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東方企控集團有限公司

ORIENTAL ENTERPRISE HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board (the “Board”) of directors (the “Director(s)”) of Oriental Enterprise Holdings Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2022 (the “Reporting Period”), together with the comparative figures for the corresponding period of the previous year, are as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

		Six months ended	
		30.9.2022	30.9.2021
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Revenue	4	344,429	370,323
Other income	4	32,269	14,765
Raw materials and consumables used		(41,946)	(31,692)
Staff costs including directors’ emoluments		(191,219)	(199,114)
Depreciation of property, plant and equipment		(15,566)	(16,828)
Other operating expenses		(35,482)	(47,940)
Net exchange (loss)/gain		(604)	133
Net gain on disposal of property, plant and equipment		21	572
Net gain on disposal of investment properties classified as held for sale	14	11,295	-
Finance costs		(138)	(140)
Profit before tax	6	103,059	90,079
Income tax expenses	7	(17,510)	(19,330)
Profit for the period		85,549	70,749
Other comprehensive loss for the period, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
- Exchange differences on translation of foreign operations		(54,317)	(17,919)
Total comprehensive income for the period		31,232	52,830

		Six months ended	
		30.9.2022	30.9.2021
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Profit for the period attributable to:			
Owners of the Company		84,690	70,515
Non-controlling interests		859	234
		85,549	70,749
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		31,640	53,410
Non-controlling interests		(408)	(580)
		31,232	52,830
Earnings per share			
Basic and diluted	<i>9</i>	HK3.53 cents	HK2.94 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2022

		30.9.2022	31.3.2022
		(Unaudited)	(Audited)
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	413,345	427,480
Leasehold land		19,298	19,692
Investment properties	11	288,676	313,267
Financial asset at fair value through profit or loss ("FVTPL")		8,820	8,820
Loans and interest receivables	12	8,608	2,616
Deferred tax assets		3,468	2,385
		<u>742,215</u>	<u>774,260</u>
Current assets			
Inventories		69,738	65,292
Trade receivables	13	73,359	56,907
Loans and interest receivables	12	293,029	301,911
Other debtors, deposits and prepayments		15,004	12,967
Income tax recoverable		2,695	2,139
Cash and cash equivalents		728,133	633,593
		<u>1,181,958</u>	<u>1,072,809</u>
Investment properties classified as held for sale	14	-	210,819
Total current assets		<u>1,181,958</u>	<u>1,283,628</u>
Current liabilities			
Trade payables	15	9,313	20,974
Other creditors, accruals and deposits received		63,142	71,982
Contract liabilities		4,291	5,970
Income tax payable		26,825	15,710
Borrowings		7,392	7,053
Total current liabilities		<u>110,963</u>	<u>121,689</u>
Net current assets		<u>1,070,995</u>	<u>1,161,939</u>
Total assets less current liabilities		<u>1,813,210</u>	<u>1,936,199</u>
Non-current liabilities			
Deferred tax liabilities		61,799	72,144
Net assets		<u>1,751,411</u>	<u>1,864,055</u>
Capital and reserves			
Share capital	16	1,413,964	1,413,964
Reserves		329,263	441,499
Equity attributable to owners of the Company		<u>1,743,227</u>	<u>1,855,463</u>
Non-controlling interests		8,184	8,592
Total equity		<u>1,751,411</u>	<u>1,864,055</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	Equity attributable to owners of the Company						
	Share capital HK\$'000 (Note 16)	Exchange translation 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 2021 (audited)	1,413,964	20,182	9,700	486,676	1,930,522	7,933	1,938,455
2021 final and special dividends paid (Note 8)	-	-	-	(167,854)	(167,854)	-	(167,854)
Transactions with owners of the Company	-	-	-	(167,854)	(167,854)	-	(167,854)
Profit for the period	-	-	-	70,515	70,515	234	70,749
<i>Item that may be reclassified subsequently to profit or loss:</i>							
Other comprehensive loss for the period							
- Exchange differences arising on translation of foreign operations	-	(17,105)	-	-	(17,105)	(814)	(17,919)
Total comprehensive income for the period	-	(17,105)	-	70,515	53,410	(580)	52,830
At 30 September 2021 (unaudited)	1,413,964	3,077	9,700	389,337	1,816,078	7,353	1,823,431
At 1 April 2022 (audited)	1,413,964	18,171	9,700	413,628	1,855,463	8,592	1,864,055
2022 final and special dividends paid (Note 8)	-	-	-	(143,876)	(143,876)	-	(143,876)
Transactions with owners of the Company	-	-	-	(143,876)	(143,876)	-	(143,876)
Profit for the period	-	-	-	84,690	84,690	859	85,549
<i>Item that may be reclassified subsequently to profit or loss:</i>							
Other comprehensive loss for the period							
- Exchange differences arising on translation of foreign operations	-	(53,050)	-	-	(53,050)	(1,267)	(54,317)
Total comprehensive income for the period	-	(53,050)	-	84,690	31,640	(408)	31,232
At 30 September 2022 (unaudited)	1,413,964	(34,879)	9,700	354,442	1,743,227	8,184	1,751,411

