
Fair value adjustments on investment properties	**-**	-	**-**	-	**21,000**	50,084	**21,000**	50,084
Addition to investment properties through business combination	**-**	-	**-**	-	**-**	220,000	**-**	220,000
Additions to non-current assets (property, plant and equipment and investment properties) during the year	**7,966**	7,981	**-**	-	**1,121**	2,982	**9,087**	10,963

Reportable segment assets and liabilities

	Publication of newspapers		Money lending business		All other segments		Unallocated		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS										
Segment assets	**632,514**	772,660	**211,717**	93,367	**602,915**	513,973	**-**	-	**1,447,146**	1,380,000
Financial asset at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**11,154**	-	**11,154**	-
Available-for-sale financial asset	**-**	-	**-**	-	**-**	-	**-**	4,745	**-**	4,745
Cash and cash equivalents	**-**	-	**-**	-	**-**	-	**524,039**	1,249,413	**524,039**	1,249,413
Consolidated total assets	**632,514**	772,660	**211,717**	93,367	**602,915**	513,973	**535,193**	1,254,158	**1,982,339**	2,634,158
LIABILITIES										
Segment liabilities	**116,872**	127,166	**1,258**	431	**38,688**	39,934	**-**	-	**156,818**	167,531

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

	Revenue from external customers		**Non-current assets**	
	2019	2018	**2019**	2018
	HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000
Hong Kong (country of domicile)	**881,842**	959,954	**709,815**	719,759
Australia	**19,873**	19,951	**344,695**	373,031
	901,715	979,905	**1,054,510**	1,092,790

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 and loss, available-for-sale financial assets 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 and loss, available-for-sale financial assets and deferred tax assets), country of domicile is determined by reference to the country where the majority business activities of the Company’s subsidiaries operate.

During the year, HK$401,706,000 (2018: HK$424,161,000) out of the Group's revenue of HK$901,715,000 (2018: HK$979,905,000) was contributed by two (2018: two) customers. No other single customers contributed 10% or more to the Group’s revenue for both 2019 and 2018.

5. PROFIT FROM OPERATIONS

	2019	2018
	HK$'000	HK$'000
Profit from operations is arrived at after charging/(crediting):		
Auditor’s remuneration	**1,095**	1,080
Cost of inventories recognised as expense	**163,773**	160,667
(Provision written-back) /loss allowance for ECL on trade receivables	**(64)**	711
Depreciation	**49,626**	54,790
Amortisation of leasehold land	**788**	788
Net exchange loss / (gain)	**17,175**	(2,234)
Gain on bargain purchase	**-**	(3,027)
Net gain on disposal and write off of property, plant and equipment	**(1,283)**	(1,581)
Operating lease charges in respect of buildings and printing equipment	**2,420**	4,203
Rental income from investment properties (excluding hotel property)	**(14,187)**	(11,474)
Less: Direct operating expenses from investment properties that generated rental income during the year	**1,084**	1,277
Direct operating expenses from investment properties that did not generate rental income during the year	**260**	-
Rental income from investment properties (excluding hotel property) less outgoings	**(12,843)**	(10,197)

6. FINANCE COSTS

	2019 HK$'000	2018 HK$'000
Interest charges on borrowings:		
Other loan	**275**	301
Finance leases	**-**	5
	275	306

7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2018: 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 2019. 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 Group operates.

	2019 HK$'000	2018 HK$'000
Current tax		
- Hong Kong Profits Tax	**14,018**	20,860
- Overseas Income Tax	**243**	534
	14,261	21,394
Under / (over) provision in prior year:		
- Hong Kong Profits Tax	**315**	(11)
- Overseas Income Tax	**-**	(600)
	315	(611)
Deferred taxation		
- Current year	**(983)**	8,311
	13,593	29,094

8. DIVIDENDS

(a) Dividends attributable to the year

	2019 HK$'000	2018 HK$'000
Interim dividend paid HK1cent (2018: HK2 cents) per share	**23,980**	47,958
Special interim dividend paid Nil (2018: HK25 cents) per share	**-**	599,479
Proposed final dividend HK2 cents (2018: HK4 cents) per share	**47,958**	95,916
	71,938	743,353

A final dividend of HK2 cents (2018: HK4 cents) per share has been proposed by the Board and are subject to the approval by the shareholders in the forthcoming annual general meeting.

