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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)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the “Board”) of directors (the “Director(s)”) of Oriental Enterprise Holdings Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (the “Subsidiaries”) (collectively, the “Group”) for the year ended 31 March 2024 (the “Reporting Period”), together with the comparative figures for the corresponding year 2023, are as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3	628,996	677,165
Other income, net	3	51,316	66,906
Raw materials and consumables used		(89,210)	(90,787)
Staff costs including directors' emoluments		(369,046)	(381,031)
Depreciation of property, plant and equipment		(32,641)	(31,775)
Other operating expenses		(87,827)	(87,296)
Impairment of leasehold buildings		(5,224)	–
Reversal of loss allowance for expected credit loss (“ECL”) on trade receivables		750	10,272
Net fair value (loss)/gain on investment properties		(4,519)	38,613
Fair value gain on financial asset at fair value through profit or loss (“FVTPL”)		2,400	340
Net exchange loss		(340)	(687)
Net gain on disposal of property, plant and equipment		170	21
Net gain on disposal of investment properties classified as held for sale		–	11,295
Finance costs	6	(1,403)	(258)
<b>Profit before tax</b>	5	<b>93,422</b>	212,778
Income tax expenses	7	(16,884)	(41,855)
<b>Profit for the year</b>		<b>76,538</b>	170,923

	2024	2023
<i>Note</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Other comprehensive loss for the year, net of tax</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of foreign operations	<u>(11,953)</u>	<u>(41,351)</u>
<b>Total comprehensive income for the year</b>	<b><u>64,585</u></b>	<b><u>129,572</u></b>
<b>Profit for the year attributable to:</b>		
Owners of the Company	75,096	166,564
Non-controlling interests	<u>1,442</u>	<u>4,359</u>
	<b><u>76,538</u></b>	<b><u>170,923</u></b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	63,512	126,194
Non-controlling interests	<u>1,073</u>	<u>3,378</u>
	<b><u>64,585</u></b>	<b><u>129,572</u></b>
<b>Earnings per share</b>		
<b>Basic and diluted</b>	9	
	<b><u>HK3.13 cents</u></b>	<b><u>HK6.95 cents</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		332,785	400,282
Leasehold land		18,116	18,904
Investment properties		367,679	332,649
Financial asset at FVTPL		11,560	9,160
Loans and interest receivables	12	3,620	8,385
Other debtors, deposits and prepayments		4,159	4,187
Deferred tax assets		2,006	2,982
		<u>739,925</u>	<u>776,549</u>
<b>Current assets</b>			
Inventories	10	62,645	74,483
Trade receivables	11	45,109	58,774
Loans and interest receivables	12	523,219	292,832
Other debtors, deposits and prepayments		16,432	11,126
Income tax recoverable		8,504	13,217
Cash and cash equivalents		560,937	665,196
		<u>1,216,846</u>	<u>1,115,628</u>
<b>Total current assets</b>		<b>1,216,846</b>	<b>1,115,628</b>

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Current liabilities</b>			
Trade payables	13	4,304	11,376
Other creditors, accruals and deposits received		47,921	50,621
Contract liabilities		14,714	12,202
Income tax payables		2,796	4,392
Lease liabilities		1,688	–
Borrowings	14	7,592	7,572
<b>Total current liabilities</b>		<b>79,015</b>	<b>86,163</b>
<b>Net current assets</b>		<b>1,137,831</b>	<b>1,029,465</b>
<b>Total assets less current liabilities</b>		<b>1,877,756</b>	<b>1,806,014</b>
<b>Non-current liabilities</b>			
Lease liabilities		4,851	–
Deferred tax liabilities		78,465	76,159
		<b>83,316</b>	<b>76,159</b>
<b>Net assets</b>		<b>1,794,440</b>	<b>1,729,855</b>
<b>Capital and reserves</b>			
Share capital		1,413,964	1,413,964
Reserves		367,433	303,921
<b>Equity attributable to owners of the Company</b>		<b>1,781,397</b>	<b>1,717,885</b>
<b>Non-controlling interests</b>		<b>13,043</b>	<b>11,970</b>
<b>Total equity</b>		<b>1,794,440</b>	<b>1,729,855</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The financial information relating to the years ended 31 March 2024 and 2023 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 (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 March 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the Reporting Period 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.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions 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 are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except where otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the Group's consolidated financial statements for the year ended 31 March 2023.