Note: These reserve accounts comprise of the consolidated reserves of approximately HK\$329,263,000 (six months ended 30 September 2021: approximately HK\$402,114,000) in the condensed consolidated statement of financial position of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

1. BASIS OF PREPARATION

The financial information relating to the year ended 31 March 2022 that is included in the interim condensed consolidated financial statements for the Reporting Period as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to the statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2022 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

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

These interim condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2022.

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for the investment properties and financial asset at FVTPL, which are measured at fair value.

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the interim condensed consolidated financial statements for the Reporting Period are consistent with those adopted in the consolidated financial statements for the year ended 31 March 2022, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the Reporting Period and the Group had to change its accounting policies and make retrospective adjustments, if applicable, as a result of adopting the following standards:

Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018 - 2020 Cycle

The adoption of these new or amended standards listed above did not have any material impact on the Group's accounting policies.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 March 2022.

Only club membership and investment properties carried at fair value were categorised as level 2 and level 3 of the fair value of hierarchy respectively. There were no addition or disposal of these assets during the period. There were also no changes in the valuation techniques applied as of 31 March 2022.

The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the Reporting Period in which they occur. During the Reporting Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

For the Reporting Period, there were no changes in the fair value of the Group's financial asset carried at fair value.

4. REVENUE AND OTHER INCOME

Revenue recognised during the period are as follows:

	Six months ended	
	30.9.2022	30.9.2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within HKFRS 15 recognised at a point in time:		
Publication of newspaper and advertising income	254,165	271,285
Internet subscription and advertising income	60,442	67,227
Income from restaurant operation	2,570	2,837
Revenue from other sources:		
Interest earned on loans receivables	16,891	15,416
License fee income from hotel property	5,903	6,073
Rental income from investment properties	4,458	7,485
	344,429	370,323
Key items of other income are as follows:		
Other income from contracts with customers within HKFRS 15 recognised at a point in time:		
Sales of scrap materials	988	934
Other service income	6,958	7,304
Other income from contracts with customers within HKFRS 15 recognised over time:		
Other service income	5,262	5,382
Other income from other sources:		
Interest earned on bank balances and short-term deposits	2,921	404
Government grants (<i>Note</i>)	15,116	-

Note: HK\$15,116,000 of the government grants are the funding support from the Employment Support Scheme (“ESS”) under the Anti-epidemic Fund, set up by the Hong Kong Special Administrative Region (“HKSAR”) Government. The purpose of the ESS is to provide financial support to employers to retain employees who may otherwise be made redundant. Under the terms of the grants, the Group is required not to implement redundancies during the subsidy period and to spend all the funding on payment of wages to its employees.

There was no government grant received during the six months ended 30 September 2021.

5. SEGMENT INFORMATION

Based on the regular internal financial information reported to the executive Directors, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and review of these components' performance, the executive Directors have identified reportable operating segments, including the publication of newspaper, money lending business and other operating segments. The publication of newspaper segment includes publication of newspaper and advertising income, and internet subscription and advertising income. The money lending business comprises of interest income earned in the provision of loan financing. The revenue of other operating segments includes rental income from investment properties, license fee income from hotel property and income from restaurant operation.

Reportable segment revenue and results represented revenue of the Group in the condensed consolidated statement of profit or loss and other comprehensive income. Segment results represent the profit earned by or loss from each segment without allocation of government grants, corporate income such as bank interest income, sundry income, net exchange difference, corporate expenses such as directors' emoluments and finance costs.