(b) Dividends recognised as distributions during the year

	2019	2018
	HK$'000	HK$'000
2017 Final dividend	**-**	95,916
2017 Special dividend	**-**	47,958
2018 Interim dividend	**-**	47,958
2018 Final dividend	**95,916**	-
2018 Special interim dividend	**599,479**	-
2019 Interim dividend	**23,980**	-
	719,375	191,832

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK$81,388,000 (2018: HK$158,134,000) and on 2,397,917,898 (2018: 2,397,917,898) ordinary shares in issue during the year.

For the year ended 31 March 2019 and 2018, diluted earnings per share was the same as the basic earnings per share as there were no share dilution or new issue of additional shares of the Company during the year.

10. INVENTORIES

	2019	2018
	HK$'000	HK$'000
At cost:		
Newsprint and printing materials	**45,464**	22,292
Spare parts and supplies	**12,839**	13,880
Others	**1,140**	1,634
	59,443	37,806

11. TRADE RECEIVABLES

	2019	2018
	HK$'000	HK$'000
Trade receivables	**102,818**	122,583
Less: loss allowance for ECL	**(3,957)**	(4,170)
	98,861	118,413

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 and Australian Dollars which are the functional currencies of the group entities to which these balances relate.

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:

	2019	2018
	HK$'000	HK$'000
0 – 60 days	**41,803**	52,115
61 – 90 days	**18,939**	22,996
Over 90 days	**38,119**	43,302
	98,861	118,413

12. LOANS AND INTEREST RECEIVABLES

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 24% per annum (2018: 1.3% per annum to 18% per annum), mutually agreed between the contracting parties and repayable within one year or on demand.

At 31 March 2019, all loans receivables were secured by properties in Hong Kong.

Loans receivables as at the end of the reporting period were neither past due nor impaired.

13. 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:

	2019	2018
	HK$'000	HK$'000
0 – 60 days	**11,811**	7,933
61 – 90 days	**284**	306
Over 90 days	**1,373**	2,269
	13,468	10,508

14. BORROWINGS

	2019	2018
	HK$'000	HK$'000
Other loan due within one year included under current liabilities	**6,691**	7,406

At 31 March 2019 and 2018, other loan denominated in Australian Dollars was made by a non-controlling shareholder of a subsidiary of the Company, is unsecured, bearing interest at 4% per annum and repayable on demand.

The carrying amounts of borrowings approximate their fair value.

RESULTS

For the year ended 31 March 2019 (the "Reporting Year"), the audited consolidated profit attributable to owners of Oriental Press Group Limited (the "Company") amounted to HK$81,388,000. As compared to the same period last year, the profit decreased HK$76,746,000 representing a decline of 49%, which was mainly due to the decrease of overall income of newspaper.

DIVIDENDS

The directors of the Company (the "Director(s)") recommend a final dividend of HK2 cents (2018: HK4 cents) per share of the Company (the "Share") for the Reporting Year, payable to the shareholders of the Company (the "Shareholders") whose names appear on the Register of Members of the Company on 20 August 2019. Together with the paid interim dividend of HK1 cent (2018: HK2 cents and special interim dividend of HK25 cents) per Share, the dividends for the year amount to HK3 cents (2018: HK31 cents) per Share. The proposed final dividend will be payable on or around 2 September 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8 August 2019 to 14 August 2019 (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 14 August 2019 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 (and such address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019), for registration no later than 4:30 p.m. on 7 August 2019.

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 20 August 2019. The Register of Members of the Company will be closed on 20 August 2019. 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 19 August 2019.