### 2. ADOPTION OF NEW/REVISED HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

### **Amendments to HKAS 1: Disclosure of Accounting Policies**

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

### **Amendments to HKAS 8: Definition of Accounting Estimates**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### **Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### **Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules**

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## Future changes in HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> The effective date to be determined

The Directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

### 3. REVENUE AND OTHER INCOME

Revenue recognised during the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15 recognised at a point in time:		
Publication of newspaper and advertising income	464,813	509,900
Internet subscription and advertising income	99,363	115,162
Income from restaurant operation	4,284	5,010
Revenue from other sources:		
Interest earned on loans receivables	45,453	30,975
License fee income from hotel property	11,535	9,848
Rental income from investment properties	3,548	6,270
	<u>628,996</u>	<u>677,165</u>
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	1,749	1,901
Other service income	14,416	15,409
Other income from contracts with customers within HKFRS 15 recognised over time:		
Other service income	7,871	10,167
Other income from other sources:		
Interest earned on bank balances and short-term deposits	26,086	11,103
Government grants ( <i>Note</i> )	–	22,277
	<u>26,086</u>	<u>22,277</u>

*Note:*

During the year ended 31 March 2023, the Group had recognised government grants as follows:

- (i) approximately HK\$22,250,000 of the government grants is the funding support from the Employment Support Scheme (“ESS”) under the Anti-epidemic Funds, set up by the Hong Kong Special Administrative Region 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 grant, 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, and
- (ii) approximately HK\$27,000 of the government grants is the funding support from Reimbursement of Maternity Pay Leave Scheme administered by the Labour Department. Through the scheme, employers can apply for reimbursement of the statutory maternity leave pay paid to employees in respect of the 11th to 14th weeks, subject to a cap of HK\$80,000 per employee.



#### **4. 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 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 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	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue from external customers	<u>564,176</u>	<u>625,062</u>	<u>45,453</u>	<u>30,975</u>	<u>19,367</u>	<u>21,128</u>	<u>628,996</u>	<u>677,165</u>
Reportable segment results	<u>66,311</u>	<u>106,864</u>	<u>34,510</u>	<u>22,999</u>	<u>(5,556)</u>	<u>71,118</u>	<u>95,265</u>	200,981
Government grants	<u>-</u>	<u>21,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582</u>	<u>-</u>	<u>22,277</u>
Unallocated corporate income							<u>44,395</u>	34,990
Unallocated exchange loss							<u>(340)</u>	(687)
Unallocated corporate expenses							<u>(45,898)</u>	<u>(44,783)</u>
Profit before tax							<u>93,422</u>	<u>212,778</u>
<b>Other information</b>								
Reversal of/(Provision for) loss allowance for ECL on trade receivables	<u>120</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>10,277</u>	<u>750</u>	<u>10,272</u>
Depreciation and amortisation	<u>(31,046)</u>	<u>(29,055)</u>	<u>-</u>	<u>-</u>	<u>(2,383)</u>	<u>(3,508)</u>	<u>(33,429)</u>	<u>(32,563)</u>
Net fair value (loss)/gain on investment properties	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,519)</u>	<u>38,613</u>	<u>(4,519)</u>	<u>38,613</u>
Net gain on the disposal of investment properties classified as held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,295</u>	<u>-</u>	<u>11,295</u>
Additions to property, plant and equipment	<u>16,106</u>	<u>4,676</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>33</u>	<u>16,117</u>	<u>4,709</u>
Impairment of leasehold buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,224)</u>	<u>-</u>	<u>(5,224)</u>	<u>-</u>

An analysis of the Group's assets and liabilities by operating segments is set out below:

### Reportable segment assets and liabilities

	Publication of newspaper		Money lending business		All other operating segments		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>								
Segments assets	<u>455,810</u>	<u>497,763</u>	<u>527,468</u>	<u>301,826</u>	<u>400,996</u>	<u>418,232</u>	<u>1,384,274</u>	1,217,821
Unallocated assets								
Financial asset at FVTPL							<u>11,560</u>	9,160
Cash and cash equivalents							<u>560,937</u>	<u>665,196</u>
<b>Total assets</b>							<u><b>1,956,771</b></u>	<u><b>1,892,177</b></u>
<b>LIABILITIES</b>								
Segment liabilities	<u>110,673</u>	<u>112,987</u>	<u>673</u>	<u>292</u>	<u>50,985</u>	<u>49,043</u>	<u>162,331</u>	<u>162,322</u>

### Geographical information

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

	Revenue from			
	external customers		Non-current assets	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	<u>617,461</u>	664,796	<u>504,711</u>	548,438
Australia	<u>11,535</u>	<u>12,369</u>	<u>213,869</u>	<u>203,397</u>
	<u><b>628,996</b></u>	<u>677,165</u>	<u><b>718,580</b></u>	<u>751,835</u>

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, other debtors, deposits and prepayments 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 FVTPL, loans and interest receivables, other debtors, deposits and prepayments and deferred tax assets), the location is determined by reference to the place where the majority business activities of the Subsidiaries operate.

Revenue from customers from segment of publication of newspaper for the years ended 31 March 2024 and 2023 contributed over 10% of the total sales of the Group are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<b>161,630</b>	179,501
Customer B	<b>156,097</b>	170,529
	<b><u>317,727</u></b>	<b><u>350,030</u></b>

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting) the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditors' remuneration*	<b>1,532</b>	1,536
Amortisation of leasehold land*	<b>788</b>	788
Raw materials and consumables used	<b>89,210</b>	90,787
Land tax expenses*	<b>1,962</b>	3,092
Expenses recognised for lease of low-value assets*	–	1,582
Provision for long service payments^	<b>4,251</b>	5,557
Repairs and maintenance*	<b>15,948</b>	15,492
Water and electricity*	<b>15,739</b>	15,001
Rental income from investment properties (excluding hotel property)#	<b>(3,548)</b>	(6,270)
Less: Direct operating expenses from investment properties that generated rental income*	<b>344</b>	1,047
Rental income from investment properties (excluding hotel property) less direct operating expenses	<b><u>(3,204)</u></b>	<b><u>(5,223)</u></b>

\* recorded as "Other operating expenses"

# recorded as "Revenue"

^ recorded as "Staff costs including directors' emoluments"

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest charges on borrowings	248	258
Interest on bank overdrafts	849	–
Interest on lease liabilities	306	–
	<u>1,403</u>	<u>258</u>

## 7. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year, except for the first HK\$2,000,000 of a qualified entity's assessable profits which is calculated at 8.25%. The two-tiered profits tax rates regime is applicable to one entity within the Group for the years ended 31 March 2024 and 2023.

The Group's entity established in the Australia is subject to the Corporate Income Tax at a statutory rate of 30% for the years ended 31 March 2024 and 2023. Australia capital gains are calculated separately from income tax, by identifying the capital proceeds with respect to the designated Capital Gains Tax events includes disposal of assets and events arising from the tax consolidation rules and deducting the relevant cost base. Capital gains are reduced by amounts that are otherwise assessable under the ordinary income tax rules. Capital losses are deductible only from taxable capital gains and cannot be offset against ordinary income. However, ordinary or trading losses are deductible from net taxable capital gains.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
– Hong Kong Profits Tax	9,929	20,376
– Australia Corporate Income tax	2,680	14,671
Over-provision in prior years		
– Hong Kong Profits Tax	(102)	–
Deferred taxation		
– Origination of temporary differences	4,377	6,808
	<u>16,884</u>	<u>41,855</u>