Reportable segment assets represented all assets are allocated to each operating segment other than financial asset at FVTPL and cash and cash equivalents. Reportable segment liabilities represented all liabilities are allocated to each operating segment.

Reconciliation between the reportable segment revenue and results to the Group's profit before tax is presented below:

Reportable segment revenue and results

	Publication of newspaper		Money lending business		All other operating segments		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue from external customers	314,607	338,555	16,891	15,373	12,931	16,395	344,429	370,323
Reportable segment profit	60,929	79,823	15,833	14,009	21,295	4,705	98,057	98,537
Government grants	14,576	-	-	-	540	-	15,116	-
Unallocated corporate income							12,828	10,379
Unallocated net exchange (loss)/gain							(604)	133
Unallocated corporate expenses							(22,338)	(18,970)
Profit before tax							103,059	90,079
Other information								
(Reversal of)/Provision for loss allowance for expected credit loss ("ECL") on trade receivables	(252)	323	-	-	(8,704)	-	(8,956)	323
Depreciation and amortisation	(14,186)	(14,615)	-	-	(1,774)	(2,213)	(15,960)	(16,828)
Additions to property, plant and equipment during the period	1,593	6,225	-	-	3	58	1,596	6,283

5. SEGMENT INFORMATION (Continued)

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

Reportable segment assets and liabilities

	Publication of newspaper		Money lending business		All other operating segments		Total	
	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
ASSETS								
Segment assets	484,698	496,035	302,004	305,137	400,518	614,303	1,187,220	1,415,475
Unallocated assets								
Financial asset at FVTPL							8,820	8,820
Cash and cash equivalents							728,133	633,593
Total assets							1,924,173	2,057,888
LIABILITIES								
Segment liabilities	135,836	124,793	2,981	1,283	33,945	67,757	172,762	193,833

Geographical Information

The Group's revenue from external customers and its non-current assets (other than financial asset at FVTPL, loans and interest receivables and deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers Six months ended		Non-current assets	
	30.9.2022 (Unaudited) HK\$'000	30.9.2021 (Unaudited) HK\$'000	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
Hong Kong	335,948	358,599	568,874	583,172
Australia	8,481	11,724	152,445	177,267
	344,429	370,323	721,319	760,439

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 FVTPL, loans and interest receivables 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 the financial asset at FVTPL, loans and interest receivables and deferred tax assets), the location is determined by reference to the place where the majority business activities of the Company's subsidiaries operate.

During the Reporting Period, approximately HK\$173,751,000 (six months ended 30 September 2021: approximately HK\$184,300,000) out of the Group's revenue of approximately HK\$344,429,000 (six months ended 30 September 2021: approximately HK\$370,323,000) was contributed by two (2021: two) customers of approximately HK\$89,834,000 (six months ended 30 September 2021: approximately HK\$100,458,000) and of approximately HK\$83,917,000 (six months ended 30 September 2021: approximately HK\$83,842,000), respectively, from segment of publication of newspapers. No other single customer contributed 10% or more to the Group's revenue for the Reporting Period and six months ended 30 September 2021.

6. PROFIT BEFORE TAX

	Six months ended	
	30.9.2022 (Unaudited) HK\$'000	30.9.2021 (Unaudited) HK\$'000
Profit from operations is arrived at after charging/(crediting):		
Amortisation of leasehold land*	394	394
Government rent and rates*	1,648	1,647
Land tax expenses*	1,490	1,825
Lease charges for lease of low-value assets*	852	1,167
(Reversal of)/Provision for loss allowance for ECL on trade receivables*	(8,956)	323
Repair and maintenance*	7,964	4,610
Water and electricity*	7,563	7,472
Rental income from investment properties (excluding hotel property) [#]	(4,458)	(7,485)
Less: Direct operating expenses from investment properties that generated rental income during the period*	1,010	515
Rental income from investment properties (excluding hotel property) less direct operating expenses	(3,448)	(6,970)

* recorded as "Other operating expenses"

recorded as "Revenue"

7. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at the rate of 16.5% (six months ended 30 September 2021: 16.5%) on the estimated assessable profits for the period, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%. The two tiered profits tax rates regime is applicable to one entity within the Group for the Reporting Period and six months ended 30 September 2021.

The Group's entity established in Australia is subject to the corporate income tax at a statutory rate of 30% for the Reporting Period and six months ended 30 September 2021.