COMMENTARY

"Oriental Daily News" continues to be the best-selling and most widely read paid newspaper in Hong Kong, and has so remained the last 43 consecutive years. Having been a leader in the newspaper industry for more than half a century, "Oriental Daily News" serves as the Fourth Estate in conducting oversight of the government, showing uncompromising courage. Despite the change in the reading habit of readers as a result of the popularity of digital media in recent years, "Oriental Daily News" continues to follow its guideline on newspaper operation, "pursuing excellence, truth and speed", and express the voice of the people. Today, it remains the largest newspaper in Hong Kong, demonstrating its unparalleled strength. On 17 February 2019, "Oriental Daily News" increased its retail price to HK$10, contributing to a significant growth of revenue from distribution for the Group.

"on.cc" is the news portal with the largest number of page views and the longest time of viewing in Hong Kong. It has recorded 5.59 million monthly unique visitors, over 10 million active website users and more than 8 million downloads of mobile applications. Measured by monthly total page views, the website and mobile platform together recorded 413 million page views, showing their popularity among users. "on.cc" is a news media platform that combines information and functionality. In addition to introducing artificial intelligence to read out commentaries, "on.cc" has even launched Cantonese and Mandarin voice function. Its layout is arranged by regions including "Hong Kong and Macau", "Cross-Straits", "Asia, Europe and Africa" and "America", making browsing convenient. In view of the popularity of stickers for mobile messaging applications, "on.cc" designed a number of stickers featuring themes of news, entertainment, finance and sports, which was the first in the industry. The content licensing business of "on.cc" achieved satisfactory growth, with its business partners including a large number of renowned international media, while its mobile applications "Racecourse Boss" and "Hall of Sic Bo" (骰寶坊) continued to generate steady revenue for the Group.

As the first online television station in Hong Kong, "ontv" provides news videos on a 24-hour basis, covering current affairs, entertainment, finance, sports, lifestyle and horse racing. During the Reporting Year, "ontv" focused on the development of live broadcast and diversified programmes. "Commentary on Video" (視評論), an innovative commentary programme in the form of films in Hong Kong, combines selected commentaries of the day into a short animated cartoon dubbed with human voice. The programme became one of the most popular programmes immediately after its launch. In addition, "ontv" engaged a number of famous presenters to host current affairs programmes and address current issues in our society, with its viewership setting record highs continuously. As a bellwether in the live broadcast of sports events, "ontv" fully capitalised on the advantages of mobile App platforms and attracted a large number of young users by live broadcasting various inter-school ball games. It was also the first online platform authorised officially to live broadcast Italian Cup and German 2. Bundesliga, further reinforcing its leadership in the industry.

"Money18" is the financial information website with the highest page views in Hong Kong as well as a free real-time stock quote website designated by HKEX. With more than 284 million monthly page views, over 2 million downloads of mobile applications and more than 80,000 followers on Facebook, it is the most popular financial information social platform in Hong Kong. "Money18" provides real-time stock quote together with extensive contents including stock information, investment analysis, real-time financial news, economic reviews and financial topics, which are well received by investors and professionals of the industry. The dedicated efforts of "Money18" to build a diversified platform are highly commended by netizens and partners unanimously. During the Reporting Year, as the number of viewers of its live programmes kept setting record highs, while its content partners extended worldwide, "Money18" had become an authority in the financial information sector.

The Group's investment properties in Hong Kong and Australia continued to contribute to the Group's earnings. During the Reporting Year, the rental income from the Group's rental properties in Hong Kong Island for the year was HK$4,815,000. The Group changed the purpose of two rental units to own use at the beginning of the year, thereby saving the rental expense of its office in Hong Kong Island. The rental income from the properties and license fee income from hotel properties in Australia for the Reporting Year amounted to HK$19,873,000, which was similar as compared with the same period last year. Furthermore, the valuation of investment property in Hong Kong increased whereas it remained stable in Australia as compared with the same period last year, resulting in a gain of approximately HK$21,000,000 in the Group's earnings.

The Group's mortgage loan business achieved fast growth, with its loan interest income amounting to HK$12,587,000 during the Reporting Year, representing an increase of approximately 240% as compared with the same period last year, while no bad debts were recorded.

During the Reporting Year, the Group held a series of events to celebrate the 50th anniversary of "Oriental Daily News". The Group also paid special bonus in a total amount of approximately HK$17,000,000 to its employees in acknowledgement of their hard work over the years.