## 8. DIVIDENDS

### (a) Dividends attributable to the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend paid Nil (2023: HK3 cents per share)	–	71,938
Special interim dividend paid Nil (2023: HK2 cents per share)	–	47,958
Proposed final dividend HK3 cents per share (2023: Nil)	<b>71,938</b>	–
Proposed special dividend HK3 cents per share (2023: Nil)	<b>71,938</b>	–
	<b><u>143,876</u></b>	<b><u>119,896</u></b>

A final dividend of HK3 cents (2023: Nil) per share of the Company (the “Shares”) and special dividend of HK3 cents (2023: Nil) per Share have been proposed by the Board and are subject to the approval by the shareholders in the forthcoming annual general meeting of the Company (the “AGM”).

### (b) Dividends recognised as distributions during the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
2022 final dividend	–	71,938
2022 special dividend	–	71,938
2023 interim dividend	–	71,938
2023 special interim dividend	–	47,958
	<b><u>–</u></b>	<b><u>263,772</u></b>

## 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\$75,096,000 (2023: approximately HK\$166,564,000) and on 2,397,917,898 (2023: 2,397,917,898) ordinary shares in issue during the Reporting Period.

For the years ended 31 March 2024 and 2023, diluted earnings per share was the same as the basic earnings per share as there were no dilutive shares in issue.

## 10. INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Newsprint and printing materials	46,118	58,446
Spare parts and supplies	14,497	14,260
Others	2,030	1,777
	<u>62,645</u>	<u>74,483</u>

## 11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	48,029	62,629
Less: Loss allowance for ECL	<u>(2,920)</u>	<u>(3,855)</u>
	<u>45,109</u>	<u>58,774</u>

The Group allows an average credit of 90 days to its trade customers and no interest is charged. For the individual customers that had a good track record, the Group allows a longer credit term for them. All trade receivables are denominated in HK\$ and Australian dollars (“AU\$”).

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 60 days	23,504	25,933
61 – 90 days	5,816	7,852
Over 90 days	<u>15,789</u>	<u>24,989</u>
	<u>45,109</u>	<u>58,774</u>

## 12. LOANS AND INTEREST RECEIVABLES

The Group seeks to maintain strict control over its loans granting and outstanding loan receivables to minimise credit risk. These loans were approved and monitored by the management of the Group, whilst overdue balances are reviewed regularly for recoverability. At 31 March 2024, the Directors reassessed all collaterals located in Hong Kong with reference to recent market price of similar properties with a total market value of approximately HK\$704,900,000 (2023: approximately HK\$412,040,000).

If the customers repaid all the principal and interest in accordance with the loan agreement, the collateral is released and the transaction is deemed to be completed. In the event of default as defined in the relevant contract by customers, the Group might collect and sell the collaterals (through legal proceedings) after taking into legal advice. The risk of unrecoverable principal and interest is compensated by the realisable value of these collaterals.

## 13. 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:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 – 60 days	<b>3,922</b>	10,980
61 – 90 days	<b>150</b>	158
Over 90 days	<b>232</b>	238
	<b><u>4,304</u></b>	<u>11,376</u>

## 14. BORROWINGS

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Other loan	<b><u>7,592</u></b>	<u>7,572</u>

At 31 March 2024 and 2023, the other loan is denominated in AU\$ and is made by a non-controlling shareholder of a Subsidiary which is unsecured, and bears interest rate at 4% per annum and repayable on demand.



## **RESULTS**

The audited consolidated profit for the year attributable to owners of the Company for the Reporting Period amounted to approximately HK\$75,096,000, a decrease of approximately HK\$91,468,000, or approximately 55%, compared with the same period of last year. The revenue of the Group amounted to approximately HK\$628,996,000, representing a decrease of approximately HK\$48,169,000, or approximately 7%, compared with the same period of last year. The decrease in profit was mainly attributable to the decline of the overall performance of media business due to the decrease in revenue from publication and advertising, and the government no longer provides support subsidies during the Reporting Period, while the Group received the government support subsidies of approximately HK\$22,277,000 in the same period of last year, the gain on disposal of properties in Australia and the reversal of loss allowance for expected credit losses of license fee receivable from the settlement of the dispute with the hotel operator on license fee receivable in Australia with a total net amount of approximately HK\$19,472,000 in the same period of last year.