	Six months ended	
	30.9.2022 (Unaudited) HK\$'000	30.9.2021 (Unaudited) HK\$'000
Current tax:		
Hong Kong Profits Tax	10,559	15,301
Overseas Income Tax	-	439
	10,559	15,740
Deferred taxation:		
Origination of temporary difference	6,951	3,590
Income tax expenses	17,510	19,330

8. DIVIDENDS

During the Reporting Period, a final dividend of HK3 cents (2021: HK2 cents) per share and a special dividend of HK3 cents (2021: HK5 cents) per share in respect of the year ended 31 March 2022 was declared and paid to the shareholders of the Company (the “Shareholder(s)”). The aggregate of the final dividend and special dividend declared and paid in the Reporting Period amounts to approximately HK\$143,876,000 (2021: approximately HK\$167,854,000).

Subsequent to the end of the Reporting Period, the Directors have declared that an interim dividend of HK3 cents (six months ended 30 September 2021: HK3 cents) per share and a special dividend of HK2 cents (six months ended 30 September 2021: Nil) per share will be paid to the Shareholders whose names appear on the register of members of the Company on 9 December 2022.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK\$84,690,000 (six months ended 30 September 2021: approximately HK\$70,515,000) and on 2,397,917,898 (six months ended 30 September 2021: 2,397,917,898) ordinary shares during the Reporting Period.

For the Reporting Period and six months ended 30 September 2021, diluted earnings per share was the same as the basic earnings per share as there was no dilutive shares in issue for both periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately HK\$19,000 (six months ended 30 September 2021: approximately HK\$9,000) for sale proceeds of approximately HK\$40,000 (six months ended 30 September 2021: approximately HK\$581,000), resulting in a gain on disposal of approximately HK\$21,000 (six months ended 30 September 2021: approximately HK\$572,000).

In addition, during the Reporting Period, the Group acquired property, plant and equipment of approximately HK\$1,596,000 (six months ended 30 September 2021: approximately HK\$6,283,000).

11. MOVEMENTS IN INVESTMENT PROPERTIES

No addition (six months ended 30 September 2021: Nil) of investment properties were made during the Reporting Period.

At the end of the Reporting Period, the Group’s investment properties were valued by the Directors with reference to market evidence of transaction prices for similar properties. There was no revaluation surplus or deficit arising from the revaluation of the investment properties during the Reporting Period (six months ended 30 September 2021: Nil). The movements of the carrying amounts represented the exchange differences arose from hotel property in Australia.

12. LOANS AND INTEREST RECEIVABLES

	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
Analysed as:		
Current	293,029	301,911
Non-current	8,608	2,616
	<hr/> 301,637	<hr/> 304,527

12. LOANS AND INTEREST RECEIVABLES (Continued)

The Group maintains strict control over its loans granting and outstanding loan receivables to minimise credit risk. These loans (including staff property mortgage loans) are approved and monitored by the Group's management, whilst overdue balances are reviewed regularly for recoverability. Loan receivables bear interest at rates ranging from 0.70% per annum to 11.52% per annum (31 March 2022: 1.60% per annum to 11.52% per annum), as mutually agreed between the contracting parties.

At 30 September 2022, all loan receivables were secured by real estate properties in Hong Kong. Secured loans receivables have maturity date ranging from 1 year to 20 years (31 March 2022: 1 year to 16 years). The amounts of principal will be receivable either on respective maturity dates or by monthly instalments.

The loan receivables have been reviewed by the Directors to assess ECL which are based on collaterals against loans and interest receivables, borrowers' creditworthiness, delinquency or default in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions. The Directors are of the opinion that no loss allowance for ECL is necessary for the loans and interest receivables balances as there has not been a significant change in credit risk and the fair value of the collaterals is higher than the carrying amount of these receivables at the end of the Reporting Period. Accordingly, taking into account fair value of the collaterals, the Directors considered that no loss allowance for ECL was necessary at 30 September 2022 (31 March 2022: Nil).

13. TRADE RECEIVABLES

The Group allows an average credit period of 90 days to its trade customers and no interest is charged. For the individual customers that had a good track record, the Group allows a longer credit term for them. All trade receivables are denominated in Hong Kong dollars and Australian dollars ("AUD").