In the last year, advertisers suspended their major marketing plans as the stock market and property market of Hong Kong were under pressure amid the impact of negative factors including the US-China trade war and interest rate hikes, coupled with a downturn in the consumer market. The better-than-peer sales and advertising effectiveness of "Oriental Daily News" were more than offset by the impact of external factors and the decline in the market share of printed media, in particular, significant budget cuts in sectors including properties, financial investment, automobiles and luxury products. "Oriental Daily News" increased its retail price during the Reporting Year to mitigate the pressure resulted from a decrease in revenue. As a result, the overall revenue declined by approximately 11% as compared with the same period of last year to HK$734,962,000. The Group's digital media business showed steady performance, with growth recorded in all revenue segments including news content licensing, live broadcast of sports events, mobile applications and advertising. The overall revenue increased slightly by approximately 1% as compared with the same period of last year to HK$122,393,000.

By optimising cost-saving measures in multiple aspects constantly, the Group improved the cost efficiency of its operation, while the business diversification also increased the sources of revenue. However, currently the newly added revenue was not sufficient to cover the decline in the revenue from printed media. This resulted in a setback in the Group's earnings for the year compared with last year.

BUSINESS OUTLOOK

In face of the risk of declining market share of printed media, the Group had made active efforts to diversify its business, further expand revenue sources and reduce costs. The price of newsprint had stabilised after a cyclical round of increase, which was favourable to the Group's control over the costs of newspaper printing. The Group's strategy to attract advertisements across multiple platforms including newspaper, website, mobile Apps, video production and social media has been effective. With a view to stabilising advertising income, the Group will continue to adopt appropriate marketing strategies which fully address the demand of advertisers. However, the changes in the global economic environment remain an important factor that affecting the Group's income from printed media.

With digital media becoming the mainstream, "on.cc" will focus on information and functionality in its development, and enhance the contents and quality of news, commentaries and live broadcast of events based on the existing level. In future, the Group will focus on attracting young users and introducing a membership system. It will capitalise on "big data" to push news and information based on users' preferences, thereby combining technology with news to increase the click through rate. Bonus discounts offered to members will drive the download and click through rate of mobile applications. Capitalising on the opportunity brought by the transformation of the ecology of the media, "ontv" produces quality videos at low costs and utilises online platforms to take over market share from traditional television. Going forward, "ontv" will enhance its diversified programmes with a view to driving page views and advertising income.

The Board anticipates that amid strong housing demand, the property prices in Hong Kong will remain steady, which will benefit the stable development of Oriental FA. In future, Oriental FA will continue to rely on the large-amount mortgage financing platform as a selling point, and cooperate with intermediary companies of good reputation to acquire more customers. In respect of the Group's property rental business, there is an indication that the rental income will reduce in the coming year due to the uncertainty in economic environment. It may affect its profit contribution to the Group.

In the forthcoming year, the Group's advertising business is expected to be subject to uncertainties resulting from a slowdown in the global economic growth and the weakness in the consumer market. Fortunately, given the Group's long-standing competitive edge in the industry, prudent investment management and meticulous financial policies at all times, the Board remains optimistic on the revenue from the media business in the forthcoming year, and it is confident that the money lending business will continue to make steady contribution to the Group's earnings. Any stabilisation in the external economic environment will benefit the Group's investment business. The Board will review the Group's investment portfolios and strategies from time to time, and put forward proposals that benefit shareholders most when appropriate.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The working capital as at 31 March 2019 amounted to approximately HK$821,337,000 (2018: HK$1,433,565,000), which includes time deposits, bank balances and cash amounting to approximately HK$524,039,000 (2018: HK$1,249,413,000). As at 31 March 2019, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (2018: 0.3%).

During the Reporting Year, the Group's capital expenditure was approximately HK$9,087,000 (2018: HK$10,963,000).

CONTINGENT LIABILITY

As at 31 March 2019, 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 2019, the Group employed 1,368 employees (2018: 1,459). 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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (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 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 2019 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 2019 AGM will be held on Wednesday, 14 August 2019 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, 17 June 2019

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.