## **DIVIDENDS**

The Directors proposed a final dividend of HK3 cents (2023: Nil) per Share and a special dividend of HK3 cents (2023: Nil) per Share for the Reporting Period, payable to the shareholders of the Company (the “Shareholder(s)”) whose names appear on the Register of Members of the Company on Thursday, 29 August 2024. No interim dividend was paid by the Company (2023: an interim dividend of HK3 cents per Share and a special dividend of HK2 cents per Share). The dividends for the year amount to HK6 cents (2023: HK5 cents) per Share. The proposed final dividend and special dividend will be payable on or around Wednesday, 11 September 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the AGM to be held on Wednesday, 21 August 2024, the Register of Members of the Company will be closed from Thursday, 15 August 2024 to Wednesday, 21 August 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting in the forthcoming AGM, all transfers accompanied with the relevant Share certificates must be deposited with the Company’s Share registrar, Tricor Friendly Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 14 August 2024.

Subject to Shareholders' approval at the forthcoming AGM, the proposed final dividend and special dividend will be distributed to the Shareholders whose names appear on the Register of Members of the Company on Thursday, 29 August 2024. For the purpose of ascertaining Shareholders' entitlement to receive the proposed final dividend and special dividend, the Register of Members of the Company will be closed on Thursday, 29 August 2024. In order to qualify for payment of the proposed final 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 at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 28 August 2024.

## **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 48 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. Oriental Daily News continues to defy those in power, adapt to changes and innovate, maintain a strong competitive edge, concern with people's livelihood and persistently speak out for the public, which demonstrated the value of the media and gained support from extensive readers, thus consolidating its leading position in the local media.

“**on.cc**” continues to develop and enrich its contents, aiming at becoming the most popular news portal in Hong Kong. During the Reporting Period, on.cc accumulated more than 10 million downloads on its mobile app, achieving great success. Among others, the fastest and most up-to-date “Realtime News” platform is widely known for its exclusive coverage and information, together with its high resolution photos and videos. In addition, on.cc, assuming the role of the Fourth Estate in monitoring the government, has launched a brand new integrated information programme “Call on.cc With Instant Response (東呼即應)”, which has become an instant hit among netizens and attracted a large number of viewers. In order to enable the public to watch the programme at any time with only one click, a designated page has been added to the website and mobile app interface, allowing them to enjoy the latest content of the programme directly. A special section on “Call on.cc With Instant Response (東呼即應)” has been set up for the public to voice out their grievances, which had become the mainstay of the programme. Citizens could report their grievances through the 24-hour hotline, and the production team will dig into the matters and seek professional advice from experts and scholars, and try to identify and resolve the crux of the problem and speak for the victims, so as to realise the programme's mission of “Call on.cc (東呼)” and get “Instant Response (即應)” from all sectors of the community. This programme stands for the people of Hong Kong and support for it will get stronger and stronger. It had become a must-have mobile application for many people.

“onCH” continues to strive for excellence and innovation. During the Reporting Period, onCH launched various brand new funny programmes, including “Good Clothes And Good Food (好衣好食)”, “What Are They Arguing (嘈咩姐!嘈!)” and “Animal World (動物世界)”, which explore the latest trends of entertainment and restaurants, fashionable outfits, social hot topics, as well as funny pet news and trivia for the audience from Hong Kong and Mainland China, offering fascinating contents. The infotainment programmes “Health Directions (健康全方位)”, “Cindy Lover (仙迪LOVER)” and “Chill With Yammy (Yammy帶你Chill)” launched in August 2023 cover information on medical matters, fashion trends and travel tips, providing the most useful information in onCH. In addition, a designated page of “Call on.cc With Instant Response (東呼即應)” has been added to onCH, which helped the audience to keep abreast of the latest hot topics of concern among the general public. onCH also provides live and rebroadcast sports coverage, including the matches of FIFA World Cup Qualification, AFC Champions League, Hong Kong Premier League, A1 Division Championship and other popular sports events, allowing readers to enjoy a wide range of sports events anywhere, anytime.