The following is an ageing analysis of trade receivables after deducting loss allowance for ECL at the end of the Reporting Period presented based on invoice dates:

	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
0 - 60 days	24,221	27,567
61 - 90 days	13,803	12,018
Over 90 days	35,335	17,322
	73,359	56,907

14. INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE

On 21 January 2022, the Group entered into three sale and purchase agreements with Bayside Pacific Developments Pty Ltd. (the "Purchaser"), a company incorporated in Australia with limited liability and wholly-owned by Mr. Alexander MA, a nephew of the Chairman and the Vice Chairman of the Group. Pursuant to which, the Group agreed to sell, and the Purchaser agreed to purchase, the properties at an aggregate consideration of AUD38,000,000 (approximately HK\$207,441,000) (the "Disposal"). The Group received a sales deposit of AUD3,800,000 (approximately HK\$22,315,000) as recorded in "Other creditors, Accruals and deposit received" relating to the Disposal during the year ended 31 March 2022.

14. INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE (Continued)

On 21 June 2022, the Disposal was approved by the members other than the Chairman and the Vice Chairman of the Group and their respective associates in the general meeting. The investment properties under all other operating segments which were expected to be sold within twelve months were classified as held for sale and were presented separately in the consolidated statement of financial position at 31 March 2022 in accordance to HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. The Disposal was completed on 23 June 2022 (the “Completion”).

After the Completion, a net gain on disposal of investment properties classified as held for sale of approximately AUD2,087,000 (approximately HK\$11,295,000) was resulted during the Reporting Period.

15. TRADE PAYABLES

The credit periods granted by the Group’s suppliers range from 30 to 90 days. Based on the invoice dates, the ageing analysis of trade payables at the end of the Reporting Period is as follows:

	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
0 - 60 days	8,587	19,255
61 - 90 days	136	1,084
Over 90 days	590	635
	9,313	20,974

16. SHARE CAPITAL

	Number of shares	HK\$'000
Issued and fully paid:		
At 1 April 2021, 31 March 2022, 1 April 2022 and 30 September 2022, ordinary shares with no par value	2,397,917,898	1,413,964

17. OPERATING LEASE ARRANGEMENTS

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

	30.9.2022 (Unaudited) HK\$'000	31.3.2022 (Audited) HK\$'000
Within 1 year	7,438	17,693
More than 1 year but within 2 years	-	274
	7,438	17,967

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

18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these condensed consolidated financial statements, during the period, the Group paid legal fees amounting to approximately HK\$624,000 (six months ended 30 September 2021: approximately HK\$445,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive Director, is a senior partner of Messrs. Iu, Lai & Li. The transaction prices were considered by the Directors to be at estimated market price.

The remuneration of key management personnel during the Reporting Period was as follows:

	30.9.2022 (Unaudited) HK\$'000	30.9.2021 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	17,460	17,460
Pension costs - defined contribution plans	18	18

19. OUTSTANDING LITIGATIONS

At the end of the Reporting Period, there were several outstanding defamatory and other litigations brought against the Group. The Group has been strongly contesting those claims. Based on legal opinion obtained, the Directors are of the opinion that adequate provision has been made in the financial statements to cover any potential liabilities that might arise from these litigations.

20. EVENT AFTER REPORTING PERIOD

The COVID-19 outbreak and the recent anti-pandemic measures have brought about additional uncertainties in the Group's operating environment and have impacted the Group's operations and financial position. Since the development of the COVID-19 remains uncertain, it is not practicable to estimate the full financial effect that the pandemic may have had on the Group's operations.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board on 18 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the Reporting Period, the revenue of the Group amounted to approximately HK\$344,429,000, representing a decrease of approximately HK\$25,894,000 or 7.0% as compared with the same period of last year. The unaudited consolidated profit attributable to owners of the Company amounted to approximately HK\$84,690,000, representing an increase of approximately HK\$14,175,000 or 20.1% as compared with the same period of last year. During the Reporting Period, the Group received government grants from the HKSAR Government amounted to HK\$15,116,000.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 September 2022, the Group's net current assets amounted to approximately HK\$1,070,995,000 (31 March 2022: approximately HK\$1,161,939,000), which includes short-term time deposits, bank balances and cash amounting to approximately HK\$728,133,000 (31 March 2022: approximately HK\$633,593,000). As at 30 September 2022, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (31 March 2022: 0.4%).

CAPITAL EXPENDITURE AND FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET PURCHASE

During the Reporting Period, the Group's capital expenditure was approximately HK\$1,596,000 (six months ended 30 September 2021: approximately HK\$6,283,000). The Group had no specific plan for material investment or acquisition of capital assets as at 30 September 2022.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Save for those disclosed in this announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates and joint ventures.

CHARGE ON THE GROUP'S ASSETS

As at 30 September 2022, the Group did not have any charge on its assets (31 March 2022: Nil).

CONTINGENT LIABILITY

As at 30 September 2022, the Group had no material contingent liability.

DIVIDENDS

The Directors declared an interim dividend of HK3 cents (2021: HK3 cents) per share of the Company (the "Share(s)") and a special dividend of HK2 cents (six months ended 30 September 2021: Nil) per Share for the Reporting Period, payable to the Shareholders whose names appear on the register of members of the Company on Friday, 9 December 2022. The interim dividend and special dividend will be payable on or around Thursday, 22 December 2022.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' entitlement to receive the interim dividend and special dividend, the register of members of the Company will be closed from Thursday, 8 December 2022 to Friday, 9 December 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the interim dividend and special dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company's share registrar, Tricor Friendly Limited, whose address is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 7 December 2022.

BUSINESS REVIEW

“**Oriental Daily News**” continues to be the best-selling and most widely-read paid newspaper in Hong Kong, and has so remained for the last 46 consecutive years. It is truly “The Paper for Hong Kong”. Being a voice for the people has been the foundation of Oriental Daily News in the industry for decades. Concern for people’s livelihood, defiance of those in power and perseverance in the face of difficulties are the keys to its success. Despite external adversities during the Reporting Period, Oriental Daily News was able to respond to changes calmly, demonstrating its undeniable competitive edge.

“**on.cc**” is committed to becoming the most popular news portal in Hong Kong, blending information with functionality. During the Reporting Period, “on.cc” accumulated more than 10 million downloads on its mobile app. Among others, the fastest and most up-to-date “Real-time News” platform is widely known for its exclusive coverage and information. Our video streaming and live broadcast functions have accumulated more than 20 million views since April 2022, with proven great popularity among readers. To enhance user experience, “on.cc” has fully upgraded to high resolution photos for real-time news. It also displays the number of page views and video views on the “Real-time News” and “onCH” platforms, making it easy for readers to identify top stories and keep up with the hottest news and videos in town. The popular “Metaphysics” platform is also popular for its online fortune-telling function, which includes “Daily Fortunes” and “Zodiac Horoscope”. The online drawing of Chinese fortune sticks is widely used by readers. During the Reporting Period, a new section of “Chinese Astrology” was added to further enhance the functionality of the platform.

“**onCH**” is a leading video news portal in Hong Kong, featuring global news, entertainment news and current affairs commentaries, which get likes and go viral among netizens, with the number of cross-platform video views as high as 15 million in a single month. We have also heavily invested in filming high definition live news coverage to provide readers with first-hand information, and is also very popular among readers. Also as the most popular sports broadcaster in Hong Kong, it broadcasts live German Bundesliga 2., Hong Kong Premier League, Hong Kong A1 Division Championship and other sports events, continuing to deliver live coverage of popular sporting events as the bellwether in the industry.

“**Money18**” is a free real-time quote website designated by the HKEX, with 950,000 registered users. The number of downloads of the app has exceeded 2.42 million, whereas its Facebook page has more than 145,000 followers, making it one of the most popular and influential industry and economic information platforms in Hong Kong. During the Reporting Period, “Money18” not only continued to enhance its Hong Kong stock quotes function and provided more comprehensive stock information, but also strived to develop live financial programmes. Financial experts were invited to analyse market trends and explore investment opportunities. During the Reporting Period, 1.6 million video views were recorded, which shows its great popularity in the industry and beyond.

During the Reporting Period, the Group’s media revenue was directly affected by global tensions and war activities, as well as the contraction of Hong Kong’s economy due to the fifth wave of the COVID-19 epidemic and the forecast of negative GDP growth this year. Rapidly rising inflation around the world has also increased production costs for the Group’s media business, putting pressure on its earnings. The gross revenue of Oriental Daily News decreased by approximately HK\$17,120,000 or 6.3% compared with the same period last year, while that of “on.cc” also decreased by approximately HK\$6,785,000 or 10.1%. Under the adverse business environment, the management continued to tighten cost control measures and staff costs were reduced by approximately HK\$7,895,000 or 4.0% compared with the same period last year. That, together with the support subsidy totalling HK\$15,116,000 from the HKSAR Government, offset the increase in production costs.