“Money18” is a free real-time quote website designated by the Stock Exchange. Trusted by Hong Kong investors, with nearly one million registered users on its website and mobile app, it is undoubtedly one of the most influential real estate and finance information platforms in Hong Kong. The quality and functionality of its programmes are well recognised by stakeholders both within and outside the industry. Money18 also strives to develop live financial programmes. Financial experts have been invited to analyse market trends and share their investment insights with our readers through a wide range of financial programmes and live broadcasts, so that readers can understand the pulse of the market and anticipate the best opportunities for investment.

Hong Kong borders reopened in the beginning of 2023, which brought a short boom to local economy. However, the number of inbound tourists has not been satisfactory, and the consumption pattern of tourists is gradually changing. The public is travelling out of Hong Kong and to the Mainland to spend money there after the borders reopened, related industries like tourism and retail have been experiencing difficulties despite reopening of the borders. The number of application for deregistration submitted by local companies in the first quarter of 2024 increased drastically, which showed the challenging environment for local business. The imminent implementation of various fee-charging policies and the increase in fares of livelihood-related services amid the sluggish economy have added to the operating costs of all industries, while aggravating the pressure on household expenditure, thus reducing their spending. Under the dual influence of the persistently high interest rate and the levy of Special Stamp Duty, the value and number of transactions in Hong Kong’s residential property market fell for consecutive months, while the number of negative equity cases and loss selling cases continues to rise. Thus, property developers slowed down their selling paces, hitting hard on asset values and the property investment market. The global atmosphere remained tense, while the Russian-Ukraine war and Israeli-Palestinian conflict do not seem to have any sign of a ceasefire. Local business environment remains uncertain with foreign-invested enterprises relocating their business out of Hong Kong, the Hang Seng Index hitting near-decade low and the port container throughput of Hong Kong continuing to drop. In view of the negative factors such as economic downturn and the uncertain business environment, the public has become more cautious in spending and advertisers have cut down their advertising budgets in order to reduce operating costs. The Group’s media business faced significant operational challenges during the Reporting Period, with overall revenue down by approximately HK\$60,886,000, or approximately 10%, compared with the same period of last year. Among others, the publication and advertising income of “Oriental Daily News” was approximately HK\$464,813,000, representing a decrease of approximately HK\$45,087,000, or approximately 9%, compared with the same period of last year. The revenue from the digital media business stood at approximately HK\$99,363,000, down by approximately HK\$15,799,000, or approximately 14%, compared with the same period of last year.

Although the revenue of print media business recorded a decline during the Reporting Period, the increasingly complex global situation and heightened global inflation, as well as the persistently high oil prices and transportation costs, resulted in a slight decrease in cost of raw materials for print media by approximately HK\$1,577,000, or approximately 2%, compared with the same period of last year. In a challenging and difficult operating environment, the management kept a tight rein on cost control, cutting expenses on staff costs by approximately HK\$11,985,000, or approximately 3%, compared with the same period of last year, which to some extent offset the falling revenue and the high production costs.

Most of the local commercial properties held by the Group in North Point have been leased out, and the rental income stood at approximately HK\$3,548,000 during the Reporting Period, representing a decrease of approximately HK\$201,000, or approximately 5%, compared with last year. However, affected by uncertainties such as the uncertainty over the trend of Hong Kong dollar interest rate, the continuous downturn of the local economy and the high vacancy rate of local offices in recent years, the valuation of the investment properties held by the Group at the end of the Reporting Period decreased by approximately HK\$21,817,000, or approximately 12%, compared to that of last year and to the valuation of the investment properties transferred during the Reporting Period. In addition, an impairment loss of approximately HK\$5,224,000 was also recorded in respect of the local leasehold property held by the Group. That said, the Group's segment in Australia performed well, leading to a rise in the valuation of the Group's hotel property by AU\$3,360,000, or approximately 9%, compared to that of last year, partially offset the loss on valuation of the local investment properties.