On the property investment front, local rental income was maintained at approximately HK\$1,880,000 during the Reporting Period and property valuations were similar to those in the same period last year. In Australia, the sale of properties other than hotel in June 2022 contributed approximately AUD38,000,000 to the Group’s cash flow and a net gain on disposal approximately AUD2,087,000 respectively. In respect of the Group’s license fee dispute with the Australian hotel operator, a settlement was reached and a 5-year license agreement was signed after the Reporting Period. Under the settlement agreement, the amount

payable by the hotel operator to the Group is approximately AUD2,169,000, which will be recovered in instalments by October 2023. Up to the date of this announcement, the Group had recovered approximately AUD1,091,000 of that amount. Hotel license fee income for the Reporting Period was approximately AUD1,076,000, which is similar to the same period last year, and the property valuation of the hotel remained stable, in anticipation of the stabilisation of the Australian tourism market following the relaxation of entry restrictions.

The total amount of loans receivable by Oriental FA Limited (“Oriental FA”) at the end of the Reporting Period amounted to approximately HK\$300,065,000, a decrease of approximately 0.9% from 31 March 2022. The annual interest rate of loans receivable from customers ranged between 0.7% and 11.5%. The total interest revenue from such loans amounted to approximately HK\$16,891,000, up by approximately HK\$1,475,000 or 9.6% compared with the same period last year. Oriental FA recorded no bad debts during the Reporting Period.

BUSINESS OUTLOOK

Globalisation is disintegrating and the geopolitical risks arising from the great power game are increasing. Political and economic issues such as the Russo-Ukrainian War, the Taiwan Strait crisis, inflation, soaring energy prices and supply chain breakdowns are complex and difficult to resolve. The implications of China-US decoupling, if becoming a reality, would be even deeper and more far-reaching, and no country would be able to survive unscathed. Amid the global economic pessimism and the lingering COVID-19 epidemic, the retail industry in Hong Kong, an externally-oriented economy, has lost its vitality. Should this situation persists, the Board expects that the Group’s advertising revenue will continue to be under pressure and in turn, will hamper the overall profit for the financial year.

The Group’s Metro Aspire Hotel in Sydney, Australia is expected to continue generating steady revenue following the further relaxation of entry restrictions in July this year, which has made it easier for visitors to enter Australia and boost tourism there. The Group has been holding the hotel property for almost two decades, accumulating a significant growth in property valuation. The Group is actively seeking buyers to lock in profits and to enhance its cash flow. However, as global inflation rises and economies around the world are having their respective concerns, investment needs to be more prudent. The Group has sufficient cash flow and time to take up investments with good returns.

Given the recent trends in the property market and the intense competition in the industry, it is indeed difficult for Oriental FA to maintain its momentum of profitable growth. However, as the target clients of Oriental FA are large-scale and high-quality mortgages, this can help to limit credit risks exposure and increase profits in line with the Group’s prudent approach.

EXPOSURE TO FOREIGN EXCHANGE

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed 931 (31 March 2022: 960) employees. Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the prevailing market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has discussed with the management of the Group and reviewed the unaudited interim condensed consolidated financial statements for the Reporting Period and has no disagreement with the accounting treatment adopted.

CORPORATE GOVERNANCE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

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

SIGNIFICANT MATTERS AFTER THE END OF THE REPORTING PERIOD

The COVID-19 outbreak and the recent anti-pandemic measures have brought about additional uncertainties in the Group’s operating environment and have impacted the Group’s operations and financial position. Since the development of the COVID-19 remains uncertain, it is not practicable to estimate the full financial effect that the pandemic may have had on the Group’s operations.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Company at <https://oeh.on.cc> and on the website of the Stock Exchange at www.hkexnews.hk. The interim report for the Reporting Period containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

On behalf of the Board
Oriental Enterprise Holdings Limited
Ching-fat MA
Chairman

Hong Kong, 18 November 2022

As at the date hereof, the Board comprises seven Directors, of which three are executive Directors, namely, Mr. Ching-fat MA (Chairman), Mr. King-ho 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.