The money lending business showed steady growth, with loan receivables of approximately HK\$523,917,000 at the end of the Reporting Period, an increase of approximately HK\$224,077,000, or approximately 75%, compared with last year. The average loan-to-value ("LTV") ratio stood at approximately 74%. During the Reporting Period, the effective interest rate of loan receivables from customers was approximately 10% per annum. The total loan interest income amounted to approximately HK\$45,453,000, up by approximately HK\$14,478,000, or approximately 47%, compared with the same period of last year. The Group's money lending business had a solid track record of selecting quality customers for the properties first mortgage loans and mainly undertake short-term loans. Each loan is subject to prudently assessment in terms of mortgage ratios and lending rates, in order to control the loan risk. Besides, we kept an eye on mortgage repayments and the market value of pledged properties, so as to reduce default risk. There were no bad debts recorded in the money lending business during the Reporting Period.

At the end of the Reporting Period, the Group's portfolio of outstanding loan receivables are as below:

<b>Outstanding loan receivables</b> (HK\$ per loan)	<b>Borrower</b> (Units)	<b>Loan annual interest rate</b> (%)	<b>Assets pledged</b>	<b>LTV ratio upon granting of loans</b> (%)	<b>Loan period</b> (Year(s))
More than 10,000,000	6	6.96% – 11.52%	Hong Kong properties	61% – 70%	1
Not more than 10,000,000 (*)	2	Not more than 2%	Hong Kong properties	50% – 68%	20

(\*) *Staff loans*

## BUSINESS OUTLOOK

The global situation has become increasingly complex and geopolitical tensions have intensified, with the Russian-Ukrainian war still raging and the conflict in the Middle East escalating again, spurring a surge in oil prices and persistent inflation. High interest rates have increased the operating costs of enterprises and undermined the recovery of the property market, while tensions between China and the US have not yet eased and the rise of trade protectionism have impacted on global supply chains and the rebuilding of the global economy in the aftermath of the epidemic. However, the government has introduced a number of measures to consolidate the momentum of recovery and organised various large-scale sports events and international summit to promote Hong Kong. The complete cancellation of the Special Stamp Duty for residential properties stimulated the transaction volume of residential property, advertisers in various industries are scrambling to seize the opportunities to increase their promotional campaign budgets, which is expected to boost the Group's advertising revenue. Besides, with international sports events like UEFA European Football Championship and Olympic Games being held in the second half of the year, which is expected to bring positive consumer sentiment and help to stimulate the local economy, leading to a direct benefit to the Group's media business. Against the backdrop of the complex geopolitical situation, coupled with the change in the global production supply chain, it is forecast that global inflation and the trend of transportation costs remain uncertain in 2024, and production costs for the Group's media business are expected to remain under pressure. The management will continue to implement cost-saving measures and will adjust its inventory level based on the conditions of the printing material market from time to time to minimise costs while maintaining sufficient raw materials for production. The Board is reasonably optimistic that the print media business would remain stable.

on.cc has seized the opportunities to launch a stylish advertising format. With an innovative mindset and a bold attitude to achieving a breakthroughs, on.cc will work with newspapers through digital technology to provide advertisers with a full range of online and offline cross-platform promotions, expanding the target consumer base and rendering potential advertisers greater confidence in the Group's promotions. on.cc will continue to produce and broadcast a wide range of exciting and popular programmes, including the expansion of video programmes on different themes and also sports programmes in cooperation with diversified and international sports events, aiming to achieve stronger competitiveness and increase the number of advertisers and readers. Although traditional print newspapers are constantly challenged by digital media, the media business remains the Group's most profitable segment. It proves that Oriental Daily News, as the "Paper for Hong Kong" and the best-selling newspaper in Hong Kong, has a large readership and an excellent and professional workforce, which is capable of keeping up with the times and withstanding any challenge by means of digitisation and complementing with online platforms.

Most of the local properties held by the Group have been leased out and are generating steady rental income for the Group. Owing to the downturn in the local office leasing market, however, rental income is expected to drop in the coming year. Meanwhile the valuation of the hotel property held by the Group in Australia has risen, as the tourism industry remains buoyant, which also led to a stable growth in the hotel licence fee. The Group has been holding the hotel property for almost two decades, accumulating a steady licence fee income and a significant growth in property valuation. The Group continues to actively seek buyers to lock in profits and to increase its cash flow. However, the overall office vacancy rate in Hong Kong also reached a record high for several months in a row during the Reporting Period, coupled with the high interest rate, investors exercise cautions in entering the market. Although the cancellation of the Special Stamp Duty for residential properties by the government has promoted a rise in property transaction volume, it will take time to restore investors confidence in the market. The Group will also look for and select high-yield projects for investment carefully.

The money lending business continues to expand, as large-scale properties mortgages continue to be the target clientele of the Group. The overall loan amount granted and the growth in interest income have reached their peak in recent years. Although residential property transactions in Hong Kong have picked up in recent months, the overall trend of property prices remains unclear, as new residential properties are being sold at low prices, the vacancy rate of office buildings is high, and the interest rates are high. The management will adopt stringent approval and risk management measures to maximise the return on the money lending business and minimise risks. In addition, despite persistently high Hong Kong dollar interest rates, the financing market has become more active. The management expects the Group's money lending business to expand steadily in the coming year, and will reserve funds for development and higher returns. The Board is optimistic about the prospect of the money lending business.

Rooted in Hong Kong for 55 years, the Group has gone through thick and thin with the Hong Kong people. We will speak out fearlessly for people as always. The Group will keep diversifying its operations and accordingly its business risks, creating corporate values and maximising returns for its shareholders. The Group will continue to invest in the development of new media business in response to the ever-changing technology and the far-reaching impact of digital media, so as to promote the concept of "seeing the world via on.cc".

## **SIGNIFICANT MATTERS AFTER THE END OF THE REPORTING PERIOD**

Subsequent to 31 March 2024, save as disclosed elsewhere in the consolidated financial statements, the Group has no significant subsequent events.

## **FINANCIAL RESOURCES AND LIQUIDITY**

The Group always maintains a strong liquidity. The net current assets as at 31 March 2024 amounted to approximately HK\$1,137,831,000 (2023: approximately HK\$1,029,465,000), which include time deposits, bank balances and cash amounting to approximately HK\$560,937,000 (2023: approximately HK\$665,196,000). As at 31 March 2024, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (2023: 0.4%).

## **CAPITAL EXPENDITURE**

During the Reporting Period, the Group's capital expenditure was approximately HK\$16,117,000 (2023: approximately HK\$4,709,000).

## **CONTINGENT LIABILITY**

As at 31 March 2024, 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 exchange currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The currency giving rise to this risk is primarily AU\$. 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 2024, the Group employed 856 employees (2023: 908). 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 all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the Reporting Period. The Company has adopted most of the recommended best practices stated therein.

## **AUDIT COMMITTEE**

The audit committee of the Company was established in compliance with Rule 3.21 of the Listing Rules. It has reviewed the accounting principles and practices adopted by the Group and the annual results for the Reporting Period with the management.

## **SCOPE OF WORK OF MAZARS CPA LIMITED**

The figures in respect of this announcement of the Group for the Reporting Period have been reviewed and agreed by the Company's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars on this announcement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the Company's model code for Directors' securities transactions (the "Model Code").

Following specific enquiries by the Company, all Directors have confirmed in writing their compliance with the required standards set out in the Model Code for the Reporting Period.

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

During the Reporting Period, neither the Company nor any of the Subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **AGM**

The AGM will be held on Wednesday, 21 August 2024 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules in due course.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL 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](http://www.hkexnews.hk). The annual report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites of the Company and the Stock Exchange in accordance with the Listing Rules in due course.

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

Hong Kong, 21 June 2024

*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. Yat-fai LAM and Ms. Ching-wah YIP